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Administering Independent Living Programs

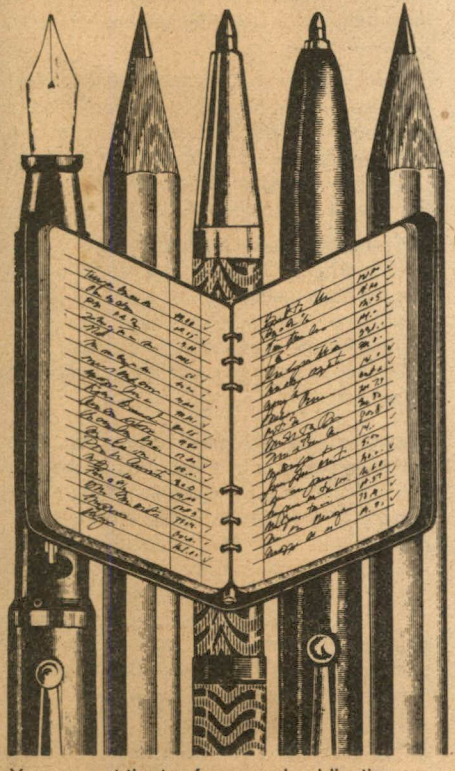
Institute for Information Studies

Department of the Treasury
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Recordkeeping for a Small Business

For use in preparing
1980 Returns



You can get the tax forms and publications referred to in this publication by writing to the IRS Forms Distribution Center listed in your Form 1040 or 1040A Instructions. Or, you can call the Tax Information number in the phone book listed under "United States Government, Internal Revenue Service."

Introduction

Everyone in a business must keep records that will help them to prepare complete and accurate tax returns and make sure that they pay only the tax they owe.

The tax law does not require any special kind of records. You may choose any system that is suited to your business and that will clearly reflect your income. Your permanent books (including inventory records) must show not only your gross income, but also your deductions and credits. In addition, you must keep the other records and data necessary to support the entries on your records and tax or information returns. Paid bills, canceled checks, etc., that verify entries on your records should be filed orderly and kept in a safe place. For most small businesses, the business checkbook is the prime source for entries in the business records.

The type of business you are in affects the kinds of business records that you will need to keep for federal tax purposes. If you are in one or more business activities and own a partnership interest in one or more businesses, you should keep a complete and separate set of records for each business.

The sample records set forth in this publication show the kinds of records that can be used by a small business operating as a sole proprietorship. Information about running your business as a partnership or as a corporation is found in Publication 541, *Tax Information on Partnerships*, or Publication 542, *Tax Information on Corporations*, which you may get from the Internal Revenue Service.

The Business Activity

A business is an activity carried on to earn a living or to make a profit. To be recognized as a business, you must have a profit motive and some type of economic activity. A profit making activity (a business) must be distinguished from an activity engaged in only for personal satisfaction.

Elements of a business. Two elements of a business are regular activities and transactions, and the production of income. If no income or a small amount of income is coupled with expenditures resulting in a loss, there may be a question as to whether a business was carried on in that year.

Having no income, however, does not stop you from deducting the ordinary and necessary expenses directly connected with or pertaining to your trade, business, or profession.

Example 1. In October 1980, you decide to enter the grocery business. Your tax year ends on December 31 each year. During November 1980, December 1980, and January 1981, you buy equipment and inventory items. You rent a building on February 1, 1981, and open for business on that date. This situation shows that you were merely getting ready to enter business in 1980. You did not actually start your business until 1981.

Example 2. You are a calendar year taxpayer and for several years have run a small upholstery business. Because of poor health, you decide to close your business in August 1980. You perform your last work in September 1980. You sell your business assets in March 1981. From this situation it is clear that you were running the upholstery business until September 1980. Depreciation of the property used in your business should end in September 1980. You must keep a record of the adjusted basis of each asset.

Setting up a new business. If you set up a new business, you are usually involved in buying single assets or groups of assets. The basis of each asset you buy is its cost. If you buy assets in groups, you must divide up the total purchase price among the items. See *Dividing the Basis* in Publication 551, *Basis of Assets*.

Buying an existing business usually does not result in the acquisition of one single asset—the business—but in the purchase of the individual assets that make up the business.

You must identify the expenditures you make in acquiring or organizing a business. This is because you may make different types of expenditures, such as items that are deductible, items which must be capitalized but may be depreciated or amortized, and items which must be capitalized that have no definite life and may never be deducted, depreciated or amortized during the life of the business.

A business asset may be tangible property such as a building or a machine, or intangible property such as a patent or franchise right.

Some examples of the ways you can get business assets are:

1) Cash purchase, or a cash down payment and a note for the rest of the purchase price;
2) Purchase in which a used asset is also traded-in;
3) Inheritance;
4) Gift;
5) Conversion of property held for personal use into a business asset;
6) Exchange for other assets; or
7) Transfer to a corporation in exchange for stock.

The basis of property you buy is usually its cost. The cost of property is the amount you pay for it in cash, debt obligations, or other property. If the asset has an expected useful life of more than one year, the cost or other basis generally is recoverable through annual depreciation deductions. Amounts you pay for your business assets are capital expenditures.

You use the basis or cost of your property to figure your gain or loss on its disposition and to figure the allowances for depreciation, amortization, and depletion. If major improvements are made to the asset, the cost is added to basis. Any casualty loss reduces basis. See Publication 534, *Depreciation*, for a discussion of how basis applies to depreciation.

Setting Up Your Records

You should set up your books using an accounting method that clearly shows your income for the accounting period that is your tax year.

Choosing a Tax Year

You must be able to figure your taxable income and file an income tax return based on a tax year.

A new taxpayer may choose a calendar or a fiscal tax year. The first tax year must be chosen on or before the time set by law (not including extensions) for the filing of a return for that year.

Tax year. A tax year is usually 12 consecutive months. It may be a calendar year or a fiscal year (including a period of 52 or 53 weeks). Also, your tax year may be less than 12 months, but it may not be more than 12 months unless you use a 52–53 week year.

Calendar year. A calendar year is 12 consecutive months ending on December 31. If you now are a calendar year taxpayer your sole proprietorship would also be on the calendar year basis.

Example. You are salaried and are reporting on the calendar year basis. If you go into business for yourself you may not change to a fiscal year basis unless you get approval from the Internal Revenue Service.

Fiscal year. A fiscal year is 12 consecutive months ending on the last day of any month other than December, or a 52–53 week year. To report on a fiscal year basis, your books must be kept on that basis.

A short period is a tax year of less than 12 months. A short period return is treated as a return for a full tax year.

If your records are not adequate or you have an accounting period that does not qualify for a fiscal year, your tax year will be the calendar year. Here, choosing a fiscal year will be treated as a change in your annual accounting period. You will need prior approval from the Internal Revenue Service, as discussed in Publication 538, *Accounting Periods and Methods.*

Choosing an Accounting Method

You may choose between two basic accounting methods: the cash method and the accrual method. In addition you may also choose special accounting methods such as the installment and deferred-payment methods. You may also use any combination of these methods that apply to your business needs as long as your income is clearly shown.

Inventories are needed to reflect income when the production, purchase, or sale of merchandise is an income producing factor. If inventories are needed to reflect income correctly, only the accrual method of accounting may be used for purchases and sales.

You must be consistent from year to year and figure your taxable income for the method of accounting regularly used in keeping your books, if that method clearly shows your income. Any method of accounting that shows the consistent use of generally accepted accounting principles according to accepted practices in your trade or business ordinarily will be regarded as clearly showing income. A method of accounting will clearly show income only if all items of gross income and all deductions are treated the same way from year to year.

The cash method. Under this method you report income when actually or constructively received, and you report expenses when actually paid.

Constructive receipt occurs when an amount is credited to your account or made available to you on demand. The amount must be available to you without any major restriction as to the time or manner of payment.

Example 1. Interest credited to your bank account in December is included in your gross income for that year and not for the following year when it is withdrawn or is entered in your passbook.

Example 2. Interest coupons matured and payable in one year but not cashed until the following year are included in income for the year in which they mature and are payable.

Holding checks or similar property from one tax year to another does not put off payment of tax on the income. Such income is properly included in the year when the checks or other property are set aside for you and are subject to your demand.

Example. A check or payment received on December 31, 1980, but not cashed or deposited until January 3, 1981, is included in your gross receipts for 1980, the year in which you actually received the amount.

Example. You received and deposited a check dated December 28, 1980, on January 2, 1981, for payment of goods. This amount must be included in gross receipts for 1981, the year the check is received.

Expenses paid in advance. Special treatment is given to payment of expenses that cover periods of more than one year. For example, the payment in one year of an insurance policy that extends over 3 years is figured in equal amounts over the period the insurance is in effect.

The accrual method. Income under the accrual method is reported in gross income when you earn it, even though you may receive the payment in a later year. It is not the actual receipt of payment but the right to receive it that is important. All events fixing the right to receive the income must have occurred. You must also be able to correctly figure the amount.

Example. A dealer operating on a calendar year basis sold a radio in November 1980. The customer was billed 2 days later but the dealer did not receive payment until February 1981. The dealer includes the amount of the sale in income for 1980. The income was earned in that year.

Under this method, expenses are deducted when they are incurred rather than when they are paid. All events fixing the liability must have occurred. You must also be able to correctly figure the amount of expense.

Example. You are a calendar year taxpayer and in December 1980, you buy office supplies. You are billed in the same month, but make payment in January 1981. The expense is deductible in 1980 because the liability was incurred in that year.

Combination of methods. You may use any combination of accounting methods if the combination is applied consistently and clearly reflects income. This combination of methods is known as a ***hybrid method.***

Cash or accrual. If you use the accrual method of accounting for purchases and sales you may use the cash method in figuring all other items of income and expenses. However, if you use the cash method in figuring gross income from your trade or business, you must use the cash method for business expenses. Similarly, if you use the accrual method for business expenses, you must use the accrual method for all items affecting gross income from your trade or business.

Business and personal items may be accounted for under different methods of accounting. Thus, you may figure the income from your business under an accrual method even though you use the cash method for personal items.

If you own more than one business you may use a different method of accounting for each business as long as the method used for each clearly reflects income. Each business must have a complete and separate set of books and records kept for it.

Example. You run a personal service business and a manufacturing business. You may use the cash method for the personal service business but you must use the accrual method for the manufacturing business because inventories are important in accounting for your income.

Changing your method of accounting. Once you have set up your accounting method, you can not change it without first getting the consent of the Internal Revenue Service. A change in the method of accounting includes a change not only in the overall system of accounting, but also in the treatment of particular material items. For examples of changes requiring consent and the rules on how you get consent, see Publication 538, which you may get from the Internal Revenue Service.

A Single- or Double-Entry Bookkeeping System

You must decide whether to use a single- or a double-entry bookkeeping system. The single-entry system of bookkeeping is the simplest to maintain, but, it may not be good for everyone. You may find that the double-entry

system is better because it has built-in checks and balances to assure accuracy and control.

Single-entry bookkeeping is a system that is based on the income statement and not on the balance sheet. It can be a simple system, and very practical if you are starting out in a small business. For tax purposes, the system records the flow of income and expenses through the use of a daily summary of cash receipts, a monthly summary of receipts, and a monthly summary of disbursements.

Double-entry bookkeeping uses journals and ledgers. Transactions are first entered in a journal and then summary totals are posted to ledger accounts to show income, expenses, assets, liabilities, and net worth. Income and expense accounts are closed at the end of each accounting period. Asset, liability, and net worth accounts are kept open on a permanent basis.

The double-entry system is self-balancing. Since business transactions are an exchange of one thing for another, double-entry bookkeeping shows this effect by recording every transaction as a debit entry in one account and as a credit entry in another. Under this system, after the journal entries are posted to the ledger accounts, the total of the amounts entered as debits must equal the total of the amounts entered as credits. If the accounts do not balance an error has been made and steps can be taken to find and correct the error.

At the end of each accounting period financial statements may be prepared. These statements are generally the income statement and the balance sheet. The income statement reflects current operations for the year. The balance sheet shows the financial position of the business in terms of assets, liabilities, and net worth at an exact point in time.

Additional information. You can get more information on accounting systems and on basic accounting terms and procedures from various Small Business Administration publications, such as, Small Business Management Series No. 32, *Financial Record Keeping for Small Stores.* This may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from the U.S. Government Printing Office in your area.

Effective Records

Good records are needed for good management. The following list shows what good records can do for you.

Identify source of receipt. The money or property you receive can come from many sources. Your records can identify the source of your receipts, so you can prove that they are from nonbusiness sources, or that they may not be taxable.

Keep track of deductible expenses. Expenses may be forgotten when you prepare your tax return, unless you record them when they occur.

Figure depreciation allowance. You should record the assets you can depreciate in a permanent record. Without a record of the cost and other information on your assets, you cannot figure your depreciation deductions. If the assets are sold or become fully depreciated, or if capital improvements are made to them, only a permanent record will show how much of their cost you have not recovered. The concept of depreciation is explained later under *Depreciation deduction.*

Take advantage of capital gain and loss laws. If your records are good and complete, they will show the date an asset was acquired, what it was used for, and whether it was sold, traded, destroyed, or otherwise disposed of. With this information you may be able to use the capital gain or loss laws. You also may be allowed to put off paying tax on certain gains, or to deduct 100% of certain losses that otherwise would not be deductible or would be only partly deductible.

Determine your earnings for self-employment tax purposes. The self-employment tax is part of the system for providing social security coverage for people who work for themselves. The social security benefits that you can get when you retire, or are disabled, or that your family can get when you die, depend on how much you earn. Your records should show how much of your earnings you pay self-employment tax on.

Support items reported on your income tax return. If your income tax return is examined by the Internal Revenue Service, you may be asked to explain the items reported. Adequate and complete records are always supported by sales slips, invoices, receipts, bank deposit slips, canceled checks, and other documents.

Support items on other tax returns. You may have to pay for several types of federal taxes, depending on your type of business. If any of these returns are examined, you may be asked to explain the items reported. A complete set of records will speed up the examination. Publication 509, *Tax Calendar for 1981,* has a tax calendar and check list with due dates of various taxes that might apply to your business. You may get a copy of this publication from the Internal Revenue Service.

Employment taxes. If you hire one or more employees to help you run your business, you will probably have to withhold federal income tax from their wages. You may also be subject to the Federal Insurance Contributions Act (social security) and the Federal Unemployment Tax Act (unemployment insurance).

Employer identification number. Every employer subject to employment taxes must have an employer identification number. You can get your application Form SS-4, *Application for Employer Identification Number,* from the Internal Revenue Service or the nearest Social Security Administration office.

If your Form SS-4 shows that you are starting a new business, the Internal Revenue Service office processing your application will tell you how to get a copy of Publication 454, *Your Business Tax Kit.* This kit includes samples of the federal tax forms that you will need.

For information on employment taxes and reporting requirements, see Publication 539, *Withholding Taxes and Reporting Requirements.*

An exhibit of an employee payroll record is included in the *Sample Record System* at the end of this publication.

Recordkeeping

A typical recordkeeping system for a small business might include the following:

- Daily Summary of Cash Receipts
- Monthly Summary of Cash Receipts
- Check Disbursements Journal
- Depreciation Record
- Employee Compensation Record
- Business Checkbook

Books. You are not required to keep your records in bound books. Records are adequate if they show current income on the basis of an annual accounting period.

Keeping records. You must keep the books and records of your business available at all times for inspection by the Internal Revenue Service. Your records must be kept as long as they may be needed in the administration of any Internal Revenue law.

Retain copies. Keep records that support an item of income or deduction on a return until the statute of limitations runs out. Usually, the statute of limitations for an income tax return ends 3 years after the return is due or filed, or 2 years from the date the tax was paid, whichever occurs later.

If you are an employer, you must keep all your employment tax records for at least 4 years after the date the tax becomes due or is paid, whichever is later.

Keep records that verify your basis in property for as long as they are needed to figure the basis of the original or replacement property. Occasionally, Congress passes laws giving relief to taxpayers in certain situations. You will be able to take advantage of these laws only if your records show that you are eligible. Your records can prove that you had the needed transactions in earlier years.

You should keep copies of your filed tax returns. They help in preparing your future tax returns, and in making computations if you later file a claim for refund. They may also be helpful to the executor or administrator of your estate, or to the Internal Revenue Service if your original return is not available.

For more information about recordkeeping requirements, the *Guide to Record Retention Requirements* may be purchased from the Superintendent of Documents, U.S. Government

Printing Office, Washington, D.C. 20402. It may also be available at G.P.O. bookstores throughout the country.

Sample Record System

The books that have been described are used in the bookkeeping system illustrated on the following pages. This is a single-entry system used by Henry M. Brown, the sole proprietor of a small automobile body shop. Henry, who uses part-time help and has no significant inventory, uses the cash method of accounting.

These sample records ***should not*** be viewed as a recommendation that your records be kept this way. They are used only to show the simple form in which business records can be kept.

The following explanations are keyed to the numbers and letters on the sample records and the 1980 Schedule C (Form 1040). The bracketed numbers help you to key certain portions of the discussion with certain illustrations. The bracketed letters and the related discussions identify and explain the progession of certain transactions throughout the sample system.

The design of Schedule C may change from year to year. You should make sure that all items are entered on the correct line of the current form.

[1] Daily Summary of Cash Receipts. This summary records cash sales for the day and accounts for the cash over and above the amount in your Change and Petty Cash at the beginning of the day.

You may take the Cash Sales entry from your cash register tape, or if you have no cash register, you may simply total your cash sale slips and any other cash received for the day.

[A] The total of cash receipts ($67.80) for January 2, 1980, is taken from the Daily Summary of Cash Receipts and is entered in the Monthly Summary of Cash Receipts. This gives you the total monthly receipts from which total monthly taxable income is figured.

[2] Monthly Summary of Cash Receipts. This provides the income activity for the month showing such items as net sales, sales tax, receipts, and deposits in separate columns. A single figure can be arrived at for each account in its separate column. For tax purposes, the most important total derived from the Monthly Summary of Cash Receipts is the amount of monthly taxable transactions shown as net sales.

[B] The total monthly net sales ($4,620.98) is carried to the Annual Summary to figure gross receipts.

To figure total monthly net sales, reduce the total monthly receipts by the actual amount of sales tax to be turned over to the state. You may not take a deduction for the sales tax turned over to the state because you have not included this amount in income.

Another way to handle sales tax is to include the total sales tax collected in your gross receipts and take a deduction for sales taxes in the amount and at the time they are paid over to the state. Because the various states and local jurisdictions have different requirements for the collection of sales taxes, you should contact the taxing authorities in your area for sales tax regulations.

[3] Check Disbursements Journal. You should enter checks drawn on your business checking account in your Check Disbursements Journal each day. All checks should be prenumbered and every check number should be accounted for in the narrow column provided for check numbers on the journal.

The more frequent expenses are set up with their own headings across the sheet. You should enter in a separate account column expenses that normally require comparatively numerous or large payments each month, such as materials, supplies, and rent.

Personal or nonbusiness checks should not be drawn on the business account. If they are drawn on the business account you should record them in the journal, even though they may be nondeductible as business expenses. You may enter under the general account column small expenses that normally have only one or two monthly payments, such as for license and sales tax.

[C] The monthly total of material and supplies ($1,083.50) is carried to the Annual Summary of Schedule C Entries. Similarly, monthly expenses for trucks, telephones, etc., are entered in the appropriate columns of this summary.

Petty cash fund. You can use a petty cash fund to make small payments without having to write checks for small amounts. Each time you make a payment from this fund, you should make out a petty cash slip and clip it to your receipt as proof of payment. You should set up a fixed amount in your petty cash fund ($30.00 in the illustrated example). The total of the unspent petty cash and the petty cash slips should equal the fixed amount of the fund. When the total of petty cash slips approaches the fixed amount, you should bring the cash in the fund back to the fixed amount by writing a check to "Petty Cash" for the amount of the outstanding slips. This will restore the fund to its fixed amount. The slips are then summarized and entered in the proper columns in the monthly check disbursements journal.

[4] Annual Summary for Schedule C Entries. This annual summary of monthly income and expense totals provides final annual amounts to be entered on your tax return. The annual summary is taken from the total of monthly income items such as [B], which is taken from the Monthly Summary of Cash Receipts, and from monthly expenditures like [C], which is taken from the Check Disbursements Journal. As in the case of the Check Disbursements Journal, each major expense is kept in a separate column.

[D] The gross receipts total ($47,196.88) arrived at on the annual summary is entered under Part I, line 1 of Schedule C.

[E] The annual expense total for materials and supplies ($9,872.11) is carried from the annual summary and entered under materials and supplies on Schedule C-1 to determine the cost of operations. This total is then entered in Part I, on line 2 of Schedule C.

There are no inventories in this example since the buying of parts and supplies is on a per job basis. A business having significant inventories must complete the appropriate lines dealing with inventory on Schedule C-1.

Annual totals for rent, wages, taxes, and interest are entered on the appropriate lines of Schedule C. Other annual business expense totals are entered as separate items under line 32 of Schedule C.

[5] Record of Depreciable Property. Another major item entered on Schedule C is the depreciation allowed on the depreciable assets used in your trade or business. The sample depreciation record shows examples of items depreciated on the ***straight line*** and ***declining balance*** methods.

You must take depreciation in the year in which it is sustained. You can not deduct in any one year the allowable depreciation that you failed to take in a prior year. The amount of depreciation that you may claim for the tax year is shown in your depreciation record under *Depreciation This Year.*

[F] The amount of the depreciation for the tax year ($1,640.32) is carried from the depreciation record to Schedule C-2. The total depreciation ($1,640.32) claimed for the tax year is then carried from the Schedule C-2 to Part II, Line 13 of Schedule C (Form 1040).

Depreciation deduction. The deduction for depreciation may only be taken for property used in your trade, business, or held for the production of income. You may recover your cost or other basis of the depreciable property during its estimated useful life. Before you can figure depreciation you must know an asset's estimated useful life, its basis, and its estimated salvage or trade-in value.

You may use any reasonable method that is consistently applied to figure depreciation. The two methods most commonly used are the straight line and the declining balance methods. To determine what types of property qualify for a certain method of depreciation, see Publication 534, *Depreciation.*

Under the ***straight line method,*** the cost or other basis of the property less its estimated salvage value is deductible in equal amounts over the estimated useful life of the property. This allowance for depreciation for the tax year is figured by dividing the adjusted basis of the property (less salvage value) at the beginning of the tax year by the remaining useful life of the property.

Under the ***declining balance method,*** a depreciation deduction is taken the first year the property is in use, and a gradually smaller allowance is taken in each of the following years. The depreciation taken each year is subtracted from the basis of the property before figuring the next year's depreciation, so

that the same depreciation rate is applied to a smaller or declining balance each year.

The special rules for figuring other methods of depreciation, such as the sum of the years-digits method, the requirements for figuring additional first year depreciation, and the detailed explanations of useful life and salvage value are in Publication 534. For a detailed discussion of allocation of cost, see Publication 551, *Basis of Assets,* and for determining qualifying property for investment credit, see Publication 572, *Investment Credit.* You can get a copy of these publications from the Internal Revenue Service.

[6] An Employee Compensation Record is kept for each employee. It records the number of hours worked by each employee in a pay period and the individual's total pay for the period. Deductions withheld are recorded to show the computation of the employee's resulting net pay. It also records monthly gross payroll [G], which is carried to your Annual Summary [4].

Detailed instructions on how to figure the amounts for deductions for social security and federal income tax withheld amounts are contained in Publication 15, *Circular E, Employer's Tax Guide,* available from the Internal Revenue Service. It also explains the rules for reporting withheld amounts on Form 941, *Employer's Quarterly Federal Tax Return,* and the requirements for depositing these amounts with Federal Tax Deposit, Form 501.

As an employer, you may be liable for Federal Unemployment Tax (FUTA). For more information, you should get a copy of Publication 15.

The Business Checkbook

The business checkbook is your basic source for keeping a record of your business expenses. It is recommended that all daily receipts be recorded here.

You should use a checkbook that allows enough space to enter enough information to determine later what money represents income and what money represents personal funds or loans deposited. You should note on the deposit slips the source of the deposit. Keep copies of all deposit slips.

You should deposit all business receipts in a business bank account and set up a petty cash fund for small expenses. All business expenses paid by cash should clearly show that they are for business purposes.

You should make all payments by check so that business expenses are well documented. Do not write checks payable to cash or to yourself unless they are drawn for personal reasons. If you must write a check payable to cash or to yourself to pay for a business expense by cash, you should include the receipt for the cash payment in your records. If you cannot get a receipt for a cash payment, you should make an adequate explanation in your records at the time of payment.

Reconciling your checking account. Before you start to reconcile your monthly bank statement, check your own figures. Begin with the balance as shown in your checkbook at the end of the prior month. To this balance add the total cash deposited during the month and subtract total cash disbursements.

You can figure the amount of your bank deposits from the monthly total in the Monthly Summary of Cash Receipts. The amount of cash disbursements is the total in the "Amount of Check" column of your Check Disbursements Journal. The result should agree with your checkbook balance at the end of the month.

If, after adding total cash deposits and subtracting total cash disbursements from last month's checkbook balance, the result does not agree with your checkbook's balance at the end of the month, you may have made an error in recording check or deposit amounts. You can find such errors by taking the following steps:

1) Add the check amounts on your check stubs, and compare that total with the total in the "Amount of Check" column of your Check Disbursements Journal. If the totals do not agree, check the corresponding individual amounts to see if an error was made in your check stub record or in the related entry in the "Amount of Check" column of your Check Disbursements Journal.
2) Add the deposit amounts in your checkbook. Compare that total with the monthly total of Daily Receipts in the Monthly Summary of Cash Receipts. If the totals do not agree, check the individual amounts to find any errors.

If your checkbook and journal entries still disagree, then recompute the running balance in your checkbook to make sure additions and subtractions are correct. When you are sure that your checkbook has no math errors, you may begin reconciling your checkbook record with the bank statement by carrying out the following steps—

1) Compare all canceled checks and other debits (such as service charges) in the *Checks or Other Debits* column of the statement. Make sure that you issued all the checks correctly and that you charged the correct amounts against your account.
2) Compare the deposits listed on the bank statement with the deposit amounts shown in your checkbook. Account for all differences. List in the first section of the reconciliation any in-transit deposits entered in your checkbook that do not appear on the bank statement. In the sample reconciliation, the deposits of $764.96 and $608.81 are in-transit deposits. Normally these will be deposits made toward the end of the month.
3) Put all the canceled checks in numerical order.
4) Compare each canceled check including both check numbers and dollar amount with the proper entry on your checkbook stubs. If correct, mark that number on the checkbook as having cleared the bank. After accounting for all checks returned by the bank, those not checked on your checkbook are your outstanding checks. List in the next section of the reconciliation these outstanding checks. In the sample reconciliation, checks numbered 88, 89, 92, and 93 were still outstanding.
5) Errors you find while carrying out any of the preceding steps should be entered in the last section of the reconciliation under Add or Subtract.
6) Enter service charges and other bank debits, determined in step (1) in the last section of the reconciliation under Add or Subtract.
7) Update your checkbook by entering items on the reconciliation but not recorded (such as service charges). At this point, the adjusted bank statement should equal your adjusted checkbook balance. If you still have differences, check to find out whether errors in the prior steps have been made.

In the illustrated sample reconciliation the checkbook balance must be decreased to reflect the net adjustment of $4.00 ($10.00 minus $6.00). On the records for Brown's Automobile Body Shop the only adjustment needed is to the Check Disbursements Journal for the $10.00 bank service charge. No adjustment is needed on the Monthly Summary of Cash Receipts because the January 7 deposit of $741.62 was correctly entered in that record.

[1]——Daily Summary of Cash Receipts

Cash Sales		66 45
Sales Tax		1 35
Total Receipts		67 80 [A]
Cash on Hand		
Cash in Register (Including unspent petty cash)		
Coins	13 75	
Bills	53 00	
Checks	24 05	
Total Cash in Register		90 80
Petty Cash Slips		7 00
Total Cash		97 80
Less: Change and Petty Cash		
Petty Cash Slips	7 00	
Coins and Bills (unspent petty cash)	23 00	
Total Change and Petty Cash Fund		30 00
Total Cash Receipts		67 80

[2]—— Monthly Summary of Cash Receipts

Date		Net Sales	Sales Tax	Daily Receipts	Deposit
1990					
[A]— JAN	2	66 45	1 35	67 80	
	3	194 40	3 10	197 50	
	4	222 40	3 54	225 94	
	5	109 02	1 73	110 75	
	7	137 50	2 13	139 63	741 62
	8	187 90	2 99	190 89	
	9	207 56	3 31	210 87	401 76
	10	128 95	2 05	131 00	
	11	231 40	3 77	235 17	
	12	201 28	3 21	204 49	
	14	88 01	1 40	89 41	660 07
	15	210 95	3 36	214 31	
	16	207 41	3 30	210 71	425 02
	17	221 80	3 53	225 33	
	18	225 15	3 59	228 74	
	19	121 63	1 94	123 57	
	21	159 72	2 54	162 26	739 90
	22	130 84	2 08	132 92	
	23	216 37	3 45	219 82	352 74
	24	220 05	3 50	223 55	
	25	197 80	3 15	200 95	
	26	184 48	2 94	187 42	
	28	150 64	2 40	153 04	764 96
	29	224 05	3 56	227 61	
	30	210 14	3 35	213 49	
	31	165 08	2 63	167 71	608 81
[B]—		4620 98	73 90	4694 88	4694 88

[3]—Check Disbursements Journal

1980		Paid To	Ck. No.	Amount of Check	Materials	Gross Payroll	Federal Withheld Income Tax	FICA Reserve	State Withheld Income Tax
Jan	2	City Treasurer	75	35 00					
	3	Auto Parts, Inc.	76	203 00	203 00				
	4	Henry Brown	77	250 00					
	4	Void	78						
	4	Joe's Service Station	79	74 50	29 50				
	4	ABC Auto Paint	80	137 50	137 50				
	11	Henry Brown	81	225 00					
	11	John E. Marks	82	123 90		142 80	(7 30)	(8 75)	(2 85)
	16	Telephone Co.	83	27 00					
	18	National Bank	84	91 72					
	18	Auto Parts, Inc	85	472 00	472 00				
	18	Henry Brown	86	275 00					
	24	Electric Co.	87	175 30					
	25	A.J. Ignition	88	66 70	66 70				
	25	Baker's Fender Co.	89	9 80	9 80				
	25	Petty Cash	90	17 00	15 00				
	25	Henry Brown	91	225 00					
	25	John E. Marks	92	123 90		142 80	(7 30)	(8 75)	(2 85)
	25	Baker's Fender Co.	93	150 00	150 00				
	25	Enterprise Properties	94	300 00					
	25	National Bank (Tax Deposit)	95	49 60			14 60	17 50	
	25	State Treasurer	96	5 70					5 70
	25	State Treasurer	97	73 90					
				3,111 52	1,083 50	285 60	-0-	-0-	-0-
		Bank Service Charge		10 00					
				3,121 52	1,083 50	285 60	-0-	-0-	-0-

[C]

Check Disbursements Journal

Employer's FICA Tax	Electric	Interest	Rent	Telephone	Truck/ Auto	Drawing	General Accounts	
							License	35 00
						250 00		
					45 00			
						225 00		
				27 00				
		18 09					Truck Loan	73 63
						275 00		
	175 30							
							Postage	2 00
						225 00		
			300 00					
17 50								
							Sales Tax	73 90
17 50	175 30	18 09	300 00	27 00	45 00	975 00		184 53
								10 00
17 50	175 30	18 09	300 00	27 00	45 00	975 00		194 53

[4]—Annual Summary

[B] [C] [G]

	Cash Receipts	Materials	Gross Payroll	FICA Taxes
JANUARY	4620 98	1083 50	285 60	17 50
FEBRUARY	3478 32	874 93	235 40	14 43
MARCH	3942 00	724 90	262 71	16 10
APRIL	4077 02			
MAY	4066 32			
JUNE	4151 62			
JULY	3812 12			
AUGUST	3741 82			
SEPTEMBER	4126 52			
OCTOBER	3877 72			
NOVEMBER	3645 92			
DECEMBER	3656 52			
TOTALS	47196 88	9872 11	3010 00	184 51

[D] [E]

[5]—— DEPRECIATION

LINE	Description	Date Acquired	Total Cost	New or Used	Investment Credit			Additional First Year Depreciation	Salvage Value
					Amount	Year Claimed	Year Used		
	AUTO (½ OF $4,600)	1/7/78	2,300.00	N	76.66	78	78	N/A	300.00
	TRUCK	1/10/79	4,418.00	N	294.55	79	79	N/A	N/A
	EQUIPMENT	7/1/79	600.00	U	40.00	79	79	120.00	-0-
	TOTALS		7,318.00		411.21			120.00	300.00

for Schedule C Entries

Bank Charges	Electric	Interest	Rent	Telephone	Truck/Auto	Miscellaneous
10 00	175 30	18 09	300 00	27 00	45 00	36 00
7 50	155 10	18 09	300 00	21 50	28 50	15 90
11 25	145 81	18 09	300 00	32 10	51 30	32 15
92 50	1642 37	217 08	3600 00	324 09	571 46	713 16

RECORD

Depreciation Information			19 80		19 81	
Balance for Regular Depreciation	Life	Method	Depreciation Prior Years	Depreciable Balance Beginning of Year	Depreciation This Year	Depreciable Balance Beginning of Year	Depreciation This Year
2,000.00	SL	4	1,000.00	1,000.00	500.00	500.00	
4,418.00	DB	5	1,767.20	2,650.80	1,060.32	1,590.48	
480.00	SL	6	40.00	440.00	80.00	360.00	
6,898.00			2,807.20	4,090.80	1,640.32 [F]	2,450.48	

SCHEDULE C (Form 1040)
Department of the Treasury
Internal Revenue Service

Profit or (Loss) From Business or Profession

(Sole Proprietorship)
Partnerships, Joint Ventures, etc., Must File Form 1065.
▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

1980
09

Name of proprietor: HENRY M. BROWN
Social security number of proprietor: 458 74 0325

A Main business activity (see Instructions) ▶ AUTO REPAIRS ; product ▶ SERVICES

B Business name ▶ BROWN'S AUTO BODY SHOP

C Employer identification number: 9 9 9 9 9 9 9 9 9

D Business address (number and street) ▶ 215 AMHERST AVENUE
City, State and ZIP Code ▶ NEWARK, NEW JERSEY 07103

E Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

F Method(s) used to value closing inventory:
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (if other, attach explanation)

C

	Yes	No
G Was there any major change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.		
H Did you deduct expenses for an office in your home?		X
I Did you elect to claim amortization (under section 191) or depreciation (under section 167(o)) for a rehabilitated certified historic structure (see Instructions)? (Amortizable basis (see Instructions) ▶)		X

Part I Income

[D] 1 a	Gross receipts or sales	1a	47,196	88
b	Returns and allowances	1b		
c	Balance (subtract line 1b from line 1a)	1c	47,196	88
[E] 2	Cost of goods sold and/or operations (Schedule C–1, line 8)	2	9,872	11
3	Gross profit (subtract line 2 from line 1c)	3	37,324	77
4	Other income (attach schedule)	4	—	
5	Total income (add lines 3 and 4) ▶	5	37,324	77

Part II Deductions

6	Advertising				
7	Amortization				
8	Bad debts from sales or services				
9	Bank charges	92	50		
10	Car and truck expenses	571	46		
11	Commissions				
12	Depletion				
[F] 13	Depreciation (explain in Schedule C–2)	1,640	32		
14	Dues and publications				
15	Employee benefit programs				
16	Freight (not included on Schedule C–1)				
17	Insurance				
18	Interest on business indebtedness	217	08		
19	Laundry and cleaning				
20	Legal and professional services				
21	Office supplies				
22	Pension and profit-sharing plans				
23	Postage	40	00		
24	Rent on business property	3,600	00		
25	Repairs				
26	Supplies (not included on Schedule C–1)	129	34		
27	Taxes	92	96		
28	Telephone	324	09		
29	Travel and entertainment				
30	Utilities	1,642	37		
31 a	Wages	3,010	00		
b	Jobs credit				
c	WIN credit				
d	Total credits	—			
e	Subtract line 31d from 31a			3,010	00
32	Other expenses (specify):				
a	FICA			184	51
b	FUTA			102	34
c	License			35	00
d	Miscellaneous			313	52
e					
f					
g					
h					
i					
j					
k					
l					
m					
n					
o					
p					
q					
r					
s					
33	**Total deductions** (add amounts in columns for lines 6 through 32s) ▶			11,995	49
34	Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35			25,329	28

35 If you have a loss, do you have amounts for which you are **not** "at risk" in this business (see Instructions)? ☐ Yes ☐ No

SCHEDULE C–1.—Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part I, line 2)

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)			1	
2 a Purchases	2a			
b Cost of items withdrawn for personal use	2b			
c Balance (subtract line 2b from line 2a)			2c	
3 Cost of labor (do not include salary paid to yourself)			3	
4 Materials and supplies			4	9,872 11 [E]
5 Other costs (attach schedule)			5	
6 Add lines 1, 2c, and 3 through 5			6	9,872 11
7 Inventory at end of year			7	
8 Cost of goods sold and/or operations (subtract line 7 from line 6). Enter here and on Part I, line 2 ▶			8	9,872 11

SCHEDULE C–2.—Depreciation (See Schedule C Instructions for line 13)

If you need more space, please use Form 4562.

Description of property (a)	Date acquired (b)	Cost or other basis (c)	Depreciation allowed or allowable in prior years (d)	Method of computing depreciation (e)	Life or rate (f)	Depreciation for this year (g)
1 Total additional first-year depreciation (do not include in items below) (see instructions for limitation) ▶						
2 Other depreciation:						
TRANSPORTATION EQUIPMENT	1-7-78	2,300.00	1000.00	SL	4 yrs	500 00
MACHINERY AND OTHER EQUIPMENT	7-1-79	600.00	40.00	SL	6 yrs	80 00
Tow Truck	1-10-79	4,418.00	1,761.20	DDB	5 yrs	1,060 32
3 Totals		7,318.00			3	1,640 32
4 Depreciation claimed in Schedule C–1					4	— [F]
5 Balance (subtract line 4 from line 3). Enter here and on Part II, line 13 ▶					5	1,640 32

SCHEDULE C–3.—Expense Account Information (See Schedule C Instructions for Schedule C–3)

Enter information for yourself and your five highest paid employees. In determining the five highest paid employees, add expense account allowances to the salaries and wages. However, you don't have to provide the information for any employee for whom the combined amount is less than $25,000, or for yourself if your expense account allowance plus line 34, page 1, is less than $25,000.

Name (a)	Expense account (b)	Salaries and wages (c)
Owner		
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with:	Yes	No
A Entertainment facility (boat, resort, ranch, etc.)?		X
B Living accommodations (except employees on business)?		X
C Conventions or meetings you or your employees attended outside the U.S. or its possessions? (see Instructions)		X
D Employees' families at conventions or meetings?		X
If "Yes," were any of these conventions or meetings outside the U.S. or its possessions?		
E Vacations for employees or their families not reported on Form W–2?		X

[6]

EMPLOYEE COMPENSATION RECORD

NAME John E. Marks
ADDRESS 1 Elm St. Newark, N.J.
PHONE 768-6075

FULL TIME ____
PART TIME X

SOC. SEC. NO. 567-03-1973
DATE OF BIRTH 12-21-51
NO. OF EXEMPTIONS Single - 1

Pay Period Ending	Hours Worked S M T W T F S S M T W T F S	Total Reg. Hours	Over-time	Earnings: Regular Rate	Earnings: Overtime Rate	Earnings: Total	Deductions: Social Security	Deductions: Fed. Income Tax	Deductions: State Income Tax	Deductions: Other	Net Pay
1/11/80	4 4 4 4 4 4 4 3 5 4	40		$3.57		$142.80	$8.75	$7.30	$2.85		$123.90
1/25/80	4 4 3 4 4 2 4 3 4 4 4	40		$3.57		$142.80	$8.75	$7.30	$2.85		$123.90
		80				$285.60	$17.50	$14.60	$5.70		$247.80
QUARTERLY TOTALS											

[G]

Check Reconciliation as of Jan. 31, 1980

Balance shown on bank statement	1469 47
Add deposits not credited:	
1/28	764 96
1/31	608 81
	1373 77
	2843 24
Subtract outstanding checks:	
No. 88	66 70
89	9 80
92	123 90
93	150 00
	350 40
Adjusted balance per bank statement	2492 84
Balance shown in checkbook	2496 84
Add: DEPOSIT OF $741.62 FOR 1/7 ENTERED AS $735.62 (DIFFERENCE)	6 00
	2502 84
Subtract	
BANK SERVICE CHARGE	10 00
Adjusted checkbook balance	2492 84

Other Useful Publications

Accounting Periods and Methods	Publication 538, *Accounting Periods and Methods*
Amortization	Publication 535, *Business Expenses and Operating Losses*
Basis of Property	Publication 551, *Basis of Assets*
Corporations	Publication 542, *Tax Information on Corporations*
Depreciation	Publication 534, *Depreciation*
Employees' Withholding	Publication 539, *Withholding Taxes and Reporting Requirements*
	Publication 15, *Circular E, Employer's Tax Guide*
General Tax Information	Publication 17, *Your Federal Income Tax*
	Publication 334, *Tax Guide for Small Business*
Important Dates	Publication 509, *Tax Calendar for 1981*
Investment Credit	Publication 572, *Investment Credit*
Partnerships	Publication 541, *Tax Information on Partnerships*
Self-Employment Tax	Publication 533, *Self-Employment Tax*

☆ U.S. GOVERNMENT PRINTING OFFICE: 1980-341-543/25

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

May 7, 1981

Lex Frieden
9667 Meadowvale
Houston, Texas

Dear Lex:

I appreciate your call in regard to our appeal for unity, and other matters.

As you know, Yoshiko and I have been operating a very small independent program in our home since 1968. We feel that there are definite advantages associated with this approach, although budgeting/funding must be handled very carefully. We also feel that it is extremely important to have a strong leader/executive with the authority and the ability to plan and execute a unified, efficient program. Although there are many ways to operate an organization successfully, I personally think that administration by committees, boards, co-directors, etc. tend to be susceptible to certain problems. We would be very positive about participating, in appropriate ways, in an independent venture under your leadership.

I enclose a modified version of our unity document. We have attempted to modify the piece along the lines advised by your colleagues. We very much appreciate their taking the time to help.

Yours for a barrier free society.

Justin Yoshiko Peg

Justin, Yoshiko, Peg
2012 Lear Lane
Austin, TX 78745
512/442-9755

yn

Encl.

9667 Meadowvale
Houston, Texas 77063

May 5, 1981

Executive Director
Chamber of Commerce
Brenham, Texas

Dear Sir,

I am considering the possibility of locating a small publishing and consulting firm in your city next year. I would appreciate it if you could provide me with information relating to your community.

Specifically, I am interested in the following areas:

- Present population and projected population growth rate
- Average housing and land costs in and out of the city
- Medical facilities, clinics, and number of doctors in the community
- Zoning restrictions and building requirements
- History of flooding
- Demographic characteristics of the population, including race, average annual income, age, and so forth
- Overall economic status of the community and economic growth projections
- Philanthropic and charitable interests of the community
- Cultural activities of the community
- Human and social services available in the community
- Public and private conference facilities available in the community

I appreciate any information you can provide me about your city and particularly information related to the areas outlined above. Thank you for your assistance in this matter.

Sincerely,

Lex Frieden

LF:mw

ADMINISTERING INDEPENDENT LIVING PROGRAMS

A RESOURCE BOOK

Institute for Information Studies
200 Little Falls Street, Suite 104
Falls Church, Virginia 22046

1981

Preparation of this resource book was made possible, in part, by Grant #629XH00019 from Manpower Development, Rehabilitation Services Administration, United States Department of Education. Copies are provided free of charge to Administrators of independent living programs receiving Title VII B funding.

Administering Independent Living Programs

A Resource Book

Foreword

This loose-leaf binder of reference materials constitutes a Resource Book to aid in administering independent living programs for people with disabilities. One of its purposes is to serve as a training manual for use during four management training workshops conducted by the Institute for Information Studies of Falls Church, Virginia. The development of this book and the conduct of the workshops are partially funded by a grant from Manpower Development, Rehabilitation Services Administration, United States Department of Education. The Resource Book can also serve as a reference work for workshop attendees after they return to their administrative duties. In addition, it is hoped that independent living program (ILP) executives unable to attend one of these training workshops will find the materials useful in their day-to-day operations and for identifying areas in which they could profit from training.

The scope of materials attempts to address many issues from idea to early planning, through ongoing program maintenance. The content is organized in two parts. Conceptualizing Your Program includes material relating to the initial determination of organizational type and purposes; assessing the community needs to be met; potential sources of funding the service needs you identify; and program planning in order to set up your operation.

The second part is this resource book, Implementing Your Program, includes material to consider for sound fiscal management and accountability; ideas for hiring, supervising and developing your staff; and topics for surviving and growing through

a continued base of support and program evaluation.

During the training workshops, each faculty member will relate the resource book materials to his or her portion of the program. For subsequent use, or use by individuals who have not attended the training, simply review the detailed Table of Contents to identify the material you wish to review. The loose-leaf format allows you to add relevant material to any section, or to replace contents with material you discover later that seems more suitable to your particular organization or more compatible with your management style.

We hope that you will both enjoy and benefit from the training workshop and this Resource Manual and that managing your independent living program will prove to be progressively more successful and rewarding in the months and years ahead.

Staff and Guest Faculty of the Institute
for Information Studies

Acknowledgements

The Institute for Information Studies wishes to acknowledge the following organizations for permission to reprint material included in this resource book:

- Amacon, a Division of American Management Associations, 135 West 50 Street, New York, NY 10020
- Comprehensive Community Child Care, 2400 Reading Rd., Cincinnati, Ohio 45202
- The Grantsmanship Center, 1031 South Grand Ave., Los Angeles, CA 90015
- Independent Living Research Utilization Project, The Institute for Rehabilitation and Research, P.O. Box 20095, Houston, Texas 77025
- Public Management Institute, 333 Hayes Street, San Francisco, CA 94102
- Regional Medical Rehabilitation Research and Training Center No 7, Tufts, Box 1033, 171 Harrison Avenue, Boston, MA 02111
- David Ruhmforff and Company, 2533 Erie Avenue, Cincinnati, OH 45208

The Institute also acknowledges the patient leadership of Suzanne Stotler, without whose support staff, this book could not have been prepared.

ADMINISTERING INDEPENDENT LIVING PROGRAMS

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Acknowledgements

NOTE! This Resource Book is divided into sections indicated by a divider sheet. In turn, each subsection is divided by a sheet of paper in a contrasting color. Reprints, articles and other material may be readily found by matching the section number in this table of contents to the section number located on the upper right hand corner of the first page of material in that section.

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CONCEPTUALIZING YOUR PROGRAM

Setting Up the Organizational Structure

Introduction

As your group comes together to discuss service needs and programs to meet those needs, you will want to formalize as a legal entity. Doing so will separate your personal liability from your organizational liability as well as allow you to apply for and receive grants and contracts. The advantages of nonprofit incorporation are summarized on the chart, Nonprofit Organizations. The fact is, for most private human service programs, the weight of advantage lies with nonprofit structures. Materials in this section include a guide to developing by-laws for a nonprofit corporation which will answer such questions as "What are some of the reasons to have by-laws?" and "What should they contain?"

The Board of Directors will play an important role in your organization. Clarifying the role of Board and staff early in the life of your organization will strengthen working relationships and lay the groundwork for effective functioning. A section is included describing roles and functions.

Additional resources for setting up your organization are also listed but this list is by no means exhaustive. It is helpful to have a lawyer as a member of your Board of Directors or of your initial organizing group. A lawyer can help you draw up your charter and by-laws so as to be in conformity with both your purpose and the laws of your state.

Conceptualizing Your Program

Introduction

In this section there are materials to consider in the earliest stages of program development. While in reality many activities may take place simultaneously as your group builds an organization, the format of the book is somewhat chronological. Very often decisions about incorporation are made at the same time you will be assessing needs in the community and looking for funding.

The first step in conceptualizing your program is to clarify your mission (also termed "value-based goals"). What, precisely, do you want to do? Do you want to focus on maximizing the independent living capabilities of people with disabilities through the provision of direct services? Do you want to contribute to socio-political change that will reduce artificial barriers to independent living through advocacy efforts? Do you want to add to the available storehouse of relevent knowledge through research? Do you want to disseminate available knowledge through education? These are four common components of human service programs missions. Some programs may limit their missions to one or two of them; others become deeply involved in all four.

Once the mission has been clarified with reasonable precision, you can next determine whether a "for-profit" or "not-for-profit" legal structure is most advantageous for you.

While specific, detailed materials for establishing the legal and operational structure of your program are also included here, conceptualizing your program must include general consideration of the operational structure to be used. Will you use the typical pyramidal structure common to government and industry, or are you interested in experimenting with an innovative structure, such as the circular structure used in some academic and scientific settings?

(This checklist will serve as an overview of tasks and decision points for groups in the early stage of IL program development and a review for administrators of currently operating ILPs.)

CHECKLIST FOR DEVELOPING INDEPENDENT LIVING PROJECTS

by Frederick Fay, Ph.D.*

I. Review literature on other centers for independent living.

II. Develop nucleus of committed people who are willing to work.

A. Develop selection criteria for board, officers, and advisory committee (consumer majority? provider support? abilities? disability representation? interest? commitment? fiscal management skills?)

B. Determine initial officers (President, Clerk, Treasurer . . .)

C. Identify and involve potential members for Board of Directors and Advisory Committees.

1. Representatives of key consumer constituencies (National Paraplegia Foundation, National Association of the Physically Handicapped, National Association of the Deaf, Paralyzed Veterans of America, American Council of the Blind, Disabled in Action, and/or other consumer organizations).

2. Representatives of provider organizations (State Departments of Vocational Rehabilitation, Medicaid, Social Services, Regional Rehabilitation Research and Training Center, state or local housing authorities, area rehabilitation facilities, Easter Seal Society, and/or other service providers).

III. Discuss and agree on the center for independent living's program philosophy, purposes and target population.

A. Develop written preliminary program description

B. Interest and involve broad base of support

IV. Select and develop an appropriate organization structure for carrying out the center's purposes.

A. Review state and federal laws on incorporation and tax status of organizations (e.g., 501(c)3 vs. 501(c)4)

B. Prepare the center's articles of incorporation and by-laws. Some of the areas by-laws should cover are:

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*Frederick Fay et al. The BCIL Report, edited by Peter Reich. Boston: Regional Medical Rehabilitation Research and Training Center No. 7, Tufts, July 1977.

1. name of the organization

2. principal office location

3. applicable definitions

4. fiscal issues

5. purposes of the organization

6. leadership responsibilities

7. membership responsibilities

8. process for calling meetings

9. process for board and/or membership nominations, elections, voting, resignations, suspension and removal

10. authority to enter into financial agreements

11. personal liability

12. process for amending by-laws

C. Submit organizational papers to appropriate authorities for incorporation, tax status, and employee identification number

D. Affiliate with state coalition or national organization

V. Establish short and long term goals and objectives for the center (one, three and five year plans)

A. Determine what other service organizations in the area provide adequately.

B. Determine which services the center will advocate for and which it will provide itself:

Activities of daily living, Architectural barriers/barrier free design, Attendant services, Chore services, Coalition development communications, Community organization, Consumer affairs information, Economic support services, Educational liaison, Employment services, Equipment repair, Home health aide (Fiscal conduit services), Homemaker, Housing development and adaptation, Independent living training, Information services, Legal services, Lobbying, Life support services, Medical services, Mobility skills, Outreach and Recruitment, Personal care assistants (recruitment, selection, training), Public relations/education, Recreation, Rehabilitation services, Sex education, Social services/State agency liaison, Transportation, Vocational liaison.

C. Determine funding sources for each high priority service objective. To pay for program services, develop fundable proposals and contracts with private foundations and public agencies. Some of the many options to consider include:

a. individuals
b. private sector (foundations, civic groups)
c. State Vocational Rehabilitation Agency
d. State Housing Finance Agency
e. City Housing Authority
f. Department of Community Affairs
g. Department of Housing and Urban Development
h. Rehabilitation Services Administration
i. Veteran's Administration
j. Department of Public Health
k. Bureau of Developmental Disabilities
l. Department of Labor-Comprehensive Employment Training Act
m. CETA (10)
n. Department of Public Welfare
   1. Medicaid (Title XIX)
   2. Social Services (Title XX)
o. Rehabilitation Research and Training Centers
p. Department of Health, Education and Welfare

D. Secure adequate start-up funds

VI. Develop a comprehensive written program plan to meet the center's advocacy and service objectives. This plan should include a description for proposed implementation describing:

A. Priority activities to be undertaken.

B. Persons responsible for carrying out activities (board, committees, executive directors, staff volunteers).

C. Methods used in carrying out activities

D. Location of implementation of activities.

E. Anticipated time duration of activities.

VII. Draw up a budget for the center's comprehensive program plan and organizational operating costs. Make cost projections for the long term plans (three and five year plans).

VIII. Develop and implement a management system to administer the center's plan. Systems to provide accountability should be <u>in writing</u> and should include:

A. Program Content

1. internal record keeping system (data collection) on program utilization
2. a process to prepare external program reports at appropriate times
3. calculations of specific program costs
4. evaluation processes to measure program effectiveness and growth
5. standards for quality service
6. written program descriptions
7. an operational planning process
8. geographical scope of program

B. Program Participant

1. confidentiality protection
2. standard means to periodically review client policies
3. program eligibility criteria
4. standardized forms
5. efficient application admission and graduation procedures
6. measures of performance
7. objectives of participation

C. Fiscal Controls

1. accounting procedures with back-up information on cash receipts, cash disbursements, payroll, closing procedures, budgets, etc.
2. use of standard report forms
3. annual audit by certified persons
4. a control system for making and receiving payments
5. a plan to correct deficiencies
6. a plan to seek continuing financial support (grant, fee for services, etc.)

D. Facility Operations

1. appropriate site location
2. costs to occupy
3. signed lease
4. office procedures regarding correspondence, hours, absences
5. inventory of all equipment
6. building safety and appropriate insurance

E. Personnel Policies

1. hiring practices
2. benefits plan
3. assurance of compliance with federal and state laws
4. job descriptions
5. job evaluations
6. appropriate supportive equipment
7. staff training
8. system to measure job performance
9. staff reporting
10. salary and pension plans

IX. Develop an assessment system to measure progress toward objectives

A. Review at least annually

B. Prepare an annual report

X. Select effective staff

Characteristics of Alternative Organizational Structures

	HUMAN RESOURCES			INITIAL FUNDING		
	Management Control	Personnel and Expertise	Continuity, Transferability	Organizational Requirements and Costs	Ability to Raise Capital	Liability for Losses/Debts
SOLE PROPRIETORSHIP	One owner in total control	Depends mainly on owner's skills; hard to obtain quality employees	Ends on death of owner; free to sell or transfer	Costs lowest; (filing fee if under name other than owner's)	Limited: all equity (funding) must come from proprieter; loans based on strengths of individual	Owner liable for all debts
PARTNERSHIP general or (limited)	Divided among two or more partners; decisions by majority or by pre-established agreement; (limited partner can not manage)	Depends mainly on partners' skills; hard to find suitable partners or employees	Ends on death of partner (unless agreement provides otherwise); transfer conditions vary with agreement	Costs low; General: agreement optional but recommended; (Limited: agreement stating liabilites and responsibilities of each partner required	Limited to resources of partners; loans based on strengths of partners	Partners liable for all debts (Limited partner has restricted liability and involvement, as per agreement)
CORPORATION	Corporation acts as one person, but board of directors (influenced by votes of shareholders) hold legal, formal control; working control by those who manage day-to-day	Broad-based; allows for flexible management; easier to secure quality personnel with broad expertise	Continues with overlapping management; most flexible in transfer of "interest" (e.g., ownership) from one shareholder to another	Costs highest; legal forms, documents, and fees required	Greatest equity potential: can sell new stock; loans based on corporate financial strength and expertise, thus larger borrowing base	Corporation liable for debts (i.e., shareholders are liable only for amount invested, but if personal guarantees were given they are personally liable for more)

Source: Small Business Management and Ownership, Volume I, "Minding Your Own Small Business: An Introductory Curriculum for Small Business Management," CRC Education and Human Development, Inc., Belmont, Massachusetts, 1979, p. II-S-41.

(This matrix outlines the possible human resources and potential funding sources by legal entity; corporation, partnership and sole proprietorship.) I.A.2.

Federal Tax Implications of Nonprofit Corporations

As a nonprofit corporation, your independent living program may qualify for federal income tax exemption. Some organizations may also qualify for state sales tax exemptions but since codes and regulations vary from state to state you should consult your lawyer to find out if you qualify in your state.

Elegibility Criteria

There are two possible sections under which you may qualify for exemption of federal income tax: 501(c)(3) and 509(a)(1). Under 501(c)(3) an organization may qualify for federal income tax exemption if it is organized and operated exclusively for one or more of the following purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition or the prevention of cruelty to children or animals. To be eligible, no part of the net earnings of your organization should inure to the benefit of private shareholders or individuals. Your organization should not as a substanial part of its activities, attempt to influence legislation unless you elect to come under provisions allowing certain lobbying expenditures.

If your organization applies for recognition of exemption under 501(c)(3) as a charitable organization you must also show that it has been organized and is operated for purposes that are beneficial to the public interest.

If you receive substantial part of your support from a governmental unit or from the general public, you may qualify for recognition of exemption under 509(a)(1). The criteria for a 509(a)(1) exemption are similar to 501(c)(3), the difference being the source of your income.

Application Process

An organization seeking recognition of exemption must file an application form specifically prescribed by the IRS, Form 1023. These forms are revised periodically so be sure to contact the nearest IRS office for a current one.

Each application for recognition of exemption must be accompanied by a conformed copy of your organization's Certificate of Incorporation, Constitution, and Articles of Association as well as a conformed copy of its by-laws or similar code of regulations. A conformed copy is one that agrees with the original and all amendments to it. You must attach a classified statement of receipts and expenditures and balance sheet for the current year and the 3 immediate prior years. If you have not yet begun operations, a proposed budget for two full accounting periods and a current statement of assets and liabilities will be acceptable.

Application for recognition of tax exempt status must be filed with the District Director for the district in which the organization's principal office is located.

Every exempt organization is required to have an Employer Indentification Number, whether or not it has employees. Your application for recognition of exemption should be accompanied by a completed Form SS-4, Application for Employer Identification Number.

A ruling or determination letter will be issued to your organization of its application and supporting documents establish that it meets the particular requirements of the section of the code under which exemption is claimed.

Most exempt organizations (and private foundations) are required to file various returns and reports at some time during or following the close of their accounting period. Organizations exempt under section 501(a) must file an annual information return on Form 990.

Advantages of Recognition of Exemption

If you are recognized by IRS as exempt under 501(c)(3) or 509(a)(1) you will not be liable for taxes on net profits. Persons making contributions to your organization can make those contributions tax deductible.

Resources

Always consult your lawyer and accountant in matters of taxes and tax exemptions. Publication 557, How to Apply for and Retain Exempt Status for your Organization and Internal Revenue Exempt Organizations Handbook are available from your nearest Internal Revenue Service office.

(Material contained here describes why and how by-laws should be developed and what they should contain.)

DEVELOPING BY-LAWS FOR A NOT-FOR-PROFIT ORGANIZATION

The Reasons for By-laws

There are basically two reasons for By-laws. First, there are legal reasons. It is necessary to have By-laws before your state will approve Articles of Incorporation making your organization a legal entity. Also, you need to have both By-laws and Articles of Incorporation in order to qualify as a not-for-profit organization under the rules of the Internal Revenue Service; receiving this designation is crucial and enables those who fund your organization to receive a tax deduction on their contribution.

Another reason to have By-laws is to secure agreements, in writing, which clarify the major ground rules about how your corporation will be run. By-laws clarify expectations of all participants: members of the corporation, the Board of Directors, officers of the corporation, Board committees, and staff. By-laws define the power relationship of all participants; they spell out who has the authority (and responsibility) to make certain kinds of actions and decisions. When you deal with power issues, the discussion can be lively--and fun.

A Major Problem in Some By-laws

To be most effective and useful, By-laws need to be general and flexible. The Board you elect will be expected to manage the affairs of the corporation. Some By-laws so limit the Board that the Board has trouble dealing creatively with new problems and new situations as they arise. The Board needs to be able to respond easily to new situations to achieve the organization's purpose. This is difficult to do if the By-laws are so restrictive that the Board's hands are tied. As you develop your By-laws, try to think of yourself as a Board member; try to think of the consequences of your decisions on your new Board.

David Ruhmkorff and Company, Cincinnati, Ohio, 1980.

Some Suggestions About Your Process

Some committee meetings dealing with By-laws are deadly when the discussion focuses around reams of paper which are written in "legalese" that many people may not understand. Deal with the substance of each section, the issues behind that section, rather than bicker over wording. Getting the right wording and putting the By-laws in the proper form is a fairly easy task, once the issues have been resolved.

You should involve an attorney. There are legal requirements in each state that you need to know, and items included in this paper need to be checked so that they comply with laws in your state. Attorneys are going to have experience and knowledge which will be helpful input into your process; but for most of the substantive issues in the By-laws, the opinion of everyone on the committee is equally as valid as the attorney's. Don't let the attorney(s) manipulate the decisions just because they know the lingo. And, most importantly, don't begin your process by delegating the responsibility for drafting the By-laws to attorneys to bring back for your approval. This leaves other committee members out of the substantive discussion which deals with the meaning behind each provision.

This brings up another point. By-laws don't have to be incomprehensible. They can utilize words that everyone understands.

Be sure to date each page of each draft, so that there will be no confusion as to which is the latest version. The date of passage of the final version by the membership should be typed at the bottom of each page.

Explanation of the Following Materials

The pages that follow include an outline of "ingredients" which are incorporated in most By-laws. They also include, in most Articles, the questions or issues which are to be resolved, things to watch out for, and some alternative examples of how different organizations have resolved that question or issue.

A POSSIBLE OUTLINE FOR BY-LAWS OF A NOT-FOR-PROFIT CORPORATION

ARTICLE I. Name

ARTICLE II. Purpose

ARTICLE III. Members of the Corporation

1. Eligibility
2. Classes of Members and Voting
3. Renewals, Resignation and Removal

ARTICLE IV. Meetings of the Corporation

1. Annual Meeting
2. Special Meetings
3. Notice of Meeting
4. Quorum

ARTICLE V. Board of Directors

1. General Powers
2. Number, Tenure, and Qualifications
3. Vacancies
4. Removal of Directors
5. Regular Meetings
6. Special Meetings
7. Notice
8. Quorum
9. Manner of Acting
10. Informal Action
11. Conflict of Interest
12. Confidentiality
13. Compensation
14. Other Possible Sections
    a. Unexcused Absences
    b. Annual Report

ARTICLE VI. Officers

1. Number and Title
2. Election and Term of Office

ARTICLE VI. Officers (cont'd)

3. Vacancies
4. Removal
5. The President
6. The Vice-President
7. The Secretary
8. The Treasurer

ARTICLE VII. Committees

1. Executive Committee
2. Other Standing Committees
3. Appointment
4. Commission
5. Term of Office
6. Reports

ARTICLE VIII. Employed Staff

1. Executive Director
2. Other Staff

ARTICLE IX. Miscellaneous Provisions

1. Indemnification of Directors, Officers and Employees
2. Principal Office
3. Corporate Seal
4. Depositories
5. Contracts
6. Checks, Drafts, Notes, etc.
7. Fiscal Year
8. Investments
9. Annual Audit
10. Books and Records
11. Dissolution
12. Non-Discrimination
13. Other Possible Sections

ARTICLE X. Amendments

BY-LAWS OF

_____

(Name)

ARTICLE I. NAME

The name of this corporation shall be "_____."

ARTICLE II. PURPOSE

Here you may want to repeat the purpose or purposes which are stated in the Articles of Incorporation, or you may want to list the key ones stated in the Articles, or you may want to write a one-sentence statement that sums up the major purposes of your organization. A purpose statement might read as follows:

The purpose of the _____(name)_____ is to enable citizens of _____(place)_____ to gain effective control and direction of their own lives. The _____(name)_____ stimulates and promotes a growing sense of personal dignity and responsible community participation through training, community development, and direct services responsive to the needs of people.

ARTICLE III. MEMBERS OF THE CORPORATION

This article should address issues such as who can be a member of the Corporation, how one becomes a member, how one ceases to be a member, will there be different classes of membership (e.g. voting and non-voting), should there be a limit to the number of members, should residents of the community at all times be a majority, will you want to insure that a vested interest group cannot stack the meeting at the last minute, etc.

Section 1. Eligibility. Adult residents of ____(place)____, as well as owners, managers, employees, agents, representatives, officers, or directors of any firm or organizations conducting business or engaged in activities within the City of _____ shall be eligible for membership in the Corporation. A majority of the members shall at all times be residents of _____. The initial members shall be designated by the initial Board of Directors.

Any other person who is eligible for membership in the Corporation may become a member upon filing application with the Corporation indicating such person's desire to become a member of the Corporation. A majority of the Board of Directors present at any regular or specially called meeting shall vote affirmatively to admit the applicant. (Another wording for the last sentence: Applicants will become members if they qualify under one of the foregoing categories upon their approval by a majority of Directors present at any regular or special meeting.)

Membership shall be renewed at least 30 days prior to the Annual Meeting. A list of members eligible to vote shall be made available thirty (30) days prior to the Annual Meeting, and additions or corrections may be made up to fifteen (15) days before the Annual Meeting.

Some by-laws provide for different types of membership (e.g. voting and non-voting).

Section 2. Classes of Members and Voting. The Corporation shall have one class of members. Each member, providing (s)he is listed as a member, shall be entitled to one vote on each matter submitted to a vote of the members except as otherwise provided by law.

Section 3. Resignation and Renewals. Any member may resign from membership by filing a written resignation with the Secretary of the Corporation. Two-thirds of the Board of Directors may at any regularly constituted meeting terminate membership of any member who becomes ineligible for membership in the Corporation.

ARTICLE IV. MEETINGS OF THE CORPORATION

This article should state when the Annual Meeting (the meeting at which the Directors are elected) will be held, what notice should be given for meetings, how special meetings may be held, how many members are required to be present to conduct business, etc.

Section 1. Annual Meeting. An Annual Meeting of the members shall be held during the month of _____ in each year beginning in the year _____, with exact date, time, and place of meeting to be established by the Board of Directors for the purpose of electing Directors, and for the transaction of such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any Annual Meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Be sure the date of the Annual meeting falls at least two months following the close of the fiscal year to allow sufficient time for the preparation and printing of the Annual Program and Financial Report. Also, stipulate the year of the first Annual Meeting so that you will not be electing new Directors five months after the initial Board has been elected. Give the initial Board sufficient time to get organized and start program operation.

Section 2. Special Meetings. Special meetings of the members may be called by the Board of Directors or on the request of not fewer than five members of the Corporation.

Section 3. Place of Meeting. The Board of Directors may designate any place within _____ as the place of meeting for any Annual Meeting or for any special meeting.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member not fewer than five nor more than thirty days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. The purpose or purposes for which the meeting is called shall be stated in the notice.

Section 5. Quorum. Twenty-five (25) members shall constitute a quorum.

A quorum is the number of qualified people required to be in attendance at a meeting in order to conduct business. Often a percentage of the membership is designated as the quorum. Check state laws for the minimum required. If the quorum is too high, not enough members may show to get action on a vital, although seemingly boring, issue. People will show up in greater numbers when there is a controversial issue. Remember, all members will be notified for every meeting. They can choose to attend or stay away, but don't let their absence stop critical decision-making.

ARTICLE V. BOARD OF DIRECTORS

Many corporations have a membership to whom a Board of Directors is accountable; however, the authority for the management of a corporation is legally entrusted to the Board. The names of these people are recorded with the state (in some states with the Secretary of State); the state holds these people responsible for maintaining the best interests of the people of that state.

This article spells out the number and composition of the Board, its powers, when and how it will meet and conduct business. Typically, this is the article that generates most discussion. Some by-law committees want to regulate the Board tightly; others give the Board the flexibility to make operation decisions within broad by-law guidelines.

Section 1. General Powers. Except as otherwise provided in these by-laws, the Board of Directors shall have full power to operate and manage this corporation.

Section 2. Number, Tenure, and Qualifications.

The composition of the Board has a great impact on the program of the agency. A mix of people may bring the sanction and resources needed to insure an agency's ultimate efficiency and effectiveness. The number of members could be left to the Board to determine, based on the number it deems necessary for the accomplishment of its funct: Typically, however, by-laws spell out the number and categories of Directors. Numbers may vary from eleven to thirty.

The number of Directors shall be no more than seventeen (17), of which nine (9) shall be residents of the program area or areas, five (5) representatives of participating institutions, one (1) representative of city government, and two (2) interested persons from the community.

Directors shall be elected for staggered three-year terms. Each Director shall hold office until the end of the term or until a successor shall be elected and qualified. Directors shall be elected when necessary at the Annual Meeting of the membership by a majority vote of the voting members present.

Nominations and qualifications submitted in writing to the corporate secretary not less than five days in advance of such Annual Meeting shall be prepared and made available to the members at such meeting. Nominations shall also be permitted from the floor at the meeting. Directors must be members of the corporation.

OR

The number of Directors shall be determined by the Board of Directors provided that the number shall be not less than eleven (11) nor more than fifteen (15). Each Director shall hold office until the next Annual Meeting of members and until his/her successor shall have been elected and qualified. Directors must be members of the corporation.

OR

The Board of Directors of the corporation shall be constituted of not more than twenty-one (21) nor fewer than fifteen (15) Directors elected by the members of the corporation ...

OR

... not less than thirteen (13) nor more than thirty (30). The majority of said Directors shall be from the _____ neighborhood.

Section 3. Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of any increase in the number of Directors, shall be filled by the Board of Directors. Directors elected to fill a vacancy shall be elected for the unexpired term of their predecessor in office and in the same ratio as set forth in Article V, Section 2.

Section 4. Removal of Directors. Any Director may be removed from office for cause by a two-thirds (2/3) majority vote of the total Directors.

Section 5. Regular Meetings. A regular Annual Meeting of the Board of Directors shall be held without other notice than this by-law, within a month of the Annual Meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than such resolution. Within the year, there shall be no fewer than four (4) regularly scheduled meetings.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three Directors. The person or persons authorized to call special meetings of the Board may designate any place within the City of _____ as the place for holding any special

meeting of the Board called by them.

Section 7. Notice. Notice of any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his/her address as shown by the records of the Corporation. The attendance of the Director at any meeting shall constitute a waiver of notice of such meeting. The purpose of any special meeting of the Board shall be specified in the notice or waiver of notice of such meeting.

Section 8. Quorum. The majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if fewer than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Once a quorum is established, it shall remain for the duration of the meeting.

Section 9. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by law, these by-laws, or the standing rules.

Section 10. Informal Action. Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action as taken shall be signed by a majority of the Directors.

The next section is often included to prevent members from voting on issues for which they could receive a financial or professional gain.

Section 11. Conflict of Interest. Any duality of interest or possible conflict of interest on the part of any Director shall be disclosed to the other Directors and made a matter of record through an annual procedure to be established by the Board and also when the interest becomes a matter of Board action.

Any Director having such a duality or possible conflict of interest shall not vote or use his influence on the matter in question and shall not be counted in determining a quorum for the meeting. The minutes of the meeting shall reflect such disclosure, abstention from voting and the quorum situation.

The foregoing shall not be construed to prevent a Director from briefly stating his/her position in the matter, nor from answering pertinent questions of other Directors.

Section 12. Confidentiality. It is the intent of the corporation to conduct its business in open sessions whenever possible. However, in those circumstances where the Board is discussing or acting upon strategy with respect to litigation, implementation of security systems, purchase of property, interviews with prospective employees, discussion of personnel matters or any other matter which the Board feels must be dealt with in a confidential manner, the Board may close its meeting to the members of the corporation and the general public. An affirmative vote of the Board is necessary to close the meeting.

Section 13. Compensation. The officers and Directors shall serve without compensation, but reasonable expenses incurred may be reimbursed when expended for and in the interest of the corporation and approved by the Board of Directors.

Other Possible Sections:

1. Unexcused Absences. A Director may be removed after _____ unexcused absences.

2. Annual Report. The Board may be required to present an Annual Report on the status of the finances and program at the Annual Meeting of members.

ARTICLE VI. OFFICERS

The number, power and duties of the officers are detailed in this section. Will there be the typical four positions only, or will you provide for the possibility of the Board designating other positions?

Section 1. Number and Title. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may be felt desirable. Any two or more offices may be held by the same person except the offic of President and Secretary.

OR

The officers of the corporation shall be a President, Vice President, Secretary, and Treasurer, and such other officers as may be elected in accordance with the provisions of this Article.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the Annual Meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such electior

shall be held as soon thereafter as conveniently may be. Each officer shall hold office until their successor shall be duly elected and qualified.

Section 3. Vacancies. Vacancies may be filled, or new offices created and filled, at any meeting of the Board.

Section 4. Removal. Any officer elected or appointed by the Board of Directors may be removed by an affirmative vote of two-thirds (2/3) of the total Board whenever, in its judgment, the best interest of the corporation would be served thereby.

Section 5. The President. The President shall preside at all meetings of the Board of Directors and the general membership. (S)He may sign with the Secretary, or any other proper officer of the corporation authorized by the Board of Directors, any deed, mortgage, bond, contract or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the corporation; in general, (s)he shall perform all duties which shall be prescribed by the Board of Directors from time to time.

OR

The President shall preside at all meetings of the Board of

Directors or of the Executive Committee. (S)He shall see that all orders and resolutions of the Board of Directors are carried into effect. (S)He shall have general superintendence of all other officers of the corporation and shall see that their duties are properly performed. Such guidelines and direction as the Executive Director may require shall be provided by the President. (S)He shall, from time to time, report to the Board of Directors all matters within his/her knowledge which the interests of the corporation may require to be brought to their notice.

Section 6. The Vice President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President (or in the event there is more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. The Secretary. The Secretary shall keep the permanent minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all

notices are duly given in accordance with the provisions of these by-laws, or as required by law; be custodian of the corporate records and corporate seal; keep a register of the name and post office address of each corporate member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or the Board of Directors.

Section 8. The Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; the Treasurer shall assure that the book-keeper receive and give receipts for money due and payable to the corporation from any source whatsoever and deposit all monies in the name of the corporation in such bank or other financial institution as shall be elected in accordance with Article VII of the by-laws, and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer and Executive Director shall, with the appropriate standing committee, prepare an Annual Operating Budget showing income and expenses to be presented to the Board for approval at the _____(month)_____ meeting of the Board of Directors.

ARTICLE VII. COMMITTEES

Here it is customary in many by-laws to list the standing committees of the Board; however, most by-laws permit the Board to determine the committee structure it needs to manage the affairs of the corporation.

Section 1. Executive Committee. The Executive Committee shall consist of the officers of the corporation and, by Board decision, the chairpersons of the standing committees. The powers of this committee shall be determined by the Board.

Section 2. Other Standing Committees. The Board of Directors may establish such additional committees as are necessary and appropriate to carry out the business of the corporation. Committees designated by the Board of Directors may be composed entirely of officers, entirely of members of the Board of Directors, or may include members of the corporation. Each committee shall have the duties and responsibilities delegated to it by the Board of Directors.

Section 3. Appointment. The chairperson of each standing committee shall be appointed by the President of the Board of Directors in consultation with the Executive Director and with the advice and consent of the Board of Directors. Such

committee chairpersons shall be selected from among the Board membership.

Committee members shall be appointed by the chairperson of each committee in consultation with the President of the Board of Directors and the Executive Director. Committee members may or may not be members of the Board of Directors.

Section 4. Commissions. The duties, responsibilities, authority and composition of all standing committees and ad hoc committees shall be stated in writing and adopted by resolution of the Board of Directors.

(The rationale behind this section is that committees need to know what is expected of them -- in writing.)

Section 5. Term of Office. All committee members shall serve until the first Annual Meeting following their appointment or until their successors have been appointed.

Section 6. Reports. Each committee shall submit activity reports to the Board of Directors as prescribed in its commission.

ARTICLE VIII. EMPLOYED STAFF

This article deals with the relationship and lines of authority between the Board, the Executive Director, and the other staff.

Many by-laws deal with this in one paragraph such as these:

> Section 1. Employees. The Board of Directors shall employ the Executive Director and shall authorize the employment of other employees as are needed to carry out the program of the corporation. The Executive Director shall select the other employees who shall be hired by the Director after ratification of his/her selection(s) by the Board of Directors. The salary or wages and other terms of employment shall be set by the Board of Directors, who may enter into contracts of employment with such employees on behalf of the corporation.
>
> OR
>
> The Board of Directors may authorize the employment of such full- or part-time employees as are appropriate to carry out the programs and business of the corporation. The compensation and other terms of employment shall be set by the Board of Directors, who may enter into contracts of employment with such employees on behalf of the corporation. The Board of Directors may delegate the duties and responsibilities of employment to an Executive Director, to the President, or to such other officers or employees as the Board of Directors may determine.

The model by-laws of the Institute for Voluntary Organization spell out the relationship and authority issues in more detail.

Section 2. Executive Director. The Executive Director shall serve at the pleasure of the Board of Directors for such compensation as the Board may determine. (S)He shall have general direction over the operations of the corporation and shall be its official representative. (S)He shall comply with Board policies and shall submit to the Board of Directors such reports, analyses, statistics, plans and other information as may be required from time to time, and shall assist the Finance Committee in the preparation of its annual budget. (S)He shall be an ex-officio member of the Board and all committees of the organization.

The Executive Director gives staff support to the Board of Directors and to the Executive Committee. (S)He is the only staff person who has line responsibility to the Board. That authority shall be exercised only by and through the President of the Board.

Section 3. Other Staff. All other staff are retained by the Executive Director and are accountable to him/her. The Board of Directors shall maintain a high level of concern for all employees. The Personnel Policy will be reviewed every year and current copies distributed to all staff and Directors. The application of said policy shall be monitored by the Board of Directors.

ARTICLE IX. MISCELLANEOUS PROVISIONS

The following clauses are typically included in many by-laws:

Section 1. Indemnification.

This section is designed to protect employees and/or Directors against lawsuits sustained in the course of duty. It can be short ...

> The corporation shall indemnify any Director, officer, or former Director or officer of the corporation against expenses actually and reasonably incurred by him/her in connection with the defense of any action suit, or proceeding, civil or criminal, in which (s)he is made a party by reason of being or having been a Director or officer, except in relation to matters as to which he/she is adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation.

or it can be more detailed ...

> Any person made or threatened with being made a party to any action, suit or proceeding (civil, criminal or administrative) by reason of the fact that he/she is or was a Director, officer or employee of the corporation or of any corporation which he served in such capacity at the request of the corporation shall be indemnified by the corporation against judgments, fines and other liabilities (including amounts paid in settlement) sus-

tained as a result of, and reasonable expenses (including attorney's fees) incurred in connection with the investigation, defense or the compromise or settlement of any such action, suit or proceeding or threat thereof; provided, however, that:

a. In the event of final adjudication of such action, suit or proceeding, such person shall not be indemnified hereunder with respect to any matter as to which he/she shall be adjudged liable for material negligence or material misconduct in the performance of his/her duties to the corporation; or

b. In the event that such action, suit or proceeding, or threat thereof, is compromised or settled before final adjudication thereof, such person shall not be indemnified hereunder unless it shall be determined that he/she acted without material negligence and that his/her action did not constitute material misconduct in the performance of his/her duties to the corporation.

A judgment or conviction in a criminal action, suit or proceeding or termination of such proceeding by a plea of nolo contendere or its equivalent shall not be deemed an adjudication that the Director, officer or employee is liable for negligence or misconduct in the performance of his/her duties

to the corporation if it shall be determined that the action complained of on the part of the Director, officer or employee was taken in good faith in what he/she considered to be the best interests of the corporation and on the reasonable assumption of its legality.

As used in this by-law, the words "it shall be determined" mean that the matter in question shall be determined either

i. by a court order; or

ii. by a majority of those Directors who are not parties to the suit, action or proceeding in which the matter is involved; or

iii. by independent counsel selected by (x) a majority of the Directors who are not such parties, or (y) a judge of the U.S. District Court.

The foregoing rights of indemnification shall not be exclusive of any other rights which any Director, officer or employee may have as a matter of law. The foregoing rights of indemnification shall, in the case of the death of a Director, officer or employee, inure to the benefit of his/her successors.

Section 2. Principal Office. The principal office of the corporation shall be at such location within the City of _____ as shall be determined by the Board of Directors.

Section 3. Corporate Seal.

This section provides for a seal which is used on official papers.

The Board of Directors shall provide a Corporate Seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, County of _____."

Section 4. Depositories. All funds of the corporation, not otherwise employed, shall be deposited from time to time to the credit of the corporation in such banks, savings and loan associations, trust companies, or other depositories as the Board of Directors may elect.

Section 5. Contracts. The Board of Directors may authorize any officer(s) or agent(s) of the corporation, in addition to the officers authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 6. Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation shall be signed by such persons at least two in number and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer

or an Assistant Treasurer and countersigned by the President, or Vice President, of the corporation.

Section 7. Fiscal Year. The fiscal year of the corporation shall end on the last day of ___(month)___ each year.

Section 8. Investment. Any funds of the corporation which are not needed currently for the activities of the corporation may at the discretion of the Board of Directors be invested in such investments as are permitted by law. (Some organizations add ... "when such investments are fully insured by an agency of the U.S. government or have the full backing of the state or federal government.")

Section 9. Annual Audit.

This is a safeguard built into many by-laws to certify proper financial management to the Board, members, funding sources, and the public.

The financial books and records of the corporation shall be audited annually by a Certified Public Accountant.

Section 10. Books and Records. The corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep a record giving the name

and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney or the general public, for any proper purpose at any reasonable time.

Section 11. Dissolution.

All not-for-profit organizations must stipulate how they will distribute their assets if the organization dissolves. Even though this is spelled out in the Articles of Incorporation, the key clause is usually repeated in the by-laws.

In the event of dissolution of the corporation, the Board of Directors shall, after payment of all liabilities of the corporation, dispose of the assets of the corporation, exclusively for the purposes of the corporation in such manner, or to such organizations organized and operating exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) and which is organized for purposes substantially similar to that of the corporation.

OR

In the event of dissolution or final liquidation of this corporation in any way whatsoever, the assets of the corporation shall be applied and distributed as follows:

a. All liabilities and obligations of the corporation shall be paid, satisfied and discharged or adequate provision shall be made therefor;

b. Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

c. Assets held for charitable, religious, eleemosynary (this word means: of, relating to or supported by charity), benevolent, educational or similar use, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities substantially similar to those of this corporation, pursuant to a plan of distribution adopted as provided in the General Not-For-Profit Laws of the State of _____.

Section 12. Non-discrimination. This corporation is an Equal Opportunity Employer and shall make available its services without regard to race, creed, age, sex, color, ancestry or national origin.

Other Possible Sections.

Clauses that are sometimes added to this Article are:

1. Political Activity. The corporation shall not, in any way, use corporate funds in the furtherance of, nor engage in, any political activity for or against any candidate for public office. Further, no portion of its funds shall be used for lobbying or in any way attempting to influence legislation. However, this by-law shall not be constructed to limit the right of any official or member of this corporation to appear before any legislative committee, at his own expense, to testify as to matters involving the corporation.

2. Gifts. The Board of Directors may accept on behalf of the corporation, any contribution, gift, bequest, or device for the general purposes or for any special purposes of the corporation.

3. Dues. There shall be no membership dues.

4. Parliamentary Procedure. All Board of Directors and membership meetings shall be governed by Roberts' Rules of Order (Current Edition), unless contrary procedure is established by the Articles of Incorporation, these by-laws, standing rules, or by resolution of the Board of Directors.

5. Bonding. The Board of Directors may require the Treasurer and any other officer or employee of the corporation to give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The corporation shall pay the premiums required for such bonds.

ARTICLE X. AMENDMENTS

The major question answered in this Article is, "Who has the power to change the by-laws?" Is it the Board, or the membership, or either one? The Board needs the flexibility to be able to adapt to immediate problems and new situations. If it has to wait for a meeting of the members, it might be too late to resolve a technical or legal but not very earthshaking issue. If the issue is inconsequential, calling a meeting of members can be time-consuming for a Board of already busy people and annoying to the membership. Some organizations trust the Board to act in the best interest of the corporation. Others request that a notice of any proposed change be sent to members so if they object, they can be present at a meeting to voice their concern. A couple of examples follow:

These by-laws may be altered, amended or repealed and a new set of by-laws adopted by a two-thirds (2/3) majority vote of the Board of Directors. At least ten (10) days prior, written notice setting forth a proposed action and times and place of meeting shall be given to all Directors.

OR

These by-laws may be altered, amended, or repealed and new by-laws may be adopted by a two-thirds (2/3) majority vote

of the Directors or a majority of the members of the corporation present at an annual or a duly summoned special meeting of the Directors or of the members of the corporation. At least ten days prior, written notice setting forth the proposed action shall be given to Directors or members.

OR

These by-laws may be amended either by a two-thirds (2/3) vote of the Board of Directors at any meeting of the Board, provided that no less than two weeks' prior notification of the change has been given to the membership, or by a majority vote of the members, at a duly noticed meeting with quorum.

OR

These by-laws may be altered, amended, or repealed and new by-laws may be adopted by a two-thirds (2/3) majority vote of the Directors, or a majority of the voting members of the corporation present at an Annual Meeting or a duly summoned special meeting of the Directors or members of the corporation.

SECRETARY'S CERTIFICATION

This is to certify that the foregoing By-laws of _____ have been duly adopted by the Board of Directors at a meeting held on _____.

_____
Secretary

_____
Signed on (date)

A MODEL DESCRIBING THE ROLE AND FUNCTION OF A BOARD, COMMITTEES AND STAFF

ROLE OF THE BOARD:

1. The Board determines the policies of the organization.

2. The Board provides accountability to the broader community.

3. The Board, through the partnership represented by individual Board members, provides sanction and legitimacy to the work of the organization from the major segments of the institution and/or the wider community.

4. The Board provides consultation and expertise needed for good management in all of the functional areas of the organization.

5. The Board assures the financial stability of the organization. Since it makes the policy decisions, it will fund the decision it makes.

6. The Board provides continuity to the organization as staff come and go.

7. The Board is the Board only when it meets in regularly called meetings, and policy is only policy when determined by the Board.

8. The Board may delegate some of its work to committees and staff, but it may never delegate its ultimate authority or respondibility.

9. The Board hires, fires, supervises and evaluates the executive director, who has similar responsibility for the remaining staff.

10. The Board encourages appropriate non-board members to serve on its committees in order to develop more people who are committed to and knowledgeable about the organization.

ROLE OF THE STAFF:

1. The staff are, first and foremost, motivators. They may provide Board members with recommendations on the following:

David Ruhmkorff and Company, Cincinnati, Ohio, 1980

a. a set of values or philosophy for the organization
b. a framework in which to work
c. specific tasks to be accomplished
d. deadlines for tasks to be accomplished
e. the opportunity to participate in the decisions that affect the first four items

2. Staff members provide prompt, accurate and sustained support (data, reports, paperwork, etc.) to insure that the Board member will be successful in his/her work.

3. Staff members should be allowed to develop, without Board interference, the specific programs and internal mechanisms to accomplish the purpose and goals established by the Board.

4. The executive director is responsible to the Board for the administration and implementation of the organization's program. His/Her responsibilities and authority are defined in his/her position description. Staff members are responsible for executing specific tasks to carry out the program. Their responsibilities and authority are defined in their position descriptions. They are accountable to the executive director.

5. Staff members work with Board leadership and committees to insure that issues are kept flowing smoothly through the appropriate decision-making processes.

6. At different times, a staff person may function as organizer, administrator, communicator, planner, writer, manager, supervisor, leader, lender, spec writer, neighborhood planner, etc.

ACCOUNTABILITY:

1. The Board is legally responsible for the programs, finances, and personnel of the organization. This authority is granted from the State through Articles of Incorporation.

2. The Board is accountable to members of the organization for the purposes for which it was incorporated.

3. Board committees are responsible to the board of directors. Committees derive their authority from the Board which appoints them. They are commissioned to develop and recommend plans and policies which are then reviewed and ratified by the Board. The committee structure is a line of Board responsibility.

4. The Board hires and supervises the executive director, who hires staff to fill other Board-approved staff positions. The staff is responsible to the executive director. This is the line of staff responsibility.

5. Staff may be assigned to work with a given committee. He/She so serves on behalf of the executive director to whom he/she is responsible.

6. Supervision of the director is the responsibility of the Board president.

7. When a Board member becomes a program volunteer, he/she takes off his/her Board hat and is accountable to the appropriate staff person.

8. The major responsibility for the recruitment, training and sustenance of potential Board members falls to Board members, not staff.

PLANNING:

1. The Board is responsible for defining the organization through clearly stated:

    a. purpose and goal statements
    b. organizational charts
    c. public image statement
    d. committee and staff position descriptions
    e. policies

2. The Board annually reviews (and possibly modifies) its purpose, goals and other policies.

3. The Board should assure that a record of its meetings is contained in a book. Board minutes are the legal record of Board decisions. All major decisions, actions and policies are included in the minutes.

4. The Board should maintain a Board policy book. This book should list policies adopted by the Board in major functional areas.

5. The Board determines the agency's purpose, goals and objectives with appropriate staff input, but committees and staff determine, develop and implement the mechanisms necessary to accomplish the goals and objectives.

BOARD COMMITTEES:

1. The Board establishes strong working committees to perform (in conjunction with staff) the tasks needed to accomplish its goals and objectives.

2. The Board approves a job description or commission for each committee clearly defining the scope, power, and composition of that committee.

3. The Board president appoints committee chairpersons usually after consulting with the executive director and after securing the concurrence of the Board.

4. Each committee chairperson will recruit the people with the expertise needed to accomplish the tasks of that committee. He/She will also maximize the involvement of all committee members, make assignments for work to be done, follow up with people working on assignments, keep the Board president apprised of the committee's work, report to the Board, and work with the executive committee on the agenda for the next meeting. In summary, the role of the chairperson is to facilitate the work of the committee in developing teamwork.

5. Committees recommend goals, objectives and other policies in their area of responsibility to the Board for its approval. When the Board has approved these policies, committees often monitor these policies and assure their implementation.

6. The Board, in order to achieve maximum organizational efficiency, assigns specific tasks to committees and does not re-do committee work in the Board meeting.

7. The committee, often with staff assistance, determines a work plan (with appropriate timetables and assignments) to accomplish its tasks.

8. The committees review annually their commission, goals and objectives and recommend any revisions to the Board.

9. Committee meetings have agendas (the decisions that need to be made) and minutes (documenting the decisions that were made).

10. For substantive issues on a committee's agenda, the committee defines the problem, states specific goals, evaluates alternatives, decides on a course of action, and assigns specific tasks to achieve the work.

Additional Resources - Setting up the Organizational Structure

Awareness Papers. Volume 1 of the Final Report of the White House Conference on Handicapped Individuals, Washington, D.C., 1977. Available from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

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Cost and Policy Considerations in Improving the Capacity for Independent Living of the Most Severely Handicapped. Everett, Todd H. and Collignon, Frederick. Berkeley: Berkeley Planning Associates, May 1975.

Directory of National Information Sources on Handicapping Conditions and Related Services. Clearinghouse on the Handicapped, Office of Handicapped Individuals, Office of Human Development, Department of Health, Education and Welfare, Washington, D.C. 20201, 1976.

The Effective Voluntary Board of Directors: What it is and How it Works. Conrad, William R., Jr. and William E. Glenn. Chicago: The Swallow Press, 1976.

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ILRU Source Book: A Technical Assistance Manual on Independent Living. Independent Living Research Utilization Project, The Institute for Rehabilitation and Research, 1333 Moursand Avenue, Houston, Texas 77030, 1979.

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Tax Choices in Organizing a Business, Commerce Clearing House, New York, 1969.

CONCEPTUALIZING YOUR PROGRAM

Community Needs and Resource Assessment

Introduction

Accurate information on the needs and wants of your future clientele (your "market," in business terms) and community resources on which you can rely for income and program support, is essential to conceptualizing your program in ways leading to success. The initial assessment of both elements must take place concurrently with the establishment of organizational purposes, so that your mission, structure, goals, and objective will respond to the actual needs of consumers, and will have the community supports needed to maintain them.

Assessment of the actual needs and wants of your targeted clientele can be accomplished in a variety of ways. Fairly detailed guidelines for the major options are included in this section because considerable technical expertise is needed to ensure that you are gathering reliable, valid cata. Planning, methods for conducting, analysis of data, and reporting techniques are all covered.

Assessment of available community support resources may require less technical expertise, but a great deal of time, exhaustive effort, patience, and interpersonal skill are needed. At base, there are five major types of community resources to evaluate (and, later, to develop): referral sources--programs that will supply you with a steady flow of clients to serve; service supports--programs you can use to meet the needs of your clients when you do not or cannot provide the needed services yourselves; income resources--funding agencies and foundations, philanthropic contacts, sources of fees for service, and a host of local resources; policy resources--contacts and working relationships with elected

officials, agency heads, and other policy setters whose decisions can affect the viability and effectiveness of your program; and technical assistance resources--consultative help you can turn to when problems arise. A brief guideline for initial assessment in these areas is included in this section.

The materials in this section will describe the process of planning assessments and also provide you with guides to choosing appropriate assessment methods.

DEFINING YOUR NEEDS ASSESSMENT:

A BRAINSTORMING WORKSHEET

The first task of the steering committee and the project director is to define clearly what it is you want to get out of your needs assessment and what you are going to do with the information. Setting goals and objectives NOW will help you throughout the project. For example, when it comes time to write the questions for your survey, train your interviewers, and write up your report, you will find it very helpful to refer to the goals and objectives these next two worksheets will guide you in setting.

On the next page you will find "brainstorming" defined. This is an excellent technique for generating a lot of ideas quickly. When you have brainstormed a number of ideas for the three questions on the following page it is time to formally set goals and objectives for your needs assessment. You will find the difference between goals and objectives spelled out on the pages after the brainstorming page, and a worksheet to help you -- a filled in example and a blank for you to use with the steering committee. Again, you might want to transfer your goals and objectives to large sheets of butcher paper to post in the office and help you stay "on track" during the process of assessing your community.

Needs Assessment Handbook, Public Management Institute, San Francisco, California 1980

WHAT IS BRAINSTORMING?

Brainstorming is a simple technique for quickly generating a long list of creative ideas. It works like this:

1) Appoint a neutral group leader to facilitate the process (encouraging and prodding other members, checking the time).
2) Appoint a recorder.
3) Set a time limit (say, ten minutes).
4) State the question (e.g., "What do we want/need to know?").
5) Ask group members to generate as many answers to the question as they can, within the time limit.
6) Encourage group members to "piggyback" on each other's ideas (suggesting a new idea that adds to one already given).
7) Record all answers, combining those that are similar.

NOTE: One crucial rule of brainstorming is to avoid any evaluation of ideas until the process is over.

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DEFINING YOUR NEEDS ASSESSMENT: A WORKSHEET

WHAT DO WE WANT/NEED TO KNOW?	
#	Your Answers
1.	
2.	
3.	
4.	
5.	
6.	
7.	

WHY DO WE WANT TO KNOW IT?	
#	Your Answers
1.	
2.	
3.	
4.	
5.	
6.	
7.	

HOW WILL WE USE THE INFORMATION?	
#	Your Answers
1.	
2.	

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DEFINING YOUR NEEDS ASSESSMENT: A WORKSHEET (cont'd.)

HOW WILL WE USE THE INFORMATION? (cont'd.)	
#	Your Answers
3.	
4.	
5.	
6.	
7.	

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DEFINING YOUR NEEDS ASSESSMENT: A WORKSHEET

SAMPLE

WHAT DO WE WANT/NEED TO KNOW?	
#	Your Answers
1.	Number of youth in county, ages, sex, race, grade in school, school drop-outs
2.	Number of youth without jobs
3.	Reasons for unemployment (from kids, agencies, merchants, etc.)
4.	Location of unemployed youth
5.	Current job market for youth -- kinds of jobs, location
WHY DO WE WANT TO KNOW IT?	
#	Your Answers
1.	Highlight extent of need for jobs.
2.	Pinpoint areas with large number of jobs available.
3.	Pinpoint areas with no jobs available.
4.	Characterize unemployed youth -- compare with employed youth.
5.	Compare number of jobs and their location with number of unemployed youth and their location.
6.	Determine reasons for barriers of employment.
HOW WILL WE USE THE INFORMATION?	
#	Your Answers
1.	Press conference

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DEFINING YOUR NEEDS ASSESSMENT: A WORKSHEET
SAMPLE (cont'd.)

HOW WILL WE USE THE INFORMATION? (cont'd.)	
#	Your Answers
2.	Written report with graphs and tables; use maps to locate jobs and kids; include in request for funding
3.	Publicity releases
4.	Hearing before Board of Supervisors

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GOALS, OBJECTIVES AND ACTION PLANS

GOALS

are general statements of good intent. They may be so broad and visionary that you may not be able to reach them. But you plan to strive towards them.

Example: To slim down.

OBJECTIVES

are statements of what will be different, by when, and how they will be measured. They are specific, concrete and measureable. They specify results, not strategies for getting results.

Example: To lose 50 pounds by next September.

ACTION PLANS

are strategies to achieve the objective(s). They specify a result, not the activities leading to that result. They are the "how" for achieving your objectives.

Example: To give up eating between meals by next week.

> A note on putting together action plans, objectives, and goals: Your action plans should lead you to the attainment of your objectives. Similarly, your objectives, taken together, should lead you toward the attainment of your needs assessment goals.

Use the information from your brainstorming session to set your goals, objectives, and action plans, as we have done in the following example. There is a blank form for you to xerox and use.

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CHOOSING A NEEDS ASSESSMENT APPROACH

There are six approaches you can use to conduct a needs assessment:

1. Service providers
2. Key informants
3. Community forums and hearings
4. Case studies
5. Social indicators
6. Survey(s).

The charts and worksheets on the next pages can help you decide which approach or approaches are best for you to use. You can compare the advantages and disadvantages of each approach and then examine how the approaches compare with each other in the areas of cost, time, manpower, etc. Finally, you must rate your organization's requirements and resources, and answer some questions about the approach(es) you have tentatively chosen.

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Type of Approach	Advantages	Disadvantages
1. Service Providers Your research is directed at those who actually provide service to a population in your community (administrative and program staff of other agencies).	• provides information on problems or service needs which may not be widely recognized • valid information on existing and potential community resources • good for developing overview of community or individual problems • assessment based on professional judgement • simple and inexpensive • complements other approaches • communication strengthened among human service organizations	• problems identified may reflect cultural or class biases of providers rather than real problems • data may reflect only needs of those already being served and not of those who are not served • needs identified may reflect vested interests of providers
2. Key Informants A research activity which gathers information from those who are not participants in the service delivery system but represent and speak for various constituencies in the community (clergymen, elected officials, advisory group members, commissioners, etc.).	• simple and inexpensive • input of many well-placed individuals • identifies problems which can become public issues and receive widespread exposure • indicates programs likely to be supported or opposed by community leaders • highlights issues of importance to vocal and active segment of community	• identification of problems may be from political sensitivity or emotionalism • may exclude some leaders who should have been included • may exclude parts of community who haven't any access to a leader

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(cont'd.)

CHOOSING THE APPROACH (cont'd.)

Type of Approach	Advantages	Disadvantages
3. Community Forums and Hearings This approach is designed around a series of public meetings, and relies on information from both key informants and individuals within the general population.	• easy to arrange • inexpensive method • educates attendees • describes needs to public for verification • allows citizen input	• attendees may be unrepresentative of population in need • attendees' perceptions of need(s) may be incorrect • can turn into a "gripe" session • can raise expectations of action and change too high • may require more time and money than anticipated
4. Case Studies A descriptive data study of persons who have used your services and those of other agencies in your field.	• data easily available at low cost • inexpensive to analyze data • increased communication among human service organizations • provides overview of services being provied in community	• must provide guarantee of anonymity • community needs may be falsely estimated by studying those who use services • may take more time to collect information and reconcile differences among agencies
5. Social Indicators This approach is based on inferences, i.e., estimates of need drawn from descriptive data found in public records and reports (crime statistics, unemployment, disease, etc.).	• vast existing data pools • low cost • design flexibility • foundation on which to build other needs assessments	• must verify with other evidence if need really exists • data is only in direct measure of need • personal or class bias of researchers can be introduced • few indicator series have been developed, therefore specialized staff skills will be required to draw them up

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(cont'd.)

CHOOSING THE APPROACH (cont'd.)

Type of Approach	Advantages	Disadvantages
6. Survey Based on a collection of data from a sample, or entire population of a community, this approach is designed to get information from respondents about their needs and a service patterns in your field.	• most scientifically valid and reliable approach • most direct way to obtain information on needs of individuals • expands information found through other techniques • costs and time required can be flexible depending on whether you survey general population or target population	• most expensive approach • reluctance of chosen individuals to reply • must take extreme care in selecting a sample • requires specialized skills • can require greatest amount of time • choice of survey (person-to-person, mail, telephone) must be clear and applicable to your community

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CHOOSING A DATA GATHERING METHOD OR METHODS

Type of Method	Advantages	Disadvantages
1. In-person interviews	• interviewer can explain questions in detail (thereby increasing understanding and encouraging a more complete response from person surveyed) • larger number of questions can be asked and a greater range of information gathered than with other techniques • comprehensive coverage of population • highly representative samples • low non-response rate	• high cost (e.g., salaries, travel) • more time expended than other techniques • manpower problems (e.g., extensive staff training) • high employee turnover rate • element of danger to employees (e.g., in high crime areas, and when work has to be done at night to contact individuals other than those at home during day)
2. Mail surveys	• least costly method • small staff size (minimum of training and managing) • monitoring of field activities is not complex • fast in completion • no personal danger to employees • sense of privacy for respondent (more thoughtful answers) • no interviewer-caused inhibitions • generally valid responses • people difficult to reach at home in person can be contacted	• large number of people in every population who are not capable of answering complex questions • types of questions limited • response rate can be low

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(cont'd.)

CHOOSING A DATA GATHERING METHOD OR METHODS (cont'd.)

Type of Method	Advantages	Disadvantages
3. Telephone interviews	• not as expensive as in-person interviews • call-back technique is simple for those notat home, or to follow-up a question • interviews done in a short time frame • great number of people can be reached quickly	• short interviews can limit type of response • respondents can break off any time • no visible credentials to make interviewer legitimate (people are more suspicious of phone callers) • subjective impressions (e.g., was the resondent nervous? easy-going?) are impossible to get • not representative (i.e., respondents have to have a telephone)

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16 STRATEGIES FOR A LOW-BUDGET NEEDS ASSESSMENT: A WORKSHEET

#	Strategies	Your Comments & Suggestions	Your Rating (1-16)
1.	Choose one of the three inexpensive approaches (Key Informant, Community Forum, Case Studies, -- see "Choosing the Approach" in this section).		
2.	Develop a strategy based on a modification of one of those approaches (e.g., a small-scale Case Studies).		
3.	Do one of the less expensive field surveys (quota sampling, target population sampling--see Sampling Defined in Section II.)		
4.	Develop a strategy based on a combination of those approaches.		
5.	Use materials from needs assessment studies done by larger organizations in your field.		
6.	Investigate services offered by professional research firms (e.g., "shirt-tail" one or two of your own questions on a national survey, and subscribe to a service which monitors survey research periodically).		

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(cont'd.)

Needs Assessment Handbook, Public Management Institute, San Francisco, CA, 1980.

16 STRATEGIES FOR A LOW-BUDGET NEEDS ASSESSMENT: A WORKSHEET (cont'd.)

#	Strategies	Your Comments & Suggestions	Your Rating (1-16)
7.	Don't attack problems out of your range (major problems require comprehensive needs assessment plans to justify going after them).		
8.	Ask funders if they can supply you with needs assessment data they have gathered.		
9.	Ask planning departments in your area for needs assessment data they've gathered.		
10.	Do a consortium needs assessment		
11.	Recruit inexpensive labor (i.e., volunteers, students, CETA workers).		
12.	Distribute your survey through existing channels (e.g., public utility bills, school teachers, local newspaper, public health nurses).		
13.	Conduct group interviews (e.g., factories, playgrounds, day care centers).		

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(cont'd.)

16 STRATEGIES FOR A LOW-BUDGET NEEDS ASSESSMENT: A WORKSHEET (cont'd.)

#	Strategies	Your Comments & Suggestions	Your Rating (1-16)
14.	Take more time doing your needs assessment, and ask survey questions of clients when they visit your facilities for other purposes.		
15.	Do a small preliminary "pilot study" on which you can base requests for a larger undertaking.		
16.	Get a planning grant or small grant to assess the need in your community (see next checklist).		

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SOURCES OF FUNDING FOR YOUR NEEDS ASSESSMENT: A CHECKLIST

✓	#	Source
	1.	Federal or state agency planning grants
	2.	Federal project grants -- propose to do a needs assessment in your project application
	3.	Money for research and evaluation from health planning councils, district mental health boards
	4.	Private agencies -- may grant funds if they contribute to the study design
	5.	Research Councils and Institutes -- often support survey research within their fields
	6.	Local foundations, civic-minded businesses, firms and individuals -- support research relevant to local concerns
	7.	In-kind donations from business -- e.g., machine analysis or computer time, supplies, release time for workers
	8.	Universities and colleges
	9.	Consulting firms
	10.	City and county governments, especially if research falls within their areas of supervision.

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Service Provider Approach

Steps	Suggestions	Specific Techniques, Tips or Skills
1. Review advantages and limitations of this approach.	• use positive/negative Forces analysis to minimize limitations.	• see example.[1]
2. Prepare a list of information needed.	• review your goals and objectives. • review literature in field and previous assessments.	• refer to Data & Information Sources.[2]
3. Identify service providers you want to include in your study.	• refer to Community Overview • if number of providers is too large to contact all, decide on sample size.	• see Drawing a Sample.[3]
4. Prepare interview questionnaire.	• items should reflect goals and objectives of assessment. • items should specifically gather information that relates to community's needs and services.	• see Writing a Questionnaire.[4] • sample Service Provider Questionnaire.[5]

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(cont'd)

Service Provider Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips or Skills
5. Select and train interviewers.	• minimize expenses by training temporary or office staff. • prepare an interviewers manual of instructions. • choose interviewers carefully. • set aside ample training time	• see Recruiting Interviewers.[6] • see Training Interviewers.[7]
6. Test the questionnaire.	• determine if questions and instructions are clear. • identify problems in compiling results. • refine the questionnaire based on test results.	• see Validity and Reliability of the Questionnaire.[8]
7. Conduct the survey.	• by mail, telephone or in person • conduct follow-up contacts.	• see Problem of Low-Response.[9] • see Tips for Interviewers in the Field.[10] • see Problems of Interviewers' Productivity.[11] • see Editing and Validating the Interviews.[12]

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(cont'd)

Service Provider Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
8. Edit and code questionnaires.	• editing should be done by interviewers and supervisors. • coding can be done by re-training key interviewers.	• see Tips for Coding.[13]
9. Compile and analyze the information.	• by hand or by machine • tables for compilation and summaries should be designed prior to collecting data. • send proposed tabulations and analyses to key community advisors and others who helped with planning the survey.	• see Analysis and Interpretation of Data.[14]
10. Report the findings.	• a written report which can be read quickly and easily.	• see Writing the Report.[15] • see Tips For Presenting Your Findings.[16]

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IMPLEMENTING THE NEEDS ASSEMENT APPROACHES

Key Informant Approach

Steps	Suggestions	Specific Techniques, Tips, or Skills
1. Review advantages and limitations of this approach.	• use Positive/Negative Forces Analysis to minimize limitations.	• see example.[1]
2. Prepare a list of information needed.	• review your goals and objectives • review literature in the field and previous assessments.	• refer to Data and Information Sources.[2]
3. Identify key informants you want to contact.	• choose people with knowledge of community, their needs and care patterns.	• refer to Community Overview.[17]
4. Prepare interview questionnaire.	• items should reflect your goals and objectives. • use non-technical questions. • use open-end questions to allow respondent to expand on answers.	• see Writing a Questionnaire[4]

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(cont'd)

Key Informant Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
4. (cont'd)	• provide a check list of needs-services priorities to allow respondents to rate community services.	
5. Test and refine the questionnaire.	• determine if language is clear.	• see Validity and Reliability of the Questionnaire.[8]
6. Conduct the survey.	• in-person interviews are recommended because they permit free exchange of ideas and have a high response rate. • mailed questionnaires have a very low response rate from key informants. • interviews may also be used to educate key informants to programs and problems outside their field.	• see Interviewing Tactics.[18]
7. Compile and analyze information.	• by hand or machine. • tables for summaries and compilation should be designed prior to collecting data.	• see Analysis and Interpretation of Data.[14]

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(cont'd)

Key Informant Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
8. Bring the key informants together in a group.	• allows for review and discussion of community's needs and services. • increases likelihood of cooperative planning in setting priorities for community services.	• see Facilitating and Recording Meetings.[19]
9. Prepare a final report.		• see Writing Your Report.[15]

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IMPLEMENTING THE NEEDS ASSEMENT APPROACHES

Community Forums And Hearings Approach

Steps	Suggestions	Specific Techniques, Tips, or Skills
1. Review advantages and limitations of this approach.	• use Positive/Negative Forces Analysis to minimize limitations.	• see example.[1]
2. Prepare a list of key questions around which meetings will be structured.	• review your goals and objectives. • review literature in the field and previous assessments.	• refer to Data and Information Sources.[2]
3. Select key people to sit on a panel, facilitate the meetings, and record the meetings.	• decide on a time limit for panel discussion of key questions. • set apart time for audience participation. • set time limits for each speaker.	
4. Set up meeting places and dates.	• places should be geographically accessible. • make sure there are no conflicting meetings in the community.	

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(cont'd)

Community Forums And Hearings (cont'd)

Steps	Suggestions	Specific Techniques, Tips or Skills
4. (cont'd)	• decide on several small meetings, or one large forum that can break into smaller groups. • consider working under the umbrella of already existing neighborhood or community groups.	
5. Prepare survey forms and forms for compiling information.	• survey items should reflect your goals and objectives. • survey should be short and simple to allow audience to fill it in during the meeting. • provide a check list of needs services priorities. • provide space for audience to express own priorities. • ask for demographic information only when necessary.	• See example of Community Forum Questionnaire.[20]
6. Publicize the meetings.	• list purpose of meeting, sponsors, time, place, and date. • put up posters.	• example of Flyer.[21] • See elements of Press Releases[22] See Public Service Announcements.[23]

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(cont'd)

Community Forums And Hearings (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
6. (cont'd)	• send letters, flyers in other agency's mailing. • get newspaper, TV and radio announcements.	
7. Hold meetings.	• facilitate the meeting. • record ideas, attitudes and information -- use large sheets of paper taped to walls or overhead projector. • if you plan to break into small groups, use large forum to set "ground rules," assign rooms, appoint recorders' and group leaders. • collect filled in surveys from attendees.	• See Facilitating and Recording Meetings.[19]
8. Tabulate and summarize the information.	• arrange to return summaries of information to those who participated. • identify groups expressing needs and priorities.	• see Analysis and Interpretation of Data.[14]

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(cont'd)

IMPLEMENTING THE NEEDS ASSESSMENT APPROACHES

Community Forums And Hearings (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
8. (cont'd)	• compare this information with perception of needs as outlined in steps 2 and 5.	
9. Prepare final report.		• see Writing Your Report. 15

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IMPLEMENTING THE NEEDS ASSEMENT APPROACHES

Case Studies Approach

Steps	Suggestions	Specific Techniques, Tips or Skills
1. Review advantages and limitations of this approach.	• use Positive/Negative Forces Analysis to minimize limitations.	• see example.[1]
2. Prepare a list of information needed.	• review your goals and objectives. • review literature in the field and previous assessments.	• see Data and Information Sources.[2]
3. Identify agencies you want to contact.	• include public and private agencies. • tell them why information is needed and how it will be used.	• see Community Overview.[17]
4. Prepare a data worksheet and forms for compiling the information.	• allow for systematic retrieval of information from all agencies. • allow for total anonymity.	• see sample Recording Sheet.[24]
5. Conduct the survey.	• start with your clients' case studies.	• refer to Agency Overview.[25]

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(cont'd)

Case Studies Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
5. (cont'd)	• collect information in the public domain -- numbers and characteristics of people and types of services of public agencies. • sample cases of private and public providers • guarantee anonymity by asking provider to "blank out" all identifying information on records.	• see Drawing a Sample.[3]
6. Compile and analyze the data.	• invite participating agencies to review the summary of the information and descriptions of services and clients. • compare information with needs identified by other assessment approaches.	• see Analysis and Interpretation of Data.[14]
7. Prepare final report.		• see Writing Your Report.[15]

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Social Indicators Approach

Steps	Suggestions	Specific Techniques, Tips, or Skills
1. Review advantages and limitations of this approach.	• use Positive/Negative Forces Analysis to minimize limitations.	• see example.[1]
2. Prepare a list of types of data you want to collect and make preliminary identification of sources.	• refer to your goals and objectives. • review past studies. • focus on population, housing, employment, health, income, education, and crime.	• see Data and Information Sources.[2]
3. Decide on units for analysis.	• census tracts, block groupings, neighborhoods, etc. • units should be comparable to research units of other organizations.	
4. Contact and solicit assistance of community sources of data.	• examine format of records of various agencies to make sure data collected is consistent	• see Community Overview. Report[17]

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(cont'd)

Social Indicators Approach

Steps	Suggestions	Specific Techniques, Tips, or Skills
4. (cont'd)	• use worksheets to transfer information from reports or records.	
5. Compile and analyze the data.	• use maps with transparent overlays to display incidence of indicators being analyzed. • computer analysis is required for large numbers of indicators studied in numerous tracts or neighborhoods.	• see Graphic Display for your Data.[26]
6. Prepare the report.	• findings are enhanced by incorporating information from baseline studies, case studies, and surveys.	• see Writing Your Report.[15]

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IMPLEMENTING THE NEEDS ASSEMENT APPROACHES

Survey Approach

Steps	Suggestions	Specific Techniques, Tips or Skills
1. Review advantages and limitations of this approach.	• use Positive/Negative Forces Analysis to minimize limitations	• see example.[1]
2. Prepare a preliminary list of information needed.	• review your goals and objectives • review literature in field and previous assessments. • review agency and community overviews. • consult with community leaders, planners, and administrators.	• see Data and Information Sources.[2]
3. Identify population to be studied.	• review Census Bureau documents. • select target sample of population and decide on sampling technique.	• see Drawing a Sample.[3]
4. Decide on data gathering method(s) to be used.	• in-person, mail or telephone interviews or a combination of methods.	

(cont'd)

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Survey Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
5. Prepare interview questionnaire.	• items should reflect goals and objectives of assessment. • length and format will depend on data gathering method.	• see Writing a Questionnaire.[4]
6. Recruit and train interviewers.	• less expensive, unskilled workers need more training and supervision.	• see Recruiting and Training Interviewers[6 & 7]
7. For mailed questionnaire, prepare cover letter and supplies for mailing.	• see Steps for Mail Survey, (next worksheet).	• see sample Cover Letter.[27]
8. Test the survey questionnaire.	• test the wording and clarity of questions and ability of interviewers.	• see Validity and Reliability of Questionnaire.[8]
9. Conduct the survey.	• plan extensive publicity program before you begin.	• see Tips for Interviewers in the Field.[10]

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(cont'd)

Survey Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
9. (cont'd)	• contact appropriate agencies (law enforcement, medical societies, chambers of commerce, etc.) that can legitimate study for respondents.	
10. Monitor interviewing and data gathering.	• plan weekly report sessions with interviewers. • if necessary, accompany interviewers on one interview. • arrange on-going training as needed.	• see Problems of Interviewers' Productivity.[11]
11. Make follow-up contacts where respondents have not answered.	• by telephone, mail, or in person.	
12. Edit and code questionnaire.	• editing should be done by interviewers and supervisors. • coding can be done by retraining key interviewers.	• see Editing and Validating the Interviews.[12] • see Tips for Coding.[13]

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(cont'd)

Survey Approach (cont'd)

Steps	Suggestions	Specific Techniques, Tips, or Skills
13. Compile and analyze information.	• by hand or machine. • table for compilation and summaries should be designed prior to collecting data. • send planned tabulations and analyses to key decision makers and others who helped you with the planning of the survey.	• see Analysis and Interpretation of Data.[14]
14. Prepare the final report and report the findings.	• include general summary for quick and easy reading. • list recommendations in priority order. • indicate how target population can best be served by programs in area. • compare results with information from other assessments. • by mail, or in public meetings, distribute summaries to persons who were interviewed.	• see Writing Your Report.[15] • see Tips for Presenting Your Findings.[16]

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ANALYSIS AND INTERPRETATION OF THE DATA: A CHECKLIST

✓	#	Steps
	1.	Count and total important demographic items so you have information on age, sex, race, income group, place of residence, etc. for all respondents.
	2.	Calculate percentage for these items.
	3.	Count and total the number of people who gave each specific answer.
	4.	Calculate percentage for these items.
	5.	Decide on comparisons you want to make: • your data with previous surveys • population characteristics with certain answers • combinations of population characteristics with certain answers to attitude and opinion questions • all answers to <u>one</u> question in relation to other answers • responses from different communities or neighborhoods • responses at different time periods.
	6.	Use large tabulation sheets with numbered lines and many columns to visually demonstrate the information you are finding. Draw graphs and enter figures to help you visualize.
	7.	Consider hiring a statistical analyst if you want to: • calculate correlations between two or more variables • determine if differences between two groups are statistically significant • combine answers to a number of questions into indices to use in further analysis • determine what conditions lead to what attitudes, actions, and conditions.

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San Francisco, California
Needs Assessment Handbook, 1980

ANALYSIS AND INTERPRETATION OF THE DATA: A CHECKLIST (cont'd.)

✓	#	Steps
	8.	Sketch out your findings: o what needs, resources, and barriers do you see? o does the evidence support your findings?
	9.	Look for gaps and missing pieces in your information.
	10.	Draw conclusions based on your findings and the evidence you have collected.

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SUGGESTED OUTLINE FOR FINAL REPORT: A WORKSHEET

Section	Content	Your Ideas
I. Title Page	• Title, sponsoring organization, place and data of publication, name of person or organization to whom report is addressed	
II. Table of Contents	• Outline of topics by headings and subheadings and page numbers • Double space main headings • Single space subheadings	
III. List of Illustrations, Tables and Charts	• Number all charts, etc., consecutively • List with page numbers • Separate list of statistical tables from list of charts and illustrations	
IV. Introduction or Foreward	• Why survey was conducted--problem statement • How survey committee was organized • List committee members and their community affiliations	
V. Background	• Purpose of study (your goals) • Objectives of study • Description of sample number and sample area • Description of sampling method--how units were chosen	

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SUGGESTED OUTLINE FOR FINAL REPORT: A WORKSHEET (cont'd.)

Section	Content	Your Ideas
V. (cont'd.)	• Description of survey method and results--include non-responses, time span, and dates • Description of training received by interviewers and who trained them	
VI. Summary	• Concise abstract of important points and recommendations	
VII. Text or Body of Report	• Verbal explanation of what is shown in tables, charts, and graphs • Verbal explanation of replies to your questionnaire • Signficant comparisons • Any trends which exist • Any conspicuous exceptions to general situation • Over-all picture revealed by study • Quotations from interviews • Conclusions based on your findings • Recommendations which are easy to implement and those which look to the future	
VIII. Appendix	• Copy of questionnaire • Bibliography • Unsummarized tabular material • Letter of authorization or endorsement • Glossary of terms	

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DATA AND INFORMATION SOURCES FOR NEEDS ASSESSMENT

When you assess the needs in your community you will want to use the many public sources of data and information. The lists on the next pages will help you locate these sources of information. You will not use all of them, by any means. The steering committee should decide which ones are needed and appoint someone to collect the information.

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DATA AND INFORMATION SOURCES FOR NEEDS ASSESSMENTS:

A WORKSHEET

Source	Data and Information	Person Responsible	By When
U.S. Government Printing Office Wasington, DC 20402 (See list of regional offices in Resources.)	1. Census Bureau reports: (also available through Dept. of Commerce -- see list of district offices in Resources) • block statisics and maps • population statistics • socio-economic statistics • special subject reports • area employment profiles • business and industry reports • social indicators 2. Guide to Federal Publications, list of subject bibliographies 3. U.S. Government Manual: purpose, programs, and information sources for government agencies		
General Accounting Office 441 G St., N.W. Washington, DC 20548	1. Bureau of Labor Stats. reports (see also regional offices of the Bureau) 2. GAO reports to Congress		
Federal Depository Library system (libraries located in county, university, college, and large city libraries)	1. All above mentioned federal publications 2. Federal Register, Congressional Quarterly, Congressional Committee reports 3. Federal, state and often local codes and statutes 4. Annual reports of public agencies 5. American Statistical Index (guide to studies and statistical publications of U.S. Govt.)		

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DATA AND INFORMATION SOURCES FOR NEEDS ASSESSMENTS:
A WORKSHEET (cont'd.)

Source	Date and Information	Person Responsible	By When
Departments at the State level (Finance, Education, Health, Welfare, Employment, Highway)	1. Background information 2. Title XX state plan (numbers of people served, where, costs of services, etc.) 3. Maps		
Regional Planning Agencies	1. Previous needs assessments 2. Statistical reports -- economic, health, environment, etc.		
County and Municipal departments and agencies:			
Health	1. Vital statistics, infant mortality, disease rates, suicide		
Law enforcement	1. Public drunkeness, crime stats., drug arrests, etc.		
Juvenile Court	1. Juvenile arrests, abused and neglected children		
County Court	1. Divorce statistics		
Planning Dept.	1. Block maps, zoning maps 2. Statisticians on staff		
County tax records	1. Housing turnover, property values		
Welfare	1. AFDC statistics, children placed out of home, unemployed		
Education	1. Achievement scores, drop-outs, suspensions, etc.		
Local Library	1. City Directory -- list of individuals alphabetically, by street and by telephone -- information on occupations, home ownership, etc.		

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DATA AND INFORMATION SOURCES FOR NEEDS ASSESSMENTS:
A WORKSHEET (cont'd.)

Source	Data and Information	Person Responsible	By When
Your legislators' district offices	1. Help in contacting the right person in government to get the right information 2. Constituents' concerns		
Private Agencies and Other Sources:			
Chamber of Commerce	1. Economic health of community		
Federations of social or health organizations	1. Previous needs assessments		
Mental health clinics, centers and associations	1. Client profiles, lists of people to survey		
Vocational rehabilitation agencies			
Crisis centers			
Colleges and universities	1. Libraries, statisticians		
Data processing centers			
National associations			
Other grantees in your field	1. Contacts, other resources		
United Way -- Community Resource File			

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(cont'd.)

DATA AND INFORMATION SOURCES FOR NEEDS ASSESSMENTS: A WORKSHEET (cont'd.)

Source	Data and Information	Person Responsible	By When
(cont'd.)			
Utility companies	1. Number of location of housing units		
Board of Realtors	1. Housing, maps		
Radio and TV stations	1. Community needs surveys		
Direct mail companies	1. Lists for sampling		
People:			
Members of boards	1. Service gaps		
Commission members	1. Community problems		
Employees of public departments	1. Community overview		
Newspaper editors	1. Other resources		
Real estate people			

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PLAN AHEAD FOR DATA PROCESSING AND ANALYSIS OF YOUR NEEDS ASSESSMENT INFORMATION

# Tip	Suggestions	Your Notes
1. Talk to a statistical analyst.	• can advise on funds and extent of analysis your survey design calls for • analyst can be found at university social science departments, city and county planning departments, Bureau of Labor Statistics regional offices, market research departments of corporations	
2. Visit a commercial or university computer center.	• talk to others who have used computer processing • investigate availability and cost of computer time • look into computer programs suitable for your survey design (e.g., documentation booklets such as the manual for the "Statistical Package for the Social Services" (SPSS) collection of programs)	
3. Consider the number of workers and the amount of time you have to do tabulation and analysis.	• consider the number of questionnaires and the number of answers you must work with (e.g., 100 questionaires of 30 questions each "means at least 3,000" pieces of data to be tabulated	
4. Consider the types of measures you want to use.	• common measures include mean, median, standard deviation, distributions, cross tabulations (chi-square), correlations • more sophisticated measures include multiple correlations, analysis of variance, partial correlations, factor analysis	

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AFFILIATIONS - COALITIONS - AND NETWORKS

Introduction

Our purpose here is to suggest to you why you and your organization should associate yourself with other entities, how you can go about doing so, and the kinds of groups, agencies and entities you will want to consider establishing connections with.

In this context, the word "affiliation" is used in a limited sense: to suggest a basis for association between two groups that are independently established and managed; wherever we use the word "affiliation", it is not meant to suggest the subordination of one group to another. One kind of "affiliation" we will be discussing is more properly called a "coalition". A coalition, as we use the term, refers to a banding together of groups and individuals for the purpose of developing wide support on a single issue or a broadly-defined group of issues. For example, a number of organizations might wish to build a coalition to fight proposed legislation to reduce SSI/AFDC benefits. Such a coalition might exist only so long as a specific piece of legislation were pending; or it might be formed for the purpose of monitoring and/or lobbying on all legislation involving issues of mutual interest. Networks, as we define them, are associations that tend to be less structured than are "coalitions" and usually have as their purpose the gathering and dissemination of information on topic(s) of mutual interest

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By Norma Jean Vescovo with Louise Monaco. © Institute for Information Studies, Falls Church, VA, 1981.

from and to a broader audience than any single organization could build.

I. WHY SHOULD YOU PARTICIPATE IN A COALITION OR NETWORK?

- Because the exposure to existing programs and services can help you organize a new group without encountering some of the common pitfalls and problems that befall new administrators; it can also suggest ways to expand and improve your own existing services, if your group is already organized.
- In order to maximize financial resources: whether by way of learning new fund-raising tactics; pooling people and ideas; avoiding duplication of effort; or learning how to cut through red tape and bureaucracies.
- To improve community visibility - by participation in joint workshops/seminars; sharing or pooling media and publicity outreach; the larger the number of people and/or organizations involved in any project, the more likely is the media, and therefore your community, to hear about and understand the goals of that project. Numbers talk.
- To share information and knowledge - no one person or group can be everywhere all the time. Several different groups may have varying degrees of involvement or interest in one issue or subject (e.g., housing). All of those groups can benefit by pooling the individual items of information obtained from a wide variety of sources. One group might be monitoring state agencies, while another oversees federal

programs; still another group may be keeping an eye on local developments. The inter-relationship of all that information can be vital to all of the groups.

- To expand lobbying efforts - here again, numbers talk. Legislators are more likely to be responsive to letter-writing, petition campaigns or other lobbying tactics if they know that you represent a significant number of people and a diversity of geographic and economic interests, and that you are capable of furnishing them with supporting data for your position.

II. WITH WHOM YOU WILL WANT TO ESTABLISH AN AFFILIATION, COALITION OR NETWORK WILL DEPEND UPON THE GOAL TO BE ACCOMPLISHED BY THAT ASSOCIATION.

If your goal is to expand and improve the services you offer, you may wish to set up a relationship with other independent living centers or other resource centers. That relationship may be temporary and for the purpose of accomplishing a specific one-time goal. For example, you may wish to organize a fleet of vans capable of transporting wheelchair users to a seminar of mutual interest to all the participating organizations. You might also wish to establish an ongoing relationship for more general goals. For example, all the independent living centers in a geographic area (such as Los Angeles County) may wish to set up regular periodic meetings to discuss a variety of topics and services such as, e.g., housing. These meetings might include what laws are applicable;

problems which all the centers are incountering in attempting to meet the needs of their clients; identification of human and financial resources that individual centers may not know about; setting up cross-referral procedures.

If your goal is to increase the number of volunteer workers available to assist you in your programs or projects, you may wish to contact your local colleges and universities, as well as service organizations in your area (such as the Optimists). When you make your initial contact, you should have a specific project or area of interest in mind. For example, does your local college or university offer the services of its students for tutoring, counseling, conducting surveys, or perhaps the use of their computer facilities. (The students in these kinds of programs benefit by obtaining credit for training, internships and experience in their specific field.)

If your goal is to expand the visibility of your group in the community, you may wish to contact local, state and federal administrative agencies that have set up citizen or community advisory councils, in order to obtain membership on such a council as a representative of the constituency you serve. At the local level, does your mayor have a council on the rights of disabled persons? Is there a representative from your area of the city? If not, how are members selected? At the state level, is there Governor's Committee on Employment of Disabled

Persons? Do the 504 regulations mandate the establishment of a citizens advisory council in your area on transportation, special education, architectural barriers? Do you know someone who is on such a council? If so, ask that person how to get on. If you don't know such a person, contact your city council person, your state senator, your congressional representative or senator and find out if they appoint members to advisory councils. The advantages of such membership can be many: you establish important contacts, become known as "representative" in a particular area of expertise or for a particular constituency - and it will open up new vistas of financial resources.

If your goal is to increase and share knowledge and information in a particular area, you may wish to join or form a network of individuals and groups whose involvement in the area may be different from your own, but who can contribute information that you can use. For example, Special Education Information Networks are being established all over the country. Their memberships include parents, lay advocates, lawyers, legal service administrators, educational psychologists and other service providers. They discuss common problems in dealing with local school agencies, common perspectives in developing legislation and administration regulations, generate testimony for legislative and administrative hearings, disseminate newsletters with updates on latest cases, new laws, pending laws, successful advocacy tactics, tips for consumers, etc.

If your goal is to expand your lobbying efforts, you may wish to establish a relationship with a "consumer" organization (such as California Association of the Physically Handicapped - "CAPH") that is already involved in extensive lobbying efforts. Such a relationship is mutually beneficial - you're plugged into an existing lobbying mechanism; and you can lend support to their lobbying plans.

This is by no means an exhaustive list of the kinds of affiliations, coalitions and networks that can be established or the purposes they can serve. What is feasible, practical, necessary or absolutely urgent is limited only by your creativity and willingness to put in the time to make it work.

III. HOW DO YOU ESTABLISH AN AFFILIATION, COALITION OR NETWORK?

Before you begin your outreach to other groups and organizations, you should have developed a three, four or five year operational plan for your center. What programs do you want your center to set up, which program(s) should be set up first, and what kind of a time plan do you foresee for starting and then expanding the services to be offered at your center?

The easiest way to get a foothold in your community may be to first set up an "information and referral program". Let's say you want to organize an independent living center in the Orange Grove Neighborhood. And you've decided that your center wants to serve disabled adults. Usually, a little

investigation in your area will turn up a "primary" problem - e.g., disabled adults in Orange Grove have trouble locating and hiring reliable in-home attendants and aides. You decide to set up an information and referral program to meet that need. You will then begin the process of ferreting out all possible sources of in-home attendants and aides; and you make a list of those sources, how they may be utilized and, of course, their addresses and phone numbers. Then you begin to tell the disabled adults in Orange Grove that you have the information they need to obtain those attendants and aides - and you tell them how they can get that information from you.

In the process of getting the information about existing sources of in-home attendants and aides, you will discover other resources that are available to meet other needs that you either know or believe exist in Orange Grove. Gradually, through this process of searching out and compiling information, you will learn not only how your center should develop, but what other groups and organizations you can link up with.

Still using the example of a perceived need for attendants and aides, let's say you discover that existing resources are scarce or non-existent in Orange Grove. You would then expand your "information and referral" program into a full fledged attendant/aide program of your own. This means you go out and beat the bushes and find people willing to be an attendant/aide and develop a method of "screening" those people and you notify

the Orange Grove Neighborhood that you have an attendant/aide program.

Methods of locating resources, organizations, and services.

First, you want to introduce yourself to the Orange Grove Neighborhood. You draft a letter introducing the Orange Grove ILC, describing your overall plan and your immediate goals for your first project(s).

Who do you send the letter to?

Existing agencies - Look in your telephone directories: In the Yellow Pages, look under the heading of Social Services & Welfare Organizations; In the white pages, look up, e.g., California, State of, Health Services, Dept. of; or Rehabilitation, Dept. of; or Los Angeles, City of, etc.; Los Angeles, County of, etc.

Consumer groups - Call the Orange Grove Hospitals and clinics - ask them whether they know of any existing consumer groups in the area;

Again, look in the telephone directory - start with the letter "A" (as in Arthritis); "B" (as in Blind Americans, Blind-Braille Institute), and work your way through the alphabet ("C" for Cardiac Foundation; or Cerebral Palsy; "D" for developmental disabilities; "E" for Epilepsy society, and so on - to "Z" for Zits, Nat'l Foundation for the Eradication of.)

The Media - The Orange Grove Daily Blurb, KWHY-TV, the WHAT radio station, and the Inter-Galatic News Service.

Schools - Direct your letter to the "Student Services Representative" on your local college or university campus (some even have one).

Bar Associations & Legal Services/Aid/Foundation offices (someday you may want to know who, if anyone, does "pro bono" ("free") legal work.)

Employment agencies - If your state has non-discrimination employment laws that cover disabled persons, employment agencies are frequently covered by such laws, and they should be informed that you will want to refer job applicants to them.

Medical and Psychological professional associations;

Legislators: local, state and federal.

Now that you've set up your first program, told the Orange Grove Neighborhood that you exist, you're ready to begin to join existing coalitions or networks.

After the Orange Grove ILC has been around for awhile, you may wish to set up your own (internal) Advisory Groups. Let's say you've identified a real need for accessible housing. You call up a broker or two, a bank or savings & loan counselor, an architect, a developer and/or building contractor, and maybe a representative from your local

Vocational Rehabilitation office. You get these people to come to a meeting at the Orange Grove ILC: you tell them your problem, and you ask for help - for ideas and information, suggestions on involving the business community. If they agree to offer such advice, you have a Housing Advisory Committee. For general support and ongoing fund raising needs, you may wish to establish a "general" Community Advisory Board - those civic minded people willing to lend a little or a lot of time to helping you stay alive and vital. Consumer Advisory Committees are extremely useful in helping you to plan for specific program areas and services, and in seeking grants to establish programs to meet those specific needs.

The importance of coalitions with other independent living centers.

We repeat here our caution that a "coalition" is a banding together in a federation of similar, equal, and independent entities, who join together on a minimum basis of clearly-defined and broad-based issues. Although you may disagree with another center's policies on some issues, there may be one or more issues on which it is clear you can speak with one voice.

Coalitions most often fall apart when the "collective" entity attempts to dictate or mandate an absolute uniformity in composition, programs, and definitions of "community needs" within each of the individual member groups. The fact that each member of an ILC coalition exists to meet the needs of disabled persons in a rural community are identical, or necessarily even similar to a large degree, to those

of an inner-city neighborhood in a major metropolitan area.

With these cautions in mind, the coalition is important because it increases the numbers of disabled persons in the public eye and their importance in and impact on the larger geographic community. The interchange between the individual ILC's can be productive and informative on many levels. All the benefits set forth in the first section can accrue to a coalition of ILC's, and those beneficial results are maximized because of the shared interest in a common constituency. Architectural and attitudinal barriers are problems common to all disabled persons. The details of those problems and the feasibility of various solutions will vary according to the location and size of the constituency of any individual ILC. Recent history teaches that civil rights groups are most often defeated when they fall to bickering among themselves, rather than showing a united and common front.

Newsletters - disseminating your own; and what to do with those you receive.

Newsletters going out (preferably on a reasonably regular basis) to your clients and community supporters will keep you in touch with those with whom you do not otherwise have regular contact or communication. It allows you to publicize your program, encourage participation in projects and permits a moderate degree of "puffery". A newsletter, for example, can be effectively used to conduct a survey of architectural barriers in your community: by providing a fill-out form to be returned to your center.

It's also important to put the name of your center on other groups' mailing lists. That will help you learn more about what's going on in the community in general and may provide tips for potentially successful networks and coalitions.

CONCLUSION

Being an administrator of an ILC is not a life of tranquility and paper shuffling. It's all too easy to find your time dissipated in attending too many meetings of networks, coalitions and other kinds of affiliations. If all you do is go to meetings, the real work never gets done. The byword is DELEGATE: Delegate the responsibility not only of attending coalition/network meetings; but also the task of searching the existence of and need for establishing coalitions/networks. When the morning mail brings you 27 newsletters from as many organizations, remember that it's not necessarily your responsibility to read them all. The newsletter from the Fair Housing Council gets routed to your housing counselor(s); the regular memos from your state rehab department go to your agency liaison staff person.

Before you join a coalition or network, and even after you've done so, be sure you've got a firm grasp on the needs and goals of your own center. There may come a time when your participation in one or more affiliations becomes, on close scrutiny, unproductive or even counter-productive. Be alert for the signals - and don't

be afraid to withdraw, especially if your continued participation (for reasons of time or otherwise) threatens to undermine the viability of your own programs and goals.

Successful affiliations, coalitions and networks are those which function in a spirit of cooperation and mutual respect for the individual components, and demonstrate sensitivity to the special needs of a newcomer. The establishment, development and growth of more independent living centers can only enhance the work of those already existing. Welcome those who want to share the work and give them a helping hand in getting started.

Additional Resources - Community Needs Assessment

A Primer for Community Research, Levy, Clifford V. San Francisco: Far West Research, Inc., 1972. 95 pp., paperback.

An Introduction to Sample Surveys for Government Managers, Weiss, Carol H. and Harry P. Hatry. Washington, D.C.: The Urban Institute, 1971. 48 pp., paperback.

Analysis and Synthesis of Needs Assessment Research in the Field of Human Services, Edward C. Baumheier, and Gretchen A. Heller. Denver University, Colorado, Center for Social Research and Development. July 1974, p 103.

Assessing Social Service Needs and Resources, Booz-Allen Public Administration Services, Inc., Washington, D.C., June 30, 1973.

Needs Assessment Approaches: Concepts and Methods, Warheit, George J.,Roger A. Bell, and John J. Schwab. Washington, D.C.: U.S. Department of HEW, Public Health Service; Alcohol, Drug Abuse and Mental Health Administration; National Institute of Mental Health; Department of HEW Pub. No. (ADM) 77-472, 1977, 142 pp. paperback.

"Measurement of Need", Social Work Research, Carter, Genevieve W., University of Chicago Press, edited by Norman A. Polansky, 1960.

Techniques for Needs Assessment in Social Services Planning. Atlanta: The Research Group, Inc., 1976. 122 pp., paperback.

CONCEPTUALIZING YOUR PROGRAM

Potential Sources of Funding

Introduction

It has been said that the Administrator's only task is the location and allocation of funds on behalf of programs. That is not to say that time, thought and energy expended on day to day operational matters of personnel, programs and physical facilities are not important. It is said in order to highlight the ongoing importance of identifying, securing and utilizing of revenues on behalf of your program.

In the previous section of this resource book we discussed the need to formally organize your group and to quantify community needs. Now you will have to find monies to meet those needs. Provided in this section are materials on Special Event Fundraising; Researching Foundations; City Hall, An Important Resource for Your Organization. A section is provided in the form of three tables outlining federal funding. A brief outline of possible ILP services paid for by third parties and those services paid for directly by clients is provided. Finally we include a reprint on proposal writing.

You should be aware that often the funds you receive bring with them stipulations about how that money is to be expended. Over the course of time, funds received begin to change your original goals and objectives. As an administrator you will want to involve your board in decisions about seeking funds to avoid conflicts of self interest and to check the priorities of the funder against your own goals and objectives. When your goals and objectives for service are clear and well defined you will be able to seek diversified funding that will meet those goals.

One of the ways to broaden your funding base is through contacts you and your board have in the community and with funding sources. Whatever strategies you develop for funding, they should have the effect of involving the greatest possible number of persons from the widest possible sources.

Table one: Resource matrix

Federal programs being used to support ILPs

At the Second National Conference on Independent Living held in Houston in September 1978, nationally recognized leaders in independent living met to discuss funding available to support independent living. Representatives of 16 independent living programs (ILPs) identified funding sources successfully being used by their respective programs. This information has been compiled in a Resource Matrix, in which federal, state, and local funding sources are listed across the top and ILPs are listed down the left hand side. The matrix allows the reader to identify specific IL programs that have used any given funding source successfully. An explanation of abbreviations is given on the back of the matrix.

When possible, the matrix is cross-referenced with the Annotated Registry of ILPs in the United States. Program profiles in the registry describe key features such as service setting (residential or non-residential), service delivery (direct or indirect), service delivery style (non-handicapped or consumer), vocational emphasis (incidental or primary), goal orientation (transitional or ongoing), disability served (single or many), target disability type, and a list of specific services provided. The registry and matrix together allow the reader to cross-reference ILPs on the basis of program characteristics or funding base.

The ILRU project plans to update the matrix whenever possible, so the staff would appreciate receiving information regarding funding techniques not included herein or programs which are successfully using some combination of funding sources.

Funding IL programs

Funding continues to be a crucial aspect of independent living planning for many reasons. It will probably be necessary to obtain office space, to buy equipment, to hire personnel, or to continue operation and maintenance of a facility or office. Funding may come from any one or a combination of several different sources, depending on its intended use.

Income to support independent living programs generally comes from three basic sources: donations, gifts, or contributions; payment of fees for services rendered or space utilized; and grants or contracts from public or private agencies and corporations. State and federal government grants or contracts have been the two most commonly used sources of support. Donations from community groups and individuals often resulting from fund-raising events and projects have also been a major source of funding. Income from direct and third party payment of fees for services has been less frequent, but there seems to be a trend towards utilization of service charges as a means of program support.

Program sponsors need to use imagination and good judgment in order to develop and maintain support and funding for programs. In addition to good management skills, proposal writing and grantsmanship skills are needed by people who run independent living programs to insure continued funding.

This chapter contains tables and bibliographical lists designed to provide information and stimulate ideas about obtaining funds for independent living programs. Included are:

- Table One: Resource matrix of federal programs which successful independent living programs have used to support the delivery of their services;
- Table Two: Service matrix of federal programs which may provide direct support for supportive services;
- Table Three: Annotated listing of federal programs which could be used to assist independent living programs; and
- Bibliography of books and articles related to identifying appropriate funding sources and to increasing grantsmanship skills.

Funding IL Programs, ILRU Source Book, Houston, Texas 1979

Table 1: Resource matrix

	State/Fed. VR Grants	State/Fed. VR Fees for Services	Dev. Disabilities Grant	Title 19	Title 20	Food Stamps	CETA	VISTA	HUD	UMTA 16B2	Revenue Sharing	Special Grants (Foundations, Corporations, Individuals)
CIL (Center for Independent Living-Berkeley)	Local, state, regional, national		•	Medicare state supplement	Chore services		Title, I, III, IV	•	CDBG	•	•	Local corp., foundations, C of C
BCIL (Boston Center for Independent Living)	I & E	•		•			•		Sec 8			
Creative Living-Columbus, Ohio	•								236 Sec 8			•
Worcester Area Transitional Housing (WATH)-Worcester, Mass.												
New Options-Houston	R & T Center, Federal R & D	•										
Genesis/Atlantis/VISTA-Denver												
Univ. of Washington-Seattle	I & E, Research							Protection & advocacy group				
Houston CBFL (Coalition for Barrier-free Living)							•	•	CDBG			
CLASP -Houston		•		Home health medical services	Chore services, management funds	•			Sec 8			
Independence Hall-Free Lives Goodwill Industries-Houston		•			Chore services				236			Goodwill subsidy
UCP -Pittsburgh	Day program	•	•		Life skills prog., Attd. care, transportation		•		Sec 8	•	Community develop. for accessibility	•
Nat'l. Para. Foundation (SW Mass., NE Mass., Vermont, New Hamp.)	I & E	•	•				Title II, VI		CDBG 202, 707, 689			•
Independent Living Program-Detroit			•				•			•		
Bronx Developmental Services			•	•	•	•			Sec 8			
Independent Lifestyles-Houston		•			Chore services							•
Southwest Center for the Hearing Impaired-San Antonio	I & E				•		•					•

List of Abbreviations

State/Fed. VR Grants—State and Federal Vocational Rehabilitation Grants
- I & E—Innovation and Expansion Grant
- R & T Center—Research and Training Center
- Fed. R & D—Federal Research and Demonstration Grant

Dev. Disabilities—Developmental Disabilities

CETA—Comprehensive Employment and Training Act

VISTA—Volunteers in Service to America

HUD—Department of Housing and Urban Development
- CDBG—Community Development Block Grant

UMTA—Urban Mass Transportation Administration

Special Grants
- Local Corp.—Local Corporations
- C of C—Chamber of Commerce

Table 2: Service matrix

Federal programs which can provide direct support for IL services

Federal program	Services for which federal financial participation is available																
	Core services							Other services									
	Meals			H'keep.		P/Care											
	Congregate meals	Home-delivered meals	Food stamps	Chore	Homemaker	Home-health aide/services	Personal care	I & R	Transportation	Counseling	Legal services	Social services (general)	Health-related, health-supportive	Preventive	Screening and evaluation	Voc. & rehab. serv./devices	Housing services
Title XX, Social Security Act	•	•		•	•	•	•	•	•	•	•	•	•	•			•
Food Stamp Program	•	•	•														
Sec. 16(b)(2), UMTA									•								
Reduced Fares, UMTA									•								
Medicare						•											
Medicaid (basic required services)						•	•		•						•	•	
Community Development												•					•
Revenue Sharing												•					

Adapted from Suzette Ashworth, *et. al*, *Well-Being in Old Age: Essential Services*, and George Beall, *Congregate Housing for Older People*.

Table 3: Federal programs for IL

Annotated listing of programs which could be used by ILPs

Program title	Administrative jurisdiction	Principal beneficiary	Nature of assistance/benefits	Financing
Income				
A. Income security, disability, and retirement programs				
1. OASDI—Social security	Federal	Eligible retired or disabled workers and their dependents	Direct cash benefits and automatic eligibility for Medicare hospital insurance	Payroll taxes (personal contributions)
2. Veterans programs				
a. Compensation to veterans with a service-connected disability				
b. Pensions for veterans with nonservice-connected disabilities				
c. Pensions for widows and children of veterans	Federal	Categorical, low income, and other requirements	Direct cash and in-kind benefits, and automatic eligibility for certain other veterans programs	Open-ended federal appropriations

Adapted from Suzette Ashworth, *et. al*, *Well-Being in Old Age: Essential Services*, and George Beall, *Congregate Housing for Older People*.

Table 3 continued. . .

Program title	Administrative jurisdiction	Principal beneficiary	Nature of assistance/benefits	Financing
B. Income supplement programs				
1. Supplemental Security Income (SSI) Program	Federal-state	Low income and other categorical requirements	Direct cash benefits, automatic eligibility for benefits from the Title XX and the Senior Community Service Employment Programs, and eligibility, depending on state of residence, for Food Stamp and Medicaid programs	Open-ended appropriations from federal general revenues, state supplementation where applicable
2. Lower Income Housing Assistance Program (Sec. 8)	Federal	Low income and other categorical requirements	Project grants to certain housing owners, subsidies to cover the difference between family contributions for rent and the unit rental	Annual federal appropriations
3. Rent Supplement Program (Sec. 101)	Federal	Low income and other categorical requirements	Monthly payments to owner of housing (nonprofit, cooperative or limited-dividend organizations) on behalf of low-income tenants	Annual federal appropriations
4. Food Stamp Program	Federal-state	Low income and other categorical requirements	Direct cash benefits in form of purchase of food coupons worth more than purchase price. Coupons used for food commodities, home-delivered meals, and congregate meals in a Title VII nutrition project setting	Open-ended federal appropriations, personal contributions
5. Reduced fares, Urban Mass Transportation Act, as amended	Federal	All elderly or disabled persons with access to mass transportation so funded by UMTA	Direct cash benefits. Mass transportation systems receiving UMTA funds for either capital or operating expenses must charge elderly and handicapped persons no more than half-fare during off-peak hours	Open-ended federal appropriations, personal contributions

Table 3 continued . . .

Program title	Administrative jurisdiction	Principal beneficiary	Nature of assistance/benefits	Financing
Health programs				
A. Medicare, Title XVIII, Social Security Act				
1. Part A. Hospital insurance	Federal	Part A—All OASDI and railroad retirement beneficiaries	Reimbursement for service to various categories of service providers, primarily for inpatient hospital and certain post-hospital services under Part A and physician services and other services under Part B	Part A—Payroll taxes (personal contributions)
2. Part B. Supplementary medical insurance	Federal	Part B—All eligible persons who elect to enroll		Part B—Premiums and general revenue funds
B. Medicaid, Medical Assistance Program, Title XIX, Social Security Act	Federal-state	Low income and medically needy, as determined by federal and state standards	Formula grants to states; state matching funds required; federal share ranges from 50% to 83%. Payments made to certain providers of medical services according to state-established reimbursement schedules	Open-ended federal financing with state and state-local supplementation
Social services				
A. Supportive services				
1. Title XX, Social Services Program, Social Security Act	Federal-state-local	Low income and other categorical requirements	75% federal formula grant to states for a wide variety of social and other services designed to achieve certain goals generally supportive of reducing social dependency of low-income persons, including elderly and disabled. Restrictions on use of funds in certain settings. Some support available for limited meals program, not part of full nutrition regimen	Annual federal appropriations

Table 3 continued. . .

Program title	Administrative jurisdiction	Principal beneficiary	Nature of assistance/benefits	Financing
2. Community Food and Nutrition Program, Title II, Economic Opportunity Act of 1964, as amended	Federal-local	Low-income persons	Supplementation of larger food programs of other agencies, and of projects which will increase the production of food	Annual federal appropriations
3. General Revenue Sharing, State and Local Fiscal Assistance Act	Federal-state-local	All needy persons in jurisdictions utilizing such funds	Formula grants to state and local governments to be utilized to deal with community problems, including use for social services for poor, aged, or disabled	General revenues
4. Community Development, Title I, Housing and Community Development Act of 1974	Federal-state-local	All needy persons in areas so developed	Federal community development block grants for designated purposes, including services supportive of other community development activity, removal of material and architectural barriers which restrict the mobility of elderly and handicapped persons and creation of centers for the handicapped	Annual federal appropriations
5. Sec. 16(b)(2), Urban Mass Transportation Act of 1964, as amended	Federal	All elderly or disabled persons with access to such UMTA-funded transportation systems	Capital grants and loans to private nonprofit organizations to plan and design mass transportation facilities to meet the special needs of the elderly and the handicapped	Annual federal appropriations
B. Employment and Rehabilitation programs				
1. Rehabilitation Act of 1973 (as amended)	Federal-state	All persons with disabilities within limits of available funds and according to certain predetermined criteria	Rehabilitation services of all sorts including counseling, vocational training, attendant care, and so forth	Annual federal appropriations
2. Comprehensive Employment and Training Act of 1973 (CETA)	Federal-state-local	Categorical and income requirements	Subsidized employment for those qualified, provided through formula and project grants with specialized uses	Annual federal appropriations

A Partial List of IL Services Provided for a Fee

Attendant Care (Recruitment, selection, training, registry)

Brailling

Chore Services

Equipment Repair

Home Health Aide

Homemaker

Interpreter

Legal Services

Medical Services

Taping

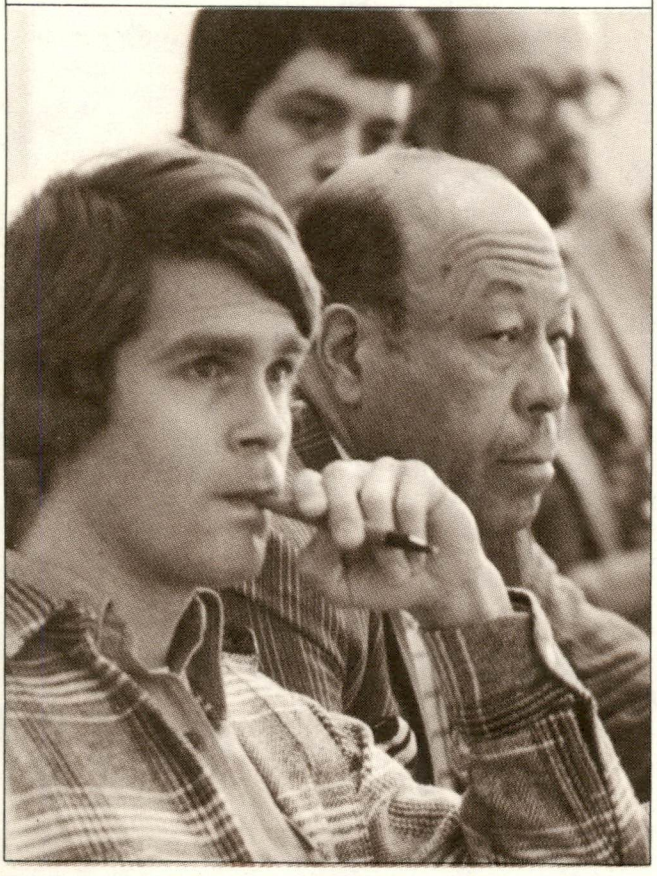
Transportation

Some of these services are those for which it is possible to receive third party payment. Other services listed may be paid for directly by the client.

PROGRAM PLANNING & PROPOSAL WRITING

By Norton J. Kiritz
Executive Director
THE GRANTSMANSHIP CENTER®

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Proposals written for foundations and those written for federal grants will differ markedly in final form. Foundations usually require a brief letter; federal agencies usually require you to complete an extensive array of forms and possibly attach your own narrative.

We suggest the following format as a basic planning format for all proposals. Thinking through the various sections as we suggest will enable you to draw from the content virtually all that either a private or public funding source will ask from you. Thinking through the various components will also enable you to develop a logical way to approach your plans and programs. And hopefully this planning will make your programs more effective.

The proposal format looks like this:

Proposal Summary
I Introduction
II Problem Statement or Assessment of Need
III Program Objectives
IV Methods
V Evaluation
VI Future Funding
VII Budget

Proposal Summary

The summary is a very important part of a proposal — not just something you jot down as an afterthought. There may be a box for a summary on the first page of a federal grant application form. In writing to a foundation, the summary may be presented as a cover letter, or the first paragraph of a letter-type proposal. The summary is probably the first thing that a funding source will read. It should be clear, concise and specific. It should describe who you are, the scope of your project, and the projected cost.

Some funding sources may screen proposals as a first step in grant-making. That is, they briefly examine each proposal to see if it is consistent with their priorities, if it is from an agency eligible to apply for their funds, etc. As a further step, the "screeners" may draw up a summary of their own and these proposal summaries may be all that is reviewed in the next step of the process. It is much better to spend the time to draw up a summary of your own that the funding source can use than to hope that the reviewer sees the importance of your program in his brief initial look at your proposal. So do a good job!

The Grantsmanship Center, a nonprofit, tax-exempt educational institution, is a response to the critical need of nonprofit and public agencies for low-cost training in program planning and resource development. The Center conducts workshops, employs a research staff, maintains a library and publishes a magazine.

I Introduction

This is the section of a proposal where you tell who you are. Many proposals tell little or nothing about the applicant organization and speak only about the project or program to be conducted. More often than not proposals are funded on the basis of the reputation or "connections" of the applicant organization or its key personnel rather than on the basis of the program's content alone. The Introduction is the section in which you build your credibility as an organization which should be supported.

Credibility

What gives an organization credibility in the eyes of a funding source? Well, first of all, it depends on the funding source. A traditional, rather conservative funding source will be more responsive to persons of prominence on your Board of Directors, how long you have been in existence, how many other funding sources have been supporting you, and other similar characteristics of your organization. An "avant garde" funding source might be more interested in a Board of "community persons" rather than of prominent citizens and in organizations that are new rather than established, etc.

Potential funding sources should be selected because of their possible interest in your type of organization or your type of program. You can use the introduction to reinforce the connection you see between your interests and those of the funding source.

What are some of the things you can say about your organization in an introductory section?

- How you got started.
- How long you have been around.
- Anything unique about the way you got started, or the fact that you were the first thus-and-so organization in the country, etc.
- Some of your most significant accomplishments as an organization or, if you are a new organization, some of the significant accomplishments of your Board or staff in their previous roles.
- Your organizational goals — why you were started.
- What support you have received from other organizations and prominent individuals (accompanied by some letters of endorsement which can be in an appendix).

We strongly suggest that you start a "credibility file" which you can use as a basis for the introductory section of future proposals you write. In this file you can keep copies of newspaper articles about your organization, letters of support you receive from other agencies and from your clients. Include statements made by key figures in your field or in the political arena that endorse your kind of program even if they do not mention your agency.

For example, by including a presidential commission's statement that the type of program which you are proposing has the most potential of solving the problems with which you deal, you can borrow credibility from those who made the statement (if they have any).

Remember, the credibility you establish in your introduction may be more important than the rest of your proposal. Build it! But here, as in all of your proposal, be as brief and specific as you can. Avoid jargon and keep it simple.

II Problem Statement or Assessment of Need

In the introduction you have told who you are. From the introduction we should now know your areas of interest — the field in which you are working. Now you will zero in on the specific problem or problems that you want to solve through the program you are proposing.

Pitfalls

There are some common pitfalls which agencies face when they try to define problems.

Sometimes an organization will paint a broad picture of all the ills plaguing people in a part of the community. Proposal writers do not narrow down to a specific problem or problems that are solvable, and they leave the funding source feeling that it will take a hundred times the requested budget even to begin to deal with the problems identified. This is overkill. It often comes from the conviction of the applicant that it must draw a picture of a needy community in all its dimensions in order to convince the funding source that there are really problems there. All that this does is to leave the funding source asking: "How can this agency possibly hope to deal with all of those problems." Don't overkill.

Narrow down your definition of the problem you want to deal with to something you can hope to accomplish within a reasonable amount of time and with reasonable additional resources.

Document the Problem

Document the problem. How do you know that a problem really exists? Don't just assume that "everybody knows this is a problem. . . ." That may be true, but it doesn't give a funding source any assurance about your capabilities if you fail to demonstrate your knowledge of the problem. You should use some key statistics here. Don't fill your proposal with tables, charts and graphs. They will probably turn off the reader. If you must use extensive statistics, save them for an appendix, but pull out the key figures for your problem statement. And know what the statistics say.

We saw one proposal where an agency presented demographic (population statistics) pictures of two communities, one in which the program was to be conducted and another nearby community where there would not be a program. Every statistic (percentage unemployment, ethnic breakdown, number of youth, number of juvenile arrests, etc.) pointed to a vastly greater problem in Community B than Community A yet Community A was the proposed site of the new program. Any reviewer would seriously question the program based on those accompanying statistics.

To summarize, you need to do the following:

- Make a logical connection between your organization's background and the problems and needs with which you propose to work.
- Support the existence of the problem by evidence. Statistics, as mentioned above, are but one type of support. You may also get advice from groups in your community concerned about the problem, from prospective clients, and from other organizations working in your community and professionals in the field.
- Define clearly the problems with which you intend to work. Make sure that what you want to do is workable — that it can be done within a reasonable time, by you, and with a reasonable amount of money.

III Program Objectives

One of your concerns throughout your proposal should be to develop a logical flow from one section to another. Whereas you can use your introduction to set the context for your problem statement, you can likewise use the problem statement to prepare the funding source for your objectives.

An objective is a specific, measurable outcome of your program.

Clearly, if you have defined a problem, then your objectives should offer some relief of the problem. If the problem which you identify is a high incidence of drug abuse by youth in your community (substantiated, of course), then an objective of your program should be the reduction of the incidence of drug abuse among youth in your community. If the problem is unemployment, then an objective is the reduction of unemployment.

Distinguish between Methods and Objectives

One common problem in many proposals is a failure to distinguish between means and ends — a failure to distinguish between methods and objectives.

For example, many proposals read like this:

> "The purpose of this proposal is to establish a peer-group tutoring program for potential drop-outs in the _____ area of Los Angeles," or

> "The objective of this program is to provide counseling and guidance services for delinquent youth in _____."

What's wrong with these objectives? They don't speak about outcome! If I support your project for a year, or for two years, and come back at that time and say, "I want to see what you have done—what you have accomplished," what can you tell me? The fact that you have established a service, or conducted some activities, doesn't tell me whether you have helped to solve the problem which you defined. I want to know what you have accomplished. I want to know the outcome of your activities. I want to know whether you have, through your tutoring program, reduced the number of drop-outs with whom you have worked, or whether the delinquent youth with whom you worked got into less trouble over the past year. Knowing that you worked at it is not enough!

Some organizations, trying to be as specific as they can, pick a number out of the air as their measurable objective. For example, an agency might say that their objective is to "decrease unemployment among adults in the XYZ community by 10 percent." The question I ask is where did they get that figure? Usually it is made up because it sounds good. It sounds like a real achievement. But it should be made of something more substantial than that. Perhaps no program has ever achieved that high a percentage. Perhaps similar programs have resulted in a range of achievement of from 2 to 6 percent decrease in unemployment. In that case, 5 percent would be very good, and 6 percent would be as good as ever has been done. Ten percent is just plain unrealistic. And it leads me to expect that you don't really know the field very well.

If you are having difficulty in defining your objectives, try projecting your agency a year or two into the future. What differences would you hope to see between then and now? What changes would have occurred? These changed dimensions may be the objectives of your program.

In addition, I want to examine your objectives in a little more detail. Maybe some programs create jobs for people that are very temporary in nature, and they reduce the unemployment problem in the short term, but after a year or two the problem will be back with us, as bad, or worse, than ever. This gets into the question of evaluation, which clearly relates to the setting of measurable objectives, for a good set of well-drawn and realistic objectives becomes a set of criteria for the evaluation of the program and thus serves another purpose.

IV Methods

By now you have told me who you are, the problem(s) you want to work with, and your objectives (which promise a solution to or reduction of the problems), and now you are going to tell me how you will bring about these results. You will describe the

methods you will use — the activities you will conduct to accomplish your objectives.

Research

The informed reviewer wants to know why you have selected these methods. Why do you think they will work? This requires you to know a good deal about other programs of a similar nature. Who is working on the problem in your community and elsewhere? What methods have been tried in the past and are being tried now and with what results? In other words, can you substantiate your choice of methods?

One agency recently brought a proposal into class that dealt with the provision of counseling services to delinquent youth by professional social workers with MSW degrees. Each of these two professional staff members was to receive a salary in excess of $15,000 per year. The agency was concerned about the limited number of MSW's they could hire within their budget limitations.

A number of questions were raised about this program. One key question was this — why did you decide that professional social workers with MSW degrees and $15,000 salaries were necessary to the success of your program? Do you have any evidence that similar programs have been effective elsewhere? What other models exist that you could work with? Is it possible that para-professionals (non-degreed workers, even ex-offenders themselves) could do the job as well as or perhaps better than the trained professionals you want to hire? Do you know of programs using para-professionals in this capacity and have you assessed the results of such programs? How can you complain of lack of sufficient money to employ more than these two highly-trained staff when you don't know if there is a less expensive, and perhaps more successful, model to follow.

The consideration of alternatives is an important aspect of describing your methodology. Showing that you are familiar enough about your field to be aware of different models for solving the problems, and showing your reasons for selecting the model that you have, gives a funding source a feeling of security that you know what you are doing, and adds greatly to your credibility.

One planning technique which you might want to use is this. Take a sheet of paper and divide it into columns. The first column is the "problem" column, the second is headed "objectives," the third "methods" and the fourth "evaluation." If you list all your objectives separately in the second column, you can then identify the problem that it relates to, the specific methods in your program that deal with the objective, and the criteria of success in reaching the objective as well as the method of evaluation.

This helps you to see whether you are truly dealing with all of the problems you talked about, whether your objectives relate to the problem(s), whether you have a method of reaching each objective, and whether you have set up an evaluation mechanism to deal with your entire program. This leads us into the next proposal component — evaluation.

V Evaluation

Evaluation of your program can serve two purposes for your organization. Your program can be evaluated in order to determine how effective it is in reaching the objectives you have established — in solving the problems you are dealing with. This concept of evaluation is geared towards the results of your program.

Evaluation can also be used as a tool to provide information necessary to make appropriate changes and adjustments in your program as it proceeds.

As we have stated, measurable objectives set the stage for an effective evaluation. If you have difficulty in determining what criteria to use in evaluating your program, better take another look at your objectives. They probably aren't very specific.

Subjective and Objective Evaluations

Also, be sure you understand the difference between subjective and objective evaluations.

Subjective evaluations of programs are rarely evaluations at all. They may tell you about how people feel about a program, but seldom deal with the concrete results of a program. For example, we saw an example of an evaluation of an educational program that surveyed opinions about program success held by students, parents, teachers and administrators of the program. This is a pretty "soft" evaluation, and doesn't really give much evidence to support the tangible results of such a program.

In addition, this particular evaluation solicited comments from students when they completed the program, failing to deal with over 50 percent of the students who started but did not complete the program. Clearly, those students who finished the program are going to react differently, as a group, from those who didn't complete the program. And we might, as an agency, learn a great deal from those who didn't finish. From the nature of this evaluation, one might suppose that the educational institution involved was committed to producing what they thought would look like a good evaluation, but it wouldn't pass muster with a critical reviewer.

Subjectivity — introducing our own biases into an evaluation — will often come in when we evaluate our own programs. Particularly if we feel that continued funding depends on producing what looks like a good evaluation.

One way of obtaining a more objective evaluation, and sometimes a more professionally prepared evaluation, is to look to an outside organization to conduct an evaluation for you. You might go to other non-profit agencies, colleges and universities in your community which will work with you in developing an evaluation for your program. Sometimes it is possible to get an outside organization to develop an evaluation design and proposal for evaluation that can be submitted to a funding source, complete with its own budget, along

with your proposal. This not only can guarantee a more objective evaluation, but can also add to the credibility of your total application, since you have borrowed the credibility of the evaluating institution.

It is essential to build your evaluation into your proposal and to be prepared to implement your evaluation at the same time that you start your program, or before. If you want to determine change along some dimension, then you have got to show where your clients have come from. It is very difficult to start an evaluation at or near the conclusion of a program, for you usually don't know the characteristics of the people you are working with as they existed prior to being in your program.

An Excellent Program Evaluation

I'd like to give you an example of what I think was a very fine program evaluation. It took a lot of time and resources to conduct, and it may look like a pretty big project in and of itself. That is true. The agency that conducted this evaluation had the resources to do it. But evaluations of this nature may have enough value in and of themselves to be able to be funded quite separately and distinctly from the programs to which they are attached.

Some years ago the Los Angeles County Probation Department operated what was called the Group Guidance Program. Group Guidance was a program that employed "streetwise" Probation Officers as gang workers, with the goal of orienting gangs away from criminal behavior and into more productive activities. Some agencies questioned the effectiveness of the program and an evaluation design was created. (This is not a particularly good practice in setting up evaluations, in that evaluations set up to justify the continued existence of a program, and conducted by the agency itself, tend to be biased in favor of the agency.)

What is interesting is the evaluation design itself. It was an attempt to gather information about the presumed reduction in delinquent behavior among gang members involved in the project, and to put this data into an economic context which would justify the cost of the program. This is the basic evaluation design.

Gangs were identified which had reputations of being violent, moderate and quiet. It was proposed that the violent gangs got into far more trouble than the other two, and that this would be reflected in their court records — they would be arrested more often, would be in jail and juvenile hall more often and for longer periods of time, would spend more time at correctional facilities, etc. The Probation Department, with access to court records, examined the records of all members of these varied gangs. They identified all contacts that a youth could have with one institution or another and then went to each institution, conferred with their business department, and came away with a cost figure, in dollars and cents, that could be attached to a particular entry on a court record. In other words, it cost X dollars for a youth to spend the night in Juvenile Hall and Y dollars for 24 hours in a Probation Camp. Each gang member's record had a dollar value attached to it.

The result of this was the finding that the three kinds of gangs in question did cost the community a varying amount of money, with much higher costs being attributed to the violent gang.

The agency had done a number of things in designing this evaluation. It had established a measurable "index of delinquency" and it had created a "dollar and cents" measure which could demonstrate to the funding source, the Board of Supervisors of the County of Los Angeles, a possible saving which could be realized were the records to show that the decrease in cost for the gangs worked with in the program was greater than the cost of conducting the program itself. Pretty ingenious!

The project proceeded with the involvement of the Group Guidance worker with the most violent gang, the provision of some form of peripheral services to the moderate gang by another agency and no "treatment" at all for the quiet gang.

The evaluation was a log of further contacts by gang members with social agencies, a determination of their cost, and an examination of whether the cost of the gang worker was paid for by the reduction in recorded offenses on the part of gang members with whom he worked.

VI Future Funding

This is the last section of your proposal, but by no means the least important. Increasingly, funding sources want to know how you will continue your program when their grant runs out. This is irrelevant for one-time only grant applications such as requests for vehicles, equipment, etc. But if you are requesting program money, if you are adding to your projects through this proposal, then how will you keep it going next year?

A promise to continue looking for alternate sources of support is not sufficient. You must present a plan that will assure the funding source, to the greatest extent possible, that you will be able to maintain this new program after their grant has been completed. They don't want to adopt you — they don't want you continually on their back for additional funds. Moreover, if you are having problems keeping your current operations supported, you will probably have much more difficulty in maintaining a level of operation which includes additional programs. The funding source may be doing you no favor by supporting a new project and putting you in the position of having to raise even more money next year than you do now.

What is a good method to guarantee continued support for a project? One good way is to get a local institution or governmental agency to agree to continue to support your program, should it demonstrate the desired results. But get such a commitment in writing. A plan to generate funds through the project itself — such as fees for services that will build up over a year or two, subscriptions to publications, etc.—is an excellent plan. The best plan for future funding is the plan that does not require outside grant support.

VII Budget

As with proposals themselves, funding source requirements for budgets differ, with foundations requiring less extensive budgets than federal agencies. The following budget design will satisfy most funding sources that allow you to design your own budget and, with minor changes that the sources will tell you about, can be adapted to fit most federal agency requirements. Our recommended budget contains two components — the first is Personnel and the second is Non-Personnel. You can expect that in most social service and related programs, approximately 80 percent of the budget will fall into the three components of the Personnel section.

I. PERSONNEL

A. Wages & Salaries

In this section you list all full and part-time staff in the proposed program. We suggest the following layout:

(No. of persons in each position)	(Title)	(Monthly salary)	(% time on project)	(No. of mos. employed in grant period)	Total Requested	Donated

How does this look on a completed budget? Well, if you are employing an Executive Director at a salary of $1,000 a month, working full-time (100 percent) for the entire grant period (12 months) and you are asking the funding source to provide his salary, then it looks like this:

	Requested	Donated
(1) Executive Director at $1,000 per mo. (100% time) x 12 mos.	$12,000	

You can list all of your staff this same way. If any of your staff are being paid out of another source of funds (for example, a staff person assigned to your project by a County agency) then you total up their salary and put it in the "donated" column. This column might also be called "non-federal" share in the case of federal programs, or also "matching" or "in-kind" contribution. Like this:

	Requested	Donated
(2) Counselors at $700 per mo. (50% time) x 6 mos.		$4,200

This means that you will have two half-time counselors on your staff for six months and their salaries are being paid by somebody other than the funding source you are applying to. You still put their full-time salary in the budget ($700 per month), take half of it (they are only working 50 percent time), multiply the $350 by the six months they will be working on this project (giving you $2,100), and multiply by 2 (the number of people employed in this capacity). This gives you a total of $4,200 of donated counselor services in this project.

What does the $1,000 per month figure for the salary of the Executive Director represent?

It may represent his or her actual salary for each month of the year. However, particularly in a new program, it may not. Our suggestion is that all organizations develop a five-step salary schedule for each job in the organization. The salary range for an Executive Director in the above agency may look like this:

Step A	Step B	Step C	Step D	Step E
$900/mo.	$950/mo.	$1,000/mo.	$1,050/mo.	$1,100/mo.

If you have developed this kind of salary schedule for each position, then you can place in the monthly salary column of your budget the middle step of the salary range for each position, place an asterisk next to each quoted salary, and a note at the bottom of the salary section telling the reader that all salaries are listed at the middle step of the salary range for that position. Then you can attach your salary schedule to the budget. This method allows for a good deal of flexibility in fixing salaries for individuals that are hired.

For example you may have somebody in mind for the Executive Director's job who is presently earning $825 per month, and who would be delighted to come to work for you at the first step of the salary range for Executive Director ($900 per month). On the other hand, there may be an outstanding candidate for the job who is presently earning $1,000 per month, and who wouldn't come to work for you for less than $1,050 per month. Using salary range in this manner allows you to employ either person, at the appropriate salary, with the assumption being that all persons' salaries will average out towards the middle of the salary range.

How do you determine what the salary range for an Executive Director for your agency ought to be?

The federal government requires that all of your salaries are comparable to the prevailing practices in similar agencies in your community. To justify the salaries you build into your budget you must obtain information from other local agencies regarding the salaries of persons with job descriptions, qualifications and responsibilities similar to those of the jobs in your agency. You might go to the local city and/or county government, the school district, the United Way or United Fund, etc. By comparing the jobs in your agency with the jobs at other local agencies, you plan a salary for each position, and you keep the "comparability data" on hand, should you be asked by the funding source to justify your staff salaries.

B. Fringe Benefits

In this section you list all the fringe benefits your employees will be receiving, and the dollar cost of these benefits. Some fringe benefits are mandatory — but these vary from state to state, so you will have to determine what they are for your agency in your state. Mandatory fringe benefits may include State Disability In-

surance, Unemployment Compensation, Retirement Contributions, etc. Most nonprofit agencies may vote, when they are started, not to participate in Social Security. These fringe benefits are all based on a percentage of salaries. For example, FICA, which is going up, has been based on 5.85 percent of the first $10,000 of each person's salary. Therefore, an entry for FICA on your budget might look like this:

	Requested	Donated
FICA at 5.85% x $87,000	$5,090	

$87,000 is the total of all your salaries, up to $10,800 for any one person.

Some fringe benefits may be paid not on a percentage of salary, but with an absolute dollar amount for each employee. For example:

	Requested	Donated
Health Insurance at $10 per mo. x 8 employees x 12 mos.	$960	

How do you determine what fringe benefits to provide to employees in your agency?

If you already operate a variety of programs your answer is simple. Employees in a new project receive the same fringe benefits as those you already employ in some other activity. The federal government requires this parity, and it is a good practice. If you are starting a new agency, or haven't formulated a fringe benefit policy yet, then you go to the same kinds of figures as you did when establishing your salary schedule — you provide in fringe benefits what is comparable to the prevailing practice in similar agencies in your community.

C. Consultants & Contract Services

This is the third and final part of the Personnel section of your budget. In this section you include paid and unpaid consultants, volunteers and services for which you contract. For example, your project may not be large enough to warrant hiring a full-time bookkeeper, and you may want to use a bookkeeping service to keep up your books. An entry in your budget will look like this:

	Requested	Donated
Bookkeeping Service at $75 per mo. x 12 mos.		

You should be running your two totals columns — requested and donated — through your entire proposal, so you have a choice of where you put the total for this service. If you are going to pay for it, it goes in the "requested" column:

	Requested	Donated
Bookkeeping Service at 75 per mo. x 12 mos.	$900	

If the services are being provided free by a friend of the project then it goes in the "donated" column:

	Requested	Donated
Bookkeeping Service at $75 per mo. x 12 mos.		$900

It is important to develop as much donated services and equipment as possible. No funding source likes to feel it is being asked to carry the entire burden of a project. If the project really means something to you and to your community, then you should have been able to develop a substantial "matching" contribution in your budget. Other kinds of contract services that might be included would be for auditing, public relations, etc.

In this section you can include all of your volunteer assistance. How do you value a volunteer's time for budgetary purposes? Well, federal agencies maintain lists of various types of jobs, and assign a value to each hour of volunteer time for each position. For example, the time of a professional Social Worker may be valued at $7.50 per hour, and would look like this in your budget:

	Requested	Donated
(1) Volunteer Social Worker at $7.50 per hr. x 4 hrs. per wk. x 40 wks.	$1,200	

The figure which you get from a federal agency volunteer valuation list may be less than the actual current hourly salary of the volunteer. In that case, you may use the actual hourly salary, but be prepared to substantiate that figure. Or, the volunteer may have worked as a paid consultant for $10 per hour. You can use that figure if you can document it.

With all of your volunteers you are required to deliver the promised volunteer services, just as if the funding source was actually paying their salary, and you will be asked to document the work performed by volunteers and keep records of their volunteer time which may be audited in the case of a federal grant.

II. NON-PERSONNEL

A. Space Costs

In this section you list all of the facilities you will be using, both those on which you pay rent and those which are being donated for your use. Rent you pay, or the valuation of donated facilities, must be comparable to prevailing rents in the geographic area in which you are located. In addition to the actual rent, you should also include the cost of utilities, maintenance services and renovations, if they are absolutely essential to your program.

B. Rental, Lease or Purchase of Equipment

Here you list all of the equipment, donated or to be purchased, that will be used in the proposed program. This includes office equipment, typewriters, Xerox machines, etc. Let discretion be your guide in this section. Try to obtain as much donated equipment as you can. It not only lowers the cost of the program, but it shows the funding source that other people are involved in trying to make the program happen.

C. Consumable Supplies

This means supplies such as paper clips, paper, pens, pencils, etc. A reasonable figure to use is $75 per year for each of your staff. If you have any unusual needs for supplies — perhaps you are making a workroom

available for community persons — then put in a separate figure for that. For example:

	Requested	Donated
18 staff x $75 per year	$600	
Supplies for community work-room x $30 per mo. x 12 mos.	$360	

D. Travel

Divide the section up into local and out-of-town travel. Don't put in any big lump sums which will require interpretation or raise a question at the funding source. Remember, on local mileage all of your staff won't be driving on the job, and not all who do will drive the same amount. For example:

	Requested	Donated
Out-of-town travel		
(1) Community Organizer to NACD training program in Detroit, July 5-8, $242 round-trip airfare plus 4 days per diem at $25 per day	$342	
Local travel		
Exec. Director at 100 mi. per x 12 mos. x 10¢ per mi.	$120	
(2) Community Organizers at 500 mi. per mo. x 12 mos. x 10¢ per mi.	$1,200	

Out-of-town travel is a very vulnerable section of your budget. Plan and justify as completely as you can.

E. Telephones

Remember installation costs! Put in the number of instruments you will need times the expected monthly cost per instrument. Justify any extensive out-of-town calling that you will have to do.

F. Other Costs

This catch-all category can include the following:

1. Postage
2. Fire, theft and liability insurance
3. Dues in professional associations paid by the agency
4. Subscriptions
5. Publications, the cost of which may be broken up into:
   a. printing
   b. typesetting
   c. addressing, if done by a service
   d. mailing (separate and distinct from office postage above)
6. Any other items that don't logically fit elsewhere

A NOTE about Indirect Costs

Some programs, particularly those conducted within a large institution, such as a college or university, also include an indirect cost figure. Indirect costs are paid to the host institution in return for its rendering certain services to the project. The host may manage the bookkeeping and payroll, assume some responsibility for overseeing the project, take care of maintenance and utility costs, etc. The first time an institution conducts a federally funded program it projects what these indirect costs will be. Subsequently there is an audit by the federal government, and an indirect cost figure is fixed which will hold for the institution for all subsequent federal grants until the time of the next audit.

Total Budget		Total $91,664	Requested $76,442	Donated $15,222
I. Personnel	Sub-total --------		$69,676	$ 4,000
A. Salaries and Wages			$50,100	
(1) Exec. Director @ $1,000/mo (100% time) x 12 mos		$12,000		
(1) Admin. Ass't. @ $700/mo (100%) x 12 mos		8,400		
(1) Librarian @ $800/mo (100%) x 12 mos		9,600		
(1) Research Ass't. @ $750/mo (100%) x 12 mos		9,000		
(1) Secretary @ $625/mo (100%) x 12 mos		7,500		
(1) Secretary @ $600/mo (50%) x 12 mos		3,600		
		$50,100		
B. Fringe Benefits			$ 4,576	
SUI (State Unemployment Insurance) 3.6% of first $4,200 of each salary, 3.6% x $24,600		$ 886		
Workman's Compensation = $100 for all employees		100		
FICA = 5.85% of first $10,800 of each employee salary = 5.85% x $48,900		2,870		
Health Insurance = $10/mo x 6 employees x 12 mos		720		
		$ 4,576		
C. Consultants and Contract Services			$15,000	$ 4,000
150 Trainer days to conduct training programs @ $100 per trainer day		$15,000		
Auditing Services (donated) 10 days @ $150 per day	$1,500			
Legal Services (donated) 5 days @ $200 per day	1,000			
Public Relations (donated) 10 days @ $150 per day	1,500			
	$4,000	$15,000		
II. Non-Personnel	Sub-total --------		$ 6,766	$11,222
A. Space Costs				$ 9,060
2,100 sq. ft. @ 30¢/ft/mo x 12 mos (donated	$7,560			
Maintenance @ $75/mo x 12 mos (donated	900			
Utilities @ $50/mo x 12 mos (donated)	600			
	$9,060			
B. Rental, Lease & Purchase of Equipment			$ 75	$2,162
(1) Desk @ $75		$ 75		
(6) Desks @ rental equivalent of $6 ea/mo x 12 mos (donated)	$ 432			
(3) Typewriters @ rental equivalent of $20 ea/mo x 12 mos (donated)	720			
(4) File Cabinets @ $60 (donated)	240			
(40) Student chairs @ $7 (donated)	280			
(10) Office chairs @ $40 (donated)	400			
(1) Adding Machine @ $90 (donated)	90			
	$2,162	$ 75		
C. Consumable Supplies			$ 900	
6 employees x $75 each/year	$ 900			
D. Travel			$ 1,651	
Local				
Exec. Director @ 100 mi/mo x 12 mos x 10¢ mi		$ 120		
2 Trainers @ 500 mi/mo x 12 mos x 10¢ mi		1,200		
		$ 1,320		
Out-of-town				
Exec. Director to NCOP Conf. in Detroit, Oct. 22-24 @ $256 r-t airfare + days per diem @ $75		$ 331		
		$ 1,651		
E. Telephones			$ 2,040	
Six lines @ $20/mo x 12 mos		$ 1,440		
Out-of-town calls @ $50/mo		600		
		$ 2,040		
F. Other Costs			$ 2,100	
Postage: $100/mo x 12 mos		$ 1,200		
Library acquisitions, including subscriptions to periodicals, such as		600		
Insurance		300		
		$ 2,100		

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SPECIAL EVENTS FUND RAISING

GRASS ROOTS FUND RAISING

By Timothy Saasta

It's a nightmare many managers of nonprofits have probably had. In the morning mail is an official-looking letter from XYZ Foundation, a major supporter. One paragraph stands out:

"Because of these changes in the foundation's priorities and the overall decline in available monies, we are unable to meet your renewal request. We hope that you will be able to find other sources of . . ."

The rest of the dream fades—all you remember is staring at that one paragraph.

It has been more than a dream for many managers of nonprofit organizations that depend on grants for support.

What do you do when it happens?

Many frantically try to garner support from other foundations. Sometimes that works. Often it doesn't.

Others look to the government, or corporations, or churches, or wealthy individuals. Again, sometimes they find success. Often they don't.

Another possibility—one that can also help prevent such a crisis in the future—is initiating or improving a grass roots fund-raising program. What is grass roots fund raising? Joan Flanagan, author of the just-published *Grass Roots Fund Raising Book*, defines it as "anything you do to raise money utilizing your own membership and your own resources." It is the barbecue, the theatre opening, the auction, the cookbook, the celebrity lecture, bingo, the concert, the ad book, the tennis tournament, the raffle, the dues paid by members — anything that generates donations.

Joan Flanagan is a convert. She has probably been involved in more carnivals than Barnum and Bailey. More cocktail parties than Truman Capote. More bake sales than Julia Child. And she hasn't yet crossed into her thirties.

Flanagan, who supplemented her own experience by interviewing more than 400 fund raisers in preparation for writing her book, is just the type of person you would want to help you with your next fund raiser. She speaks well and forcefully and with an enthusiasm that her occasional sarcasm can't repress. She knows how to direct people. She can relate as easily with fellow members of her suburban Chicago church as she can with activists from the South Side. You just know she knows how to raise money.

Her ability to relate to community activists as well as more traditional elements of a community is reflected in *The Grass Roots Fund Raising Book*, which will be available in bookstores in October. The title may be a little misleading, as the book is not intended for only the types of organizations one normally thinks of when you say grass roots—small, community organizations concerned with social action. It can be just

Merrymakers at the 1977 American Folk Fair, a benefit for listener-sponsored Pacifica/KPFK radio in Los Angeles.

Photo by Karen Bachelis



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The Grantsmanship Center News
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Many of us have seen or read about the right way to set up a special event and major fund raising drive. The development office puts on additional staff, the chairperson is selected, the committee chairpersons are appointed, the captains, the lieutenants, the workers get together for planning meetings, strategy sessions, etc.

Suppose you can't do it that way? Is there any way to have a success without following all the time honored rules?

You bet there is. The following narrative, first presented at the National Association for Hospital Development conference in San Francisco, shows how two women, without benefit of a battery of volunteers or even a development office, turned an annual event that had netted $200,000 into one that netted $1.4 million.

As you read Ms. Berger's article, bear in mind two points. First, both Ms. Berger and her partner Alice Ploetzer are wealthy enough to devote a year to their efforts and spend $4,000 of their own money. Second, al-

TEN STEPS TO A MILLLION DOLLAR FUND RAISER

By Sally Berger

though Michael Reese Hospital in Chicago had no development office (it does now) it had a large sophisticated public relations office.

Still, this thorough discussion of how to do a special campaign can provide an answer the next time someone asks, "What can only one person do?" The answer? "Find another person and go out and raise a million dollars."

To keep the upcoming fund-raising dance—the Crystal Ball—firmly in mind, a friend of Michael Reese Medical Center donated calendars which were sent to hundreds of businessmen. This photo on the cover was captioned: "I know exactly where you will be at 7 p.m., Saturday, December 14. Your fortune for the next 22 weeks is also clear to me. Dare you read on?"



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The Grantsmanship Center
NEWS

GRASS ROOTS FUND RAISING

By Timothy Saasta

It's a nightmare many managers of nonprofits have probably had. In the morning mail is an official-looking letter from XYZ Foundation, a major supporter. One paragraph stands out:

"Because of these changes in the foundation's priorities and the overall decline in available monies, we are unable to meet your renewal request. We hope that you will be able to find other sources of . . ."

The rest of the dream fades—all you remember is staring at that one paragraph.

It has been more than a dream for many managers of nonprofit organizations that depend on grants for support.

What do you do when it happens?

Many frantically try to garner support from other foundations. Sometimes that works. Often it doesn't.

Others look to the government, or corporations, or churches, or wealthy individuals. Again, sometimes they find success. Often they don't.

Another possibility—one that can also help prevent such a crisis in the future—is initiating or improving a grass roots fund-raising program. What is grass roots fund raising? Joan Flanagan, author of the just-published *Grass Roots Fund Raising Book,* defines it as "anything you do to raise money utilizing your own membership and your own resources." It is the barbecue, the theatre opening, the auction, the cookbook, the celebrity lecture, bingo, the concert, the ad book, the tennis tournament, the raffle, the dues paid by members — anything that generates donations.

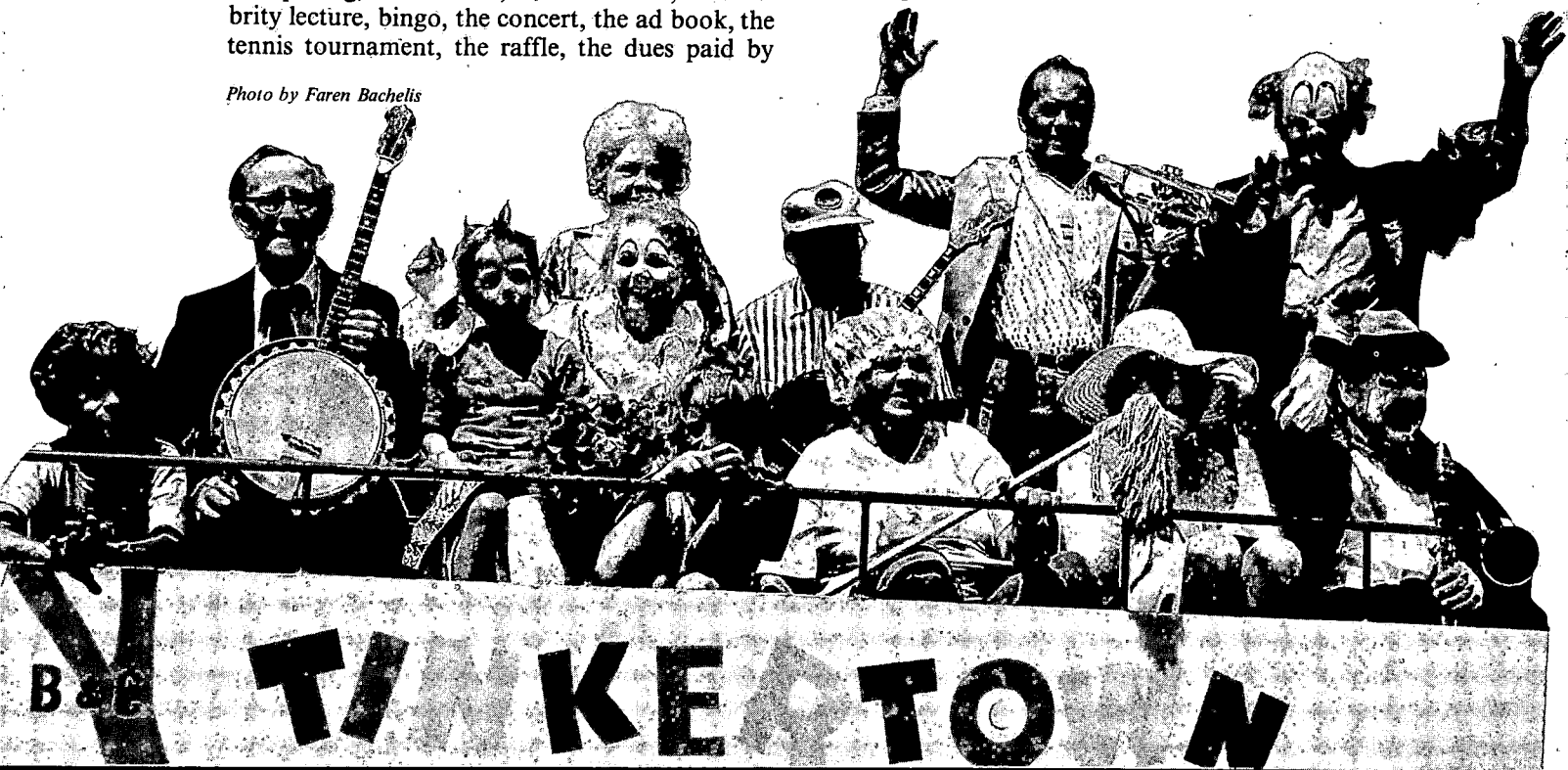
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Merrymakers at the 1977 American Folk Fair, a benefit for listener-sponsored Pacifica/KPFK radio in Los Angeles.

Photo by Faren Bachelis



as helpful to larger, more established organizations, including ones that have long been involved in raising money through special events.

Grass roots fund raising can be directing a capital campaign raising $24 million or running the concession stand at the football game to raise $500," Flanagan says.

More and more organizations are beginning to return to their grass roots for funds, according to Flanagan. "I recently got three calls in two days from organizations that for various reasons have had to begin grass roots fund raising."



Joan Flanagan

ORE THAN MONEY

But while most organizations turn to special events fund raising out of financial necessity, it can provide many benefits other than money. One is involvement. "The good times you have doing a fund-raising event are the glue that holds an organization together," Flanagan says.

Success in grass roots funding can also help you get other funding, Flanagan believes. First, the skills are transferable, thus improving your skills at grass roots funding will improve your skills at grantsmanship. "In any kind of funding you have to do your homework, be prepared, be selling a quality program and make an effort to learn who the individuals are and what they want."

But more directly, developing grass roots support will make your presentation to a foundation or corporation much stronger. "You can show the foundation executive what kind of an organization you have. If you say, 'We raised 75 percent of the budget ourselves,' or, 'We doubled our membership in the last two years,' or 'We had 500 people at the carnival,' that proves to funding sources that you are really supplying something that the community needs. You don't have to say, 'I *think* this is a good idea.' You can *prove* that the community knows it is a good idea."

Grass roots fund raising also provides an ongoing method for an organization to keep in touch with changing needs of its community. "Your program is your product. If people will give you money for it, it proves you are doing something they want. And a good indication that something is not working is when they won't pay for it. It is a quantifiable way to prove that people support you."

Flanagan acknowledges that there are other ways of keeping aware of community needs, but she says grass roots fund raising forces you to do it. "I am sure that you can think of many organizations that are getting along with $50,000 worth of grants every year that haven't grown nor changed one iota in the last 10 years."

She believes that any community will support an organization that is really in touch with its needs. "It is really a matter of communication and sincere curiosity in finding out what people are concerned about. It's a stereotype to say that somebody is conservative, liberal or reactionary."

There are a number of other advantages to grass roots fund raising, some of which Flanagan talks about in the following interview. But primarily she talks about *how* to raise money by using your organization's grass roots.

NEWS: *What are some of the other advantages of grass roots fund raising? Why do it?*

Flanagan: First, grass roots fund raising is universal. Anyone can do it. If you have 10 people and you want to buy stationery for your very first meeting, you can pull together a bake sale or garage sale, sell flowers or whatever and start making money right at the beginning.

Another major advantage is organizational. It's guaranteed that people who raise the money can control the organization. If I am raising the money then I am paying the staff's salary, I am deciding what the program is going to be, I am deciding how we should expand.

Third, it gives you self sufficiency. When the economy isn't good or if you choose a controversial program, such as exposing the lending record of a big bank, you might lose your funding. But if you are self-funding you can do whatever you want to do. Grass roots fund raising gives you independence.

You will also gain a moral advantage. If you raise your own money you are self-sufficient, which is good for an organization just as it is good for a person.

NEWS: *One of the good things about the grant process, when it works right, is that it forces you to write down what your program is all about. A funding source, if it is fairly responsive and responsible, can analyze your statement of needs and objectives and perhaps help you develop better programs. On the other hand, with grass roots fund raising, it seems you don't have that creative process.*

Flanagan: Well, you should if you are doing it right. One feature of grass roots fund raising, especially for new groups, is that it requires a lot of transactions, a lot of work and a lot of volunteers. So you end up with a large number of people bringing in money. They will want to have

"If you raise your own money, you are an independent, self-sufficient organization, which is good for an organization just as it is good for a person."

"The goal of grass roots fund raising is to maximize the dollar return per member hour expended, which usually means aiming for fewer, more successful events."

a say on where it is spent. This leads naturally to democratic planning, which is good. When you achieve that, I really believe you also get better, more workable, more popular decisions. For those of us who spend a lot of time in meetings, democracy can seem *very* slow. But it always gets done, and it gets done better than having fewer people making the same decisions.

Then the people who bring in the money begin to ask the questions. Where is our money going? Do we want to hire more staff? Do we want to hire an organizer? Do we need a researcher?

This is also true with more traditional organizations. If you are raising money for the art museum and you think it should be open on Thursday night for people who work, the board is much more likely to respond.

NEWS: *What are the keys to successful grass roots fund raising?*

Flanagan: First, you need to be building a healthy, democratic organization. Good fund raising reflects the health of an organization, it doesn't determine it.

Democratic planning is important. The best fund-raising plans come from those who have to do the work. It doesn't do any good for me to go into a community and say, "I think you ought to do a carnival." Maybe everybody hates carnivals. If they say, "We think a barbecue would be great because everybody here loves barbecues" the right fund raiser for them is a barbecu they plan it it will be a success.

People have a limited amount of time to spend on your organization. So the goal of grass roots fund raising is to maximize the dollar return per member hour expended, which usually means aiming for fewer, more successful events. For example, it is usually a better investment of members' time to go and sell a $100 ad page than to sell $5 dance tickets or $1 raffle chances. Also, every time an event is repeated, you make more money. You get better at doing it, you streamline the sales procedure, you have a pre-sold market. And you can add on new things each time, such as a raffle, a dance contest, door prizes, a cash bar, food sales or games for the kids. So you want to regularize your fund raising.

Ideally, you should aim toward doing two big events a year that would raise the major portion of your budget, together with an ongoing fund raiser such as bingo or raffles or a thrift shop. That will maximize the dollar return for the amount of time the members are spending.

NEWS: *What are some of the other things people should do to raise money successfully?*

Flanagan: I can't overemphasize the need to

ORGANIZING BY CHECKLISTS

The key to a successful event is organization, and one way to become organized is to develop and follow checklists. These are basic checklists that apply to any event.

Checklist For Assets

What do we already have in the organization to make this fund-raising project a success? What factors should we consider in choosing an event?

PEOPLE

- ☐ Leaders—their time and talents
- ☐ Members with experience with this kind of event
- ☐ Total number of members who will *work*
- ☐ Total number of members who will attend or contribute
- ☐ Possible allies and new members who will get involved
- ☐ Staff

MONEY

- ☐ Seed money available for the event—from treasury, loan, advance sales
- ☐ When will we have to spend the money? When will the money come in? What is our break-even point (income=expenses)?
- ☐ Who will handle the money coming in? Who will control money going out?
- ☐ Bank—will we need a separate account? Do we need any special arrangements to handle lots of cash?

TIME

- ☐ How much time does the organization want to spend fund-raising? Is there any way to shorten it?
- ☐ Are there any major conflicts in the organization's calendar? The community calendar?
- ☐ How much staff time do we want to allocate to this project?
- ☐ If this event is to be repeated annually, is this the best time of the year for it?
- ☐ What consideration should we make for bad weather? E.g., an alternative snow/rain date, inside location or insurance

Checklist for Goals

What do we want to achieve from this project?

- ☐ Amount of money, *NET*. Percent of annual budget
- ☐ Number of people involved. Where and how
- ☐ Number of leadership roles possible
- ☐ Number of new members brought in
- ☐ Experience. Which new skills will be learned? What do we want to know for the next event, and for this event next year?
- ☐ Who will take the leadership positions?
- ☐ How will it challenge the elected leaders?
- ☐ What will be the publicity generated? How much, what kind, where?
- ☐ What will be the psychologi effect of the event:
  a. Within the organization
  b. Outside the organization to

plan both for the particular event and for the organization's entire program. You must allow yourself enough lead time to do the research: which is the best bank? What kinds of benefits do people like best? Who can give us the best press coverage? A good fund-raising program and a good publicity program are inseparable, and that needs to be reflected in your planning. Fund raising done well will improve the publicity for your group and get the message out to a larger audience.

Developing a written statement of objectives is a good preparation for fund raising. You should always be considering questions like: Why are we doing this? Are we accomplishing our goals? What else can we be doing? How can we be doing this more efficiently? Who else could we bring in that is not involved now? What are the long-range goals? Are leaders being developed?

However, for most groups, planning is a kinetic, fluid, flexible process. What you plan in December may be totally changed by June. One organizer's motto is that organizing is action and reflection. Action is the oxygen that keeps the organization growing and attracting new members. You have to keep changing and growing. Maybe you would want to do your objective statement quarterly.

One observation related to setting objectives: the kinds of objectives that groups are going after are no longer the sort that a group can "win" in the short term. Groups are talking about adequate housing, more mortgage funding, reform of FHA, adequate mass transportation and a fairer deal for senior citizens. No one is going to win issues like that in a few months. These are long-range goals. You have to have a five or ten-year strategy. Which suggests you also need a five or ten-year strategy for raising money.

NEWS: *Once you've formulated your objectives, what else must you do to start raising funds?*

Flanagan: The two best models to copy are good business people and good organizers. Good business people because they have the best program-related skills: long-range planning, efficiency, record keeping. Organizers because they have the best "people skills": motivation, working with individuals, working with groups.

Making money is not necessarily something to be ashamed of. Money is neutral. You can spend your money on something good or on something bad. So a democratic organization should set a goal to make a lot of money because it will choose to spend it on something good.

The best way to do that is to copy business people, who have spent centuries finding out

"For any kind of event, do the arithmetic first. Figure out what the probable profit is and what the possible loss is. If you can't afford the loss, don't do it."

people you want to join
c. To the enemy
d. To the staff

☐ Can it be repeated—in six months, one year? What is the probable increase next time?

☐ Which new sources of income will we reach?
a. New members
b. Non-member individuals
c. Institutions—businesses churches
d. Foundations

☐ Organizational advantages—morale, new people, new area, new style event

☐ Fun

Basics for All Events:

☐ Notification of the police
☐ Proper insurance
☐ Cash boxes
☐ Cash in proper denominations for each cash box
Receipts
Literature on your organization:
Current newsletter or fact sheet
Written notice of next meeting or event(s)
Membership cards
Sale merchandise—buttons, cook books, research, etc.
☐ Sign-up list (can be accomplished simply with door prize).
☐ Name tags for committee or everyone
☐ Emergency numbers for police and fire
☐ Cash for emergencies; coins for pay phone
☐ First aid kit
☐ Pens
☐ Tape
☐ Poster board and black markers
☐ Errand runner for emergencies and forgotten things
☐ Watch
☐ Aspirin
☐ Comfortable shoes
☐ All necessary phone numbers—band, host, speakers, ice
☐ Name of doctor or nurse who will be present
☐ Sense of humor, tact, patience and imagination

If location does not provide, also bring:

☐ Fire extinguisher (know how to operate)
☐ Sound system

The last thing to do is to mentally walk through the event as though you were the customer. What would make you more comfortable, especially if you were new? There are several things you can do to make newcomers feel welcome. Use name tags to help everyone learn names. Have several outgoing people serve as hosts and hostesses to make sure each new person is introduced to a veteran member. Put up a display of photographs or recent clippings to serve as a conversation starter. Station a few pleasant young people to help the oldsters with stairs and coats. Recruit an enthusiastic master of ceremonies to make frequent announcements and introductions. Print a simple program so everyone knows what happens and when. Mark an area for lost and found. If you are selling anything, be sure you have enough bags. Double-check to make sure the washrooms are well-stocked and clean. Anything you can do to make people feel wanted will make everyone have a better time and spend more money, and will guarantee they will return next time.

— *from* **The Grass Roots Fund Raising Book**

"Writing prompt and personal thank-you notes is one of the most important and profitable things you can do."

how to raise money most efficiently. That includes making long-range plans and keeping records, starting and ending all of your meetings on time and many other things that are basically common sense. Some of it takes a little more discipline, but it will pay off in money.

What you can learn from organizers is motivation. Most people will say, "I don't want to raise money. I'll do something else, but I don't want to ask for money." They will give you lots and lots of excuses. You must realize that the problem is fear. Most people are afraid to go and ask for money. But if you understand that, there are ways to make it easier for them. You can send people out in pairs for their first time. You can have them practice asking for money before they go out. It's frightening to ask a bank president for money, so before you do it, literally rehearse it.

There is a real personal victory for your members when they can ask for money. If they can raise money they can do anything. Grass roots fund raising can be an excellent way to get new people involved who might not take a leadership role otherwise.

You can get people involved best by giving them a specific piece of a program to do. For instance, Beulah Mae Johnson, because she had such a magnificent garden, was asked to be the Fresh Vegetables Chairman for a barbecue sponsored by a group that wanted to build a health clinic. She accepted and then went around telling her neighbors about the clinic and asking for contributions of vegetables. She found that she really liked talking about the health clinic, that she knew a lot about it and was good at getting people to donate and get involved. The barbecue was an extraordinary success. They raised $3,000 and sold out her fresh vegetables. And Mrs. Johnson was so good at selling the health clinic that she became membership chairman. She may have never taken the job if they had gone to her and said, "We want you to be membership chairperson." From doing the fund-raising job she got the confidence and experience to move into a leadership job.

NEWS: *You mentioned keeping records and doing other "businesslike" things. Would you talk more about that?*

Flanagan: Follow-up is essential. I am a promoter of the thank-you note. Writing prompt and personal thank-you notes is one of the most important and profitable things you can do. For most people, if the event is over, it's time to relax. But there is a real payoff if you do your follow-up well. After a while it gets to be a pleasure, you enjoy doing it.

The best example is Sally Berger [author of "10 Steps to a Million Dollar Fund Raiser," a NEWS reprint]. She and her partner went around and visited top business executives in Chicago asking them for a minimum donation of $500 for a hospital. Then each would hand-write a note thanking the executive for meeting with them, and then hand-write them another thank-you note when they got the donation. In addition, the hospital's staff would send the executives a thank-you note plus a receipt for their donation. The donor got *five* thank-you notes. Sally ended up writing over 700 thank-you notes. She got writer's cramp by the time she was through, but she also raised more money than anybody ever has from a charity ball/corporate campaign.

Not only should you send thank-you notes to the donors, you should also send them to the workers, or even, say, the police department if they provided extra help.

NEWS: *The follow-up also includes keeping records?*

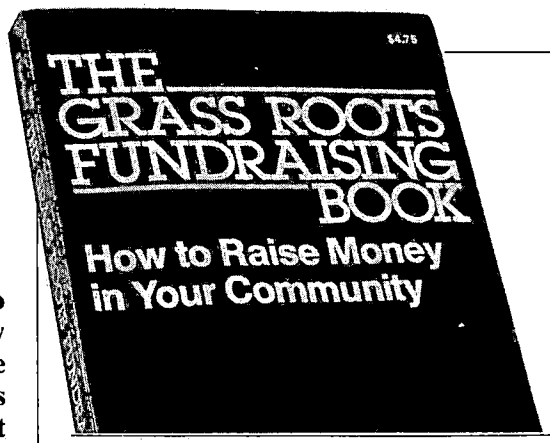
Flanagan: It includes sending out the press release, paying your bills promptly and keeping records. Begin immediately putting together information cards on your donors (see box on page 21 . There are a lot of ways you can use a donors list if you have it organized. If you have a box full of receipts sitting in the corner, you can't use it very efficiently.

NEWS: *Why do groups have such difficulty in keeping records, maintaining books and doing all of those basic business kinds of things?*

Flanagan: Because it isn't fun or glamorous and it takes some discipline. However, there are ways to make it better. You can divide the work. You can give the job a lot of glamour and make it as important as it should be—absolutely critical to maintaining an organization. You make the treasurer a big deal—have she or he give the first report at every meeting. Also, try to get the best professional help you can to make it as simple as possible.

NEWS: *What should an organization that is just starting grass roots fund raising do?*

Flanagan: *For a brand new group,* the key is to start doing it right away. Start raising money at



The *Grass Roots Fund Raising Book* is available for $5.25 (including handling, prepaid) from the Grass Roots Fund Raising Book, Dept. GCI, P.O. Box 988, Hicksville, N.Y. 11802 . It can also be bought in many bookstores.

"It's important to be creative. Many groups have come up with good ideas for new events, but you can be just as creative in coming up with a new approach or new theme for a traditional event."

your very first meeting, your very first action or your very first party. People disagree and say you have to do something first. But the organization itself is important and the people should be paying for it from the beginning. If you pass the hat at your first meeting, people will realize that everything costs money.

In terms of structure, the best thing is to immediately set up a fund-raising committee. It makes the decisions on how to raise money and is responsible for getting it done.

You also need a committee that is concerned with long-range fund-raising strategy. It should be identifying appropriate fund-raising events by talking to the other successful groups in town, talking to professionals, reading books, talking to relatives in other towns.

For an established organization that has never done grass roots fund raising and now wants to, there is a whole other set of problems.

The first thing an organization such as this must do is to have the board decide they want to raise money. If it isn't their decision, if they don't make the commitment, it won't work.

The temptation for such an organization is to try and raise a lot of money quickly because they have been used to getting their money in big chunks. The danger is that they do frantic fund raising for three months, raise their money, but wear out their people. Instead, you must set up an annual plan, even if you have to tighten your belts a little for now.

Develop a fund-raising calendar so events will be repeatable. This year learn how to do it. Next year you can make twice as much money at it.

NEWS: *What are particularly good events for a group that doesn't have a large constitutency to draw on?*

Flanagan: In the beginning you want to have an event with high profit and low overhead. If possible, choose those events that are as close to 100 percent profit as you can get. One 100 percent fund raiser is simply asking for money. You can't get money if you don't ask for it. An old way is having every person on the board ask 10 people for a contribution.

Next, try events that are virtually 98 percent profit, such as selling things that you get for free. Examples are rummage sales or garage sales, bake sales or plant sales. A raffle is good. Ad books—where businesses and individuals buy ads in a book that is nothing but ads— are 88-90

"One 100 percent fundraiser is simply asking for money. You can't get money if you don't ask for it."

How to Prepare a Donor Information Card

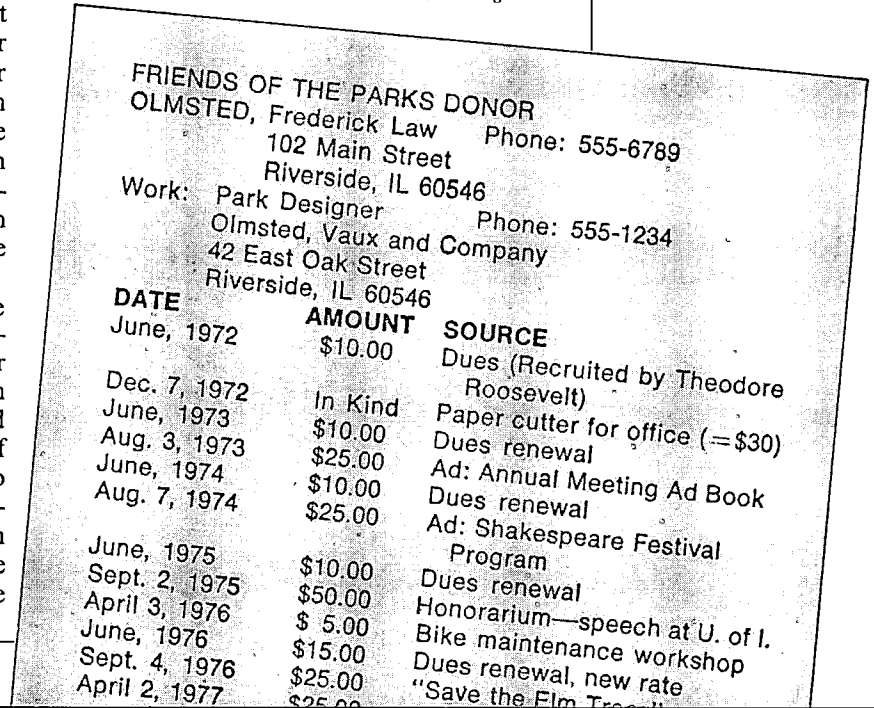
Smart business people always keep complete records. Discipline yourself to prepare a report promptly after each event, keep up-to-date records on your ongoing fund-raisers (like the membership drive or direct mail returns) and always keep the books in order. Then you can quickly answer any questions from a donor, officer or committee member. Include in your reports an honest evaluation of mistakes and all the good ideas you always get *after* the event—they will be a boon to the next person.

One of the simplest but most important records to keep is the information on your donors. In addition to giving a receipt for every donation, you should create a system for keeping track of each donor. This can be as simple as hand-written notes on 4 x 6 inch file cards, or as complicated as a computerized program. Choose whatever system will be the most economical and up-to-date for your group.

On the card, list name, address, home phone, special interests, employer, office address and phone, and whether the donor wants to be reached at work. Then note each time the donor gives you money (or an in-kind donation) by date, amount and the source of the donation (whether it came in response to direct mail, a newsletter appeal, a TV appearance by your president, etc.). Record each time a member pays his or her dues. Be sure to record which member first recruited the other, so that member can encourage renewal of the other's dues.

It is useful to have a system that can retrieve donors' names in four ways. 1) By *name*, alphabetically. 2) By *location*, for example zip code or town, so you can notify residents of local events. 3) By *source*, so you can be sure to invite everyone who bought at the last auction to the next auction. 4) By *amount*, so you can ask everyone who gave you, say, $50 or more to become patrons for a special event.

—from *The Grass Roots Fund Raising Book*



FRIENDS OF THE PARKS DONOR
OLMSTED, Frederick Law Phone: 555-6789
102 Main Street
Riverside, IL 60546
Work: Park Designer Phone: 555-1234
Olmsted, Vaux and Company
42 East Oak Street
Riverside, IL 60546

DATE	AMOUNT	SOURCE
June, 1972	$10.00	Dues (Recruited by Theodore Roosevelt)
Dec. 7, 1972	In Kind	Paper cutter for office (=$30)
June, 1973	$10.00	Dues renewal
Aug. 3, 1973	$25.00	Ad: Annual Meeting Ad Book
June, 1974	$10.00	Dues renewal
Aug. 7, 1974	$25.00	Ad: Shakespeare Festival Program
June, 1975	$10.00	Dues renewal
Sept. 2, 1975	$50.00	Honorarium—speech at U. of I.
April 3, 1976	$ 5.00	Bike maintenance workshop
June, 1976	$15.00	Dues renewal, new rate
Sept. 4, 1976	$25.00	"Save the Elm Tr...
April 2, 1977	$25.00	

"You can have a one-time success with several dynamic whirlwinds, but you can't build an ongoing fund-raising program doing that. You'll burn out your few people and go out of business. You must continue to recruit more and more people."

percent profit. The only cost is the printing. The 1975 Chicago Citizens Action ad book made $24,000.

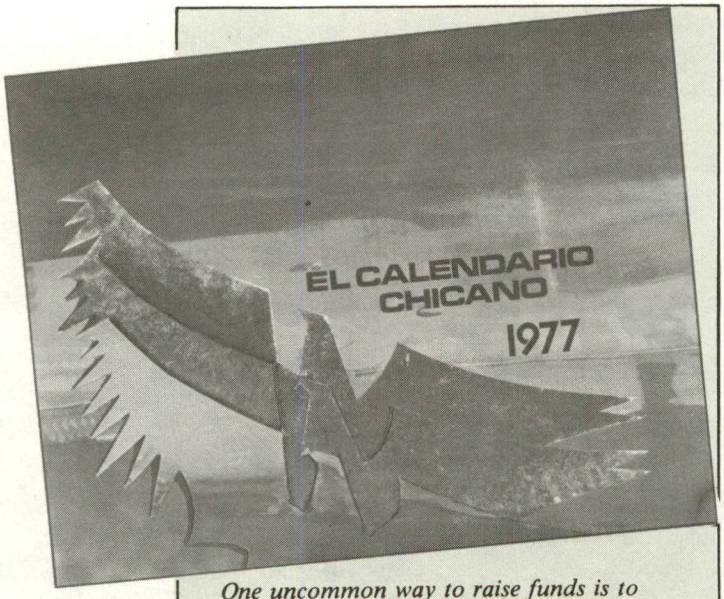
From those high profit events you can start building up your seed money to do more costly events like dances, concerts or carnivals. For any kind of event do the arithmetic first. Figure out what the probable profit is and what the possible loss is. If you can't afford the loss, don't do it.

NEWS: *How do you decide on an event?*

Flanagan: I'm asked all the time, "What's the sure-fire benefit we can do and make a whole lot of money with little work?" Unfortunately, there is no such thing. The "right" event is the one that's chosen by your members. Whatever they dream up will usually be by far the best. To help them decide, it's important to get advice from others who have raised funds in your community (see page 24).

It's also important to be creative. Many groups have come up with good ideas for new events, but you can be just as creative in coming up with a new approach or new theme for a traditional event. Our church had done the classic fall fair for a million years until somebody came back from California with the idea for a Medieval Pleasure Faire. And so we did a Renaissance thing with jousting and costumes and a concert. We still had the same fund raisers—the bake booth and the hand-craft booth and the games and the dinner—but with the Renaissance theme everybody had a much better time doing it.

Then we did a bicentennial fair, a country fair and this year we have an English theme to celebrate the Queen's Silver Jubilee. The fund-raising elements are always identical, so you don't have to relearn how to do a bake booth. But a different approach attracts new people and allows you to get more publicity and to have more fun.



One uncommon way to raise funds is to produce a calendar, perhaps illustrated with images of your group's projects or areas of concern. This calendar raised over $9,000 for the Southwest Network in Hayward, California.

NEWS: *What are some of the mistakes organizations commonly make?*

Flanagan: The most common errors are either inadequate planning or too short-term planning. Often a group decides to do a carnival in two weeks. That's not nearly enough time to plan it. You need to develop a budget and a plan to work from.

Another thing is not having enough people. The first step you should do is recruit as many people as possible who are willing to work. Find a job for everyone and get them assigned. You can have a one-time success with several dynamic whirlwinds, but you can't build an ongoing fund-raising program doing that. It won't work. You'll burn out your few people and go out of business. You must continue to recruit more and more people.

The other thing is simply to get advice from other people who have done it so that you don't make mistakes they made. And everybody has made mistakes.

Another common problem is that groups don't have a fund-raising plan that is diversified enough. If you plan to raise *all* your budget from your annual luncheon and you have the blizzard of the century on your annual luncheon day, you're going to be in big trouble.

NEWS: *What about things that may go wrong at the event itself?*

Flanagan: Murphy's Law is anything that can go wrong will. Flanagan's Corollary is that things that can't go wrong will. Anybody who has worked on a special event knows that just about anything can go wrong and something *always* does. You have to have people who have a sense of humor, who are resourceful and flexible and who can think on their feet. All you really need to worry about is how creative your people are. And just accept the fact that something will go wrong, so when it does you can keep calm and think of a way to make it right.

Don't expect perfection. I am sort of neurotic. I make lists and lists and I think I've got everything covered. I've got 5,000 extra hostesses, 10,000 extra light bulbs, I've got extra everything. You know I'm absolutely covered, and something else will happen. We did a concert. We had absolutely covered everything except for the car that broke down and could not be budged in front of the only entrance to the parking lot. On a Sunday, when nobody would come and tow the car away. I mean there's no way to anticipate things like that. And something like that always happens. So plan as much as possible for what might go wrong, then be imaginative when something else goes wrong.

NEWS: *Everything seems contingent on volunteers. Perhaps you can talk some more about motivation. How do you get volunteers? How do*

you keep them? How do you get them to meet their commitments?

Flanagan: You need to think back to when you were first a volunteer for an organization. Think about those experiences that made you want to come back and volunteer again, as opposed to those experiences that didn't. I can remember one experience when I was greeted, given a cup of coffee, people learned my name, they invited me to do stuff, all of which got me involved with that organization. But then I remember another experience when I was put in a corner and addressed envelopes for four hours. Not a soul talked to me and nobody offered me anything, and at the end of the day the rest of the group went out to have a beer and nobody invited me. I never went back.

The things that make me want to volunteer are being made a part of the group, understanding why the program is important and why whatever task you are doing is important and, finally, feeling that there is upward mobility in the group. In other words, I know that if I come in and volunteer to work in the bake booth this year, next year or the year after I can run the whole fall fair. And if I'm successful on the fall fair, in two more years I can be president of the organization. It's easy to attract people to groups in which there is clearly upward mobility.

The other important thing is to have fun and to choose things that are fun to do.

NEWS: *What are the personal characteristics of a good fund raiser?*

Flanagan: A good fund raiser is really a good leader and a good salesperson. Which means that they have to have confidence and they have to be willing and eager to ask for money. They have to be articulate. They have to be informed about the organization so they can answer questions about it and enjoy talking about it. They have to be the kind of person that other people want to work with. They have to be self-starters.

There are inevitably going to be disappointments and discouragements, even in the best planned program. And thus the mark of people who will succeed is that they don't give up. They have tenacity.

A good fund raiser also must keep a perspective on all the organization's programs. Thus, when they're raising money they're also conscious of getting more publicity for the organization and bringing in new members to strengthen the program.

Finally, while you need people who are self-confident enough to call a bank president, you also need people who are egoless, who understand that they are not asking for money for themselves but for the program. If you keep that in mind you don't have to worry when a prospective donor refuses to contribute, because it's not like you were personally turned down. You still have other prospects. It's very much like selling. It *is* selling.

NEWS: *You work primarily with community groups and citizen action organizations. What is happening with these groups? Are their numbers expanding?*

Flanagan: Yes, I think they have expanded both qualitatively and quantitatively. There are more indigenous small groups all around the country working on their local problems, plus there are more statewide coalitions.

You hear a lot from the Washington-New York press about what a shame it is now with "nothing happening." They don't see 500,000 people marching on the White House, therefore they decide nothing is happening. I think that that is a very parochial picture. It is more important to have a thousand persons marching on 500 city halls. They are going to win immediate changes in their own communities *plus* learn organizing and leadership skills that they can apply with other groups to win bigger victories. Simply because it is not happening on Pennsylvania Avenue on the 6 o'clock news doesn't mean it isn't happening.

NEWS: *For these groups, grass roots fund raising is their primary if not only source of funds. Could foundations become another source?*

Flanagan: I don't think foundations have been hostile towards grass roots organizations. I think the problem has been more one of default. The established charities ask with more skill, tenacity, persistence and professionalism, and thus they naturally get the money. Just as soon as our organizations begin to ask with the same seriousness and offer the same sort of quality programs, they will also get funded. And in many cases they have the advantage of not having been on the dole for the last 50 years, and they offer a better dollar return.

Groups doing grass roots fund raising can also get matching grants from some foundations, where the foundation matches what a group raises, provided some predetermined amount is reached. This gives the group motivation and it allows the foundation's money to have more impact, which is why I think every grant should be a matching grant. In fact, you may be more likely to get money from some foundations if you request a matching grant rather than a direct grant. But you must be reasonably confident you can make your half.

"Murphy's Law is that anything that can go wrong will. Flanagan's Corollary is that things that can't go wrong will. Anybody who has worked on a special event knows that just about anything can go wrong and something *always* does."

TEN STEPS TO A MILLION DOLLAR FUND RAISER

By Sally Berger

Many of us have seen or read about the right way to set up a special event and major fund raising drive. The development office puts on additional staff, the chairperson is selected, the committee chairpersons are appointed, the captains, the lieutenants, the workers get together for planning meetings, strategy sessions, etc.

Suppose you can't do it that way? Is there any way to have a success without following all the time honored rules?

You bet there is. The following narrative, first presented at the National Association for Hospital Development conference in San Francisco, shows how two women, without benefit of a battery of volunteers or even a development office, turned an annual event that had netted $200,000 into one that netted $1.4 million.

As you read Ms. Berger's article, bear in mind two points. First, both Ms. Berger and her partner Alice Pfaelzer are wealthy enough to devote a year to their efforts and spend $4,000 of their own money. Second, although Michael Reese Hospital in Chicago had no development office (it does now) it had a large sophisticated public relations office.

Still, this thorough discussion of how to do a special campaign can provide an answer the next time someone asks, "What can only one person do?" The answer? "Find another person and go out and raise a million dollars."



To keep the upcoming fund-raising dance—the Crystal Ball—firmly in mind, a friend of Michael Reese Medical Center donated calendars which were sent to hundreds of businessmen. This photo on the cover was captioned: "I know exactly where you will be at 7 p.m., Saturday, December 14. Your fortune for the next 22 weeks is also clear to me. Dare you read on?"

How two volunteers turned Chicago's Crystal Ball into a blueprint for successful direct solicitation.

THIS is the story of how a so-called "charity" ball became the nucleus around which a $1.4 million special gifts campaign was built. In 1972, the Medical Research Institute Council of the Michael Reese Medical Center raised $226,000 to help support the Center's research activities. In 1973, without adding a professional development staff, the campaign yielded $1.4 million.

Michael Reese is the largest medical center in the Midwest. At the time of the 1973 fund-raising campaign, it did not have an in-house development staff, its capital fund raising requirements had been met by the Jewish Federation of Metropolitan Chicago, and it had never gone to the community for funds on any large scale.

The Medical Research Institute Council, one of three affiliated divisions of Michael Reese, was launched as a membership organization in 1950 to support the budget of the Medical Center's Research Institute. In 1959 the council began to sponsor the annual Crystal Ball. The special gifts campaign centering around the Ball was the largest source of funds for the Institute. However, through the years the ball had been declining in attendance and attention.

In August 1972, when Alice Pfaelzer and I were asked to serve as co-chairpersons, I had no idea we were going to depart from tradition. Then, early in October, Alice and I met with the new president of Michael Reese, Dr. LeRoy A. Pesch. He told us that medical research nationwide was in trouble and that he wanted us to raise $1 million to help make up for more than $1.5 million in government funding that the Research Institute had lost.

We thought he was joking and told him it was impossible. He said he was confident that, if we were willing to try, we could succeed, and he pledged us his cooperation and that of every department in the Medical Center.

We then began a year during which just about every waking moment was spent organizing, planning and executing this campaign.

The Medical Research Institute Council did have an office at Michael Reese. In past years the two staff members had worked with chairpeople on special gifts, records, invitations, an advertisement book and details of the Ball. For what we did that year, a staff of two was simply inadequate. By the time the year was over, we had added four temporary employees, including a secretary for each of us.

First we had to set up some system for operating the campaign. The 10 steps we followed are described below. As you all know, there are three ways to solicit funds. You can write a letter, make a phone call or visit your prospect in person.

We decided that a letter could be thrown away and a telephone call can be brushed off, but you can't dismiss someone who is sitting across the desk from you! So, you already know which method we picked.

PROSPECTS LIST. Who is a prospect? Alice and I were both limited in the number of people we and our friends knew personally. We realized that we couldn't raise a million dollars through friends and acquaintances. We had to go out into the business community. We made a list of important Chicagoans we wanted to see. Then we tried to get an appointment with Gaylord Freeman, President of Chicago's First National Bank. He didn't know us, so our request for an appointment was turned down. That's how we discovered the importance of an "introducer."

A Michael Reese board member who was a friend of Mr. Freeman's called him, and two days later we had our appointment!

What we had to do, we decided, was to find out who knew whom and use this information to put together a prospects list. We called all of the Medical Center's Trustees and other friends of the hospital and asked them to give us names of prospects. But we didn't stop there:

LETTER OF INTRODUCTION. We also asked them to send a letter of introduction for us. Approximately 70 men sent letters of introduction, and the names they provided kept us in business for the year.

Trustees and former donors weren't the only ones who sent these letters. We looked in many places for leads. We went over hospital records to find patients who had contributed. We spoke to attending physicians. We met with the purchasing agent many times, and he led us to suppliers. We called on businesses adjacent to the Medical Center.

We even brought our prospect lists to appointments and asked the prospects whether there were any people they knew who could send a letter of introduction. That letter of introduction became like a chain letter. We got to the point where near-strangers were sending letters for us.

This broadening of our base was vital, because imitation is the name of the game. We found that savings and loan officials wanted to know what other savings and loan companies were giving. Banks wanted to know what other banks were giving. It got to be sort of a "can you top this?"

We even went to see people on the boards of other hospitals because we found that you don't have to go to a particular hospital or have a doctor on its staff to support a research institute somewhere else. Everyone can relate to medical progress. People who are charitably inclined will support something that is worthwhile, and people who are not so inclined just won't.

We didn't take our annual large contributors for granted either. We found out that, even though their checks had been coming in regularly, no one had called on them for years. We went to visit them in person to see if they had any suggestions and whether they were pleased with the way things had been handled. They were so overwhelmed with the visit that, in almost every case, they

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Sally Berger was co-chairperson of the record-breaking 1973 Chrystal Ball that helped support Chicago's Michael Reese Medical Center, of which she is also a trustee.

increased their contributions. And they sent out letters of introduction for us.

Cross-indexing prospects and "introducers" is tricky. After each businessman had given us a list of names or had looked over our prospect list and checked those people he knew, we cross-checked again to be sure there would be no duplication. We then sent each businessman his own cross-checked list and asked that his secretary send us a carbon copy of the introductory letter. That's how we knew it had been sent.

A funny thing happened early in our campaign. The president of the Board of Trade sent our 25 letters of introduction. Four days later he received a letter back saying, "I'm too busy to see the young ladies, but enclosed is my check for $5,000." That's how we knew we were on to something really good.

CALL FOR AN APPOINTMENT. Here we began the follow-up, which if you saw the movie, "The Sting," might be called the "Set-Up." We waited one week after we knew the letter of introduction had been sent, and then we made our appointments.

That wasn't as easy as it sounds. These were very busy people, and Chicago is a very big city. Sometimes we had as many as five or six appointments a day.

Reaching people was difficult. We often had to call time and again. Executives were in conference, or they were out of town, or they would "return our call."

If we did get an appointment with somebody on the far north-side of Chicago, someone else on the south-side was sure to be available only that same day one hour later. Some people tried to avoid making an appointment, and asked us to give them all the information by telephone. But, in every instance, we stood our ground, because when people said over the telephone that they would give us $1,000, we found that when we saw them in person, they gave us $2,000.

The person you see is important. I hope I'm not offending anyone here when I say that it is better to see either the president or the executive vice president of the company as well as the person in charge of corporate philanthropy. The latter person is paid to see people who ask for contributions and your request is just one of many he receives.

Once when I was talking to the executive vice president of Montogomery Ward, he was giving me a very hard time. He said he was not the person to see, and that I should be transferred to another department. After trying very hard to make an appointment, I finally said that, when I saw the executive vice president of Sears, we had also invited his vice president for corporate philanthropy to the meeting. There was a pause, and then he said, "Young lady, you have made your point. Far be it for Montgomery Ward not to extend to you the same courtesy that Sears gave you."

SEND MATERIALS IN ADVANCE. Setting up the interview is important, but preparing the interviewee is equally important.

After we had set up a time, we then sent a letter of confirmation, along with some important materials—a brochure about our 23 research departments,

DATE --------

Dear ----------:

I have taken the liberty of giving your name to Mrs. Miles Berger and Mrs. Ellard Pfaelzer, Jr. the Co-Chairmen of the 1973 Michael Reese Hospital Medical Research Institute Council's Crystal Ball. These two women, as you probably know, are devoting an entire year to the direction of this affair and more especially to the cause it supports.

They will be calling you in the near future to make an appointment with you. I would very much appreciate your giving Sally and Alice an opportunity to present the facts about Michael Reese research to you. I think you will find it most interesting and worthwhile.

Thank you for your consideration.

Sincerely,

--:--

The letter above was given to the donor after a successful call. The donor sent the letter to two or three other prospects, and the Miles-Pfaelzer combine made the contact. This is an excellent way to handle a "cold" call.

and, of course, our program book from the previous year. This program book was very significant. It contained pictures of all those who had made special gifts the year before, people with whom our prospects could identify. Also, as an aside, a program book is a fund raiser; the ads sold for our program book raised $76,000. If someone won't contribute a special gift, he may well place an ad.

Most people had read over all our materials by the time we got there. If you're going to be asking people for money, they want to know why. And we had to be able to answer their questions.

Not only did we know facts and figures, but each of us had spent one full week working in a research lab so we knew just how important continuity was to a research project and how long it took to complete one small project.

We could explain research costs, sharing of services and staff and the relevance of basic research. Most important, we could impart to our prospects the dedication of Michael Reese scientists to their mission. By the time we were through washing test tubes, feeding lab animals and making minute entries into record books, I told Alice: "I know one thing, when I grow up I definitely don't want to be a scientist."

Not only did we know our subject, we knew our prospects. By the time we got to an appointment we had found out about their hobbies and their personal views. We even stressed certain areas of research if we knew the people were interested. Because many of these people had not met us before, we needed at least one hour for our appointments. The first 25 minutes were generally used to get better acquainted.



The upper photograph of Alice Pfaelzer was taken during the time she and Sally Berger spent working at the clinic to familiarize themselves with its operation. The lower photograph was taken when Mayor Daley proclaimed "Medical Research Week in Chicago" at the urging of the two women. From left, Frank Karger, Jr., chairman of the Michael Reese Medical Research Institute Council's executive committee, Ms. Pfaelzer, Ms. Berger, Dr. LeRoy A. Pesch, president of the Michael Reese Medical Center and Mayor Daley.

THE APPOINTMENT. We learned many things about interviewing fund raising prospects. The best place to meet with people is their own offices because that's where they are most comfortable. (We were by the way, in more than 500 offices.) Also we found that we functioned better as a duet instead of as solos. One person might not strike up a rapport with the prospect, but her partner might.

Most people couldn't spare the time to come out to the hospital, so what we did was bring the hospital to them. Our public relations department made a short slide film for us telling about research at Reese. We carried it in a self-contained projector. It was a visual aid, but it never took our place. We always showed it at the end of an appointment, as sort of a first-hand affirmation of the things we had been discussing.

If people couldn't see us during working hours, we asked them to meet us for lunch. We always ate at a city club we belong to. Men don't like ladies to take them to lunch so we never had a bill come to the table. I must say that for many it was the most expensive lunch they ever ate! People got so used to seeing us with important business leaders that one man asked if we could have him as our lunch guest so that eveyone in the dining room would think he was a big shot.

Many of the questions our prospects asked had to do with the lack of government funding. Because of this interest, we decided to let our congressman and senators know that the public did care about ensuring a scientific base for the future.

We spent two days in Washington meeting with 10 congressmen and six senators. It took us two months to prepare for this trip. Our public relations department carefully documented for us the effects that government cutbacks had had on our own institution, and from this we projected what they possibly meant nationwide. At the end of our two days we had a cocktail party to which we invited congressmen, senators and members of the press.

We were taped over radio and television, and there was tremendous publicity not only in Chicago, but also in papers all over the country. We showed these pictures from our Washington trip to our prospects, and that led to further discussion of federal research budgets and programs.

Promotion was also the name of the game. Not only does it set the climate for a successful campaign, but we actually were motivating two groups—our committee members and our prospects.

We asked Mayor Daley to proclaim Medical Research Week in Chicago and had pictures taken with him so that everyone could see that the mayor of the city was backing our efforts. We had displays made and place in department stores up and down Michigan Avenue, Chicago's most prestigious shopping area, and in buildings in downtown Chicago where our attending staff had offices. We really let the world know that it was Medical Research Week in Chicago in honor of the 1973 Crystal Ball. We even had lighted expressway signs all over the Chicago area proclaiming Medical Research Week.

I cannot emphasize enought the importance of the press coverage generated by our public relations department. Chicago is a very big city, but by the time our campaign was completed, our names had become synonymous with Michael Reese. We had changed the image of the Crystal Ball from a once-a-year effort to the culmination of a successful year-long campaign to raise funds for research.

THE STING. But I digress—the final part of our visit was the pledge card. In most instances, this was the first time our prospect was aware that contributions ranged from $500 up. If we had mentioned at the start that we were going to ask for $500 or more, many people would have told us not to come. By the time the visit was over, we had built a climate of receptivity for a gift of at least that size. It was a courtship that ended in marriage between our prospects and Michael Reese.

Sometimes we received a check on the spot. Sometimes we had to wait till the corporation's contribution committee met. Some people even asked us how much we wanted them to give. That surprised us, but we avoided any pressure tactics. We left an envelope pre-addressed to use at either of our homes along with the pledge card.

For some reason, when volunteers leave pledge cards addressed to an office, the personal touch is lost. It seemed that, when we left our home address, we received for more responses.

Confidential Donor Profile

Imagine yourself in the office of the president of a large company. Immediately in front of you is your prospect. Your palms are beginning to sweat. . .Sally Berger and Alice Pfaelzer didn't have that problem. They took preventive measures in advance. "By the time we got to an appointment, we had found out about the prospect's hobbies, personal views, special family medical histories. We even stressed certain areas of research if we knew the person was interested."

How do you get that kind of information and how do you control it? One way is to develop an on-going information file of potential donors. The card below (filled in with fictional information) gives a good example of a confidential donor file. Most of the information is self-explanatory. You will see that the initial information came from the informal pipeline of donor's secretary to hospital director. The researcher, John Smith, got most of the other infromation from *Standard and Poor's* and *Who's Who,* both of which can be found in the business section of your local library.

A file of such information on key individuals is useful more than once. Not only will it help your immediate efforts for individual gifts, it may come in handy in approaching local foundations and can serve as the basis for a deferred giving program.

PERSONAL PROFILE
(Confidential - Do Not Remove From File)

Name John Baresford Tipton
Residence One Tipton Drive
Oklahoma City, Oklahoma 73209
City State Zip code

Mail preference home

Position/Title President
Company The Millionaire, Inc.
Address 40th floor, The Tipton Bldg.
Las Vegas, Nevada 71177
City State Zip code

Phone (405) 735-2267
Nature of Bus. oil
Name of Foundation or Employee Organization Megabucks Foundation

Home Phone (405) 456-7890
Personal Secretary Elizabeth (Bets) Thompson
Type of Prospect Annual- B Deferred- A
Salutation: ~~Dear Mr. Tipton (staff)~~ Dear John (Dr. Murphy)

Directorates and other Companies
Bank of the World, Houston- Chairman and Director *
Banco de Americas, San Juan, P.R.- Founding Director
Sheena Jungle Products, Cleveland- Director *
Mom's Home Cooked Chili Shacks, Tulsa- Director *
* annual reports on file

Clubs and Organizations
Planned Studenthood, Oklahoma City- Tres. Board of Trustees
Keep Kleveland Kute, Cleveland- Chairman of Board
St. Mary Medical Center, Palm Desert- member, Board

Birthdate Jan.9, 1918 Place Los Angeles
College or Other Education Sawyer Business School (1938)
Religion Unitarian
Other ~~Loves horses~~ ~~Plays golf with Dr. Murphy weekly~~

Spouse Status incl. maiden name Mary (Rockefeller) Tipton
Children none

Attorney Jimmy (Spats) Cravat
Financial Adviser J. Paul Getty
Bank Bank of the World
Politics American Vegetarian

Contacts (Friends/Close Relatives) Dr. Murphy; Virginia Thompson, Volunteer Director (sister-in-law of Mr. Tipton's secretary);

Hospital/Health Related Interests
St. Mary Medical Center ($250,000 to Tipton Diagnostic Center- 1968)
Mental Health Association- Volunteer Chairman, 1972

Other Interests or Leadership Responsibilities
Member, Prune Hills Country Club
Director, Western Horse Association (Pres. 1962-1966)
Mayor of Oklahoma City, 1953-1957 (see attached press clippings)

Individual Hospital Relationships
Has been a patient of Dr. Murphy since 1948. Close.
Knows Virginia Thompson socially.

Wealth and Rating Source
10-25 million (Elizabeth Thompson)

Researched by John Smith Date Oct. 1974

CHARITABLE GIVING RECORD

Hospital or Organization	Date	Amount	Purpose	Contact Person	Others	Date	Amount	Purpose	Contact Person

CULTIVATION RECORD

Date	Plan (Activity, Invitation Meeting, Mailing, etc.)	Response

THANK YOU. A "thank you" is essential when people give up their time to see you. Alice and I always sent handwritten thank you notes to our prospects—one from her and one from me. By the end of the year we both had writer's cramp, but it was worth it. There was a great deal of favorable comment about this. We actually sent four notes—two thanking them for seeing us and two thanking them for their contribution when it was made.

By the way, the congressmen and senators we saw in Washington went one step further than we ever did. They wrote us a thank you note for the thank you note we wrote them!

PLEDGE FOLLOW-UP. Not everyone made a contribution right away. Some people made a pledge, but did not give us a check on the spot. That's where follow-up comes in.

We prepared a form that we filled out after each visit. We used this to record what had happened. If a follow-up was necessary after a contribution committee met, we noted that. We also had a code system to indicate who should be the person to follow-up on each call and approximately when follow-up should occur, as well as whether the next approach should be by letter or phone.

It seemed to work. In the beginning, our pledges came in slowly, but by March 31, they began to pick up and after June 1 they were coming in steadily.

By the time we got to the ball itself in December we had retrieved almost all our pledges.

Traditionally, people who gave $500 or more received recognition in three ways—one through the program book I have already mentioned; two, by receiving complimentary tickets to the ball; and, three, at a thank you party.

The number of tickets to the ball depended on the amount of the gift. A $500 donor received two tickets, $1,000 brought four, and so on. Anyone who gave more than $3,000 received tickets for a table of 10.

One gentleman could have had tickets for every table in the house if he had wanted them. That was Ray Kroc of McDonald's who gave us $75,000 to help underwrite the cost of the Ball and much of our office expense

GIVE A THANK YOU PARTY. The third method of recognition was through a special cocktail party and fashion show at Gucci's. Only special gifts givers and ball workers were invited. Dr. Aldo Gucci underwrote the total cost of the party, and his fall collection was shown that evening.

PROMOTION IS IMPORTANT. Again, let me emphasize that promotion and publicity created momentum and a spirit that kept enthusiasm and support snow-balling. We had engaged the Chicago Symphony to play at the Ball, and at the special gifts party every guest got a record album with a sticker saying, "Orchestra Hall comes to the Crystal Ball." We had buttons made up with the hospital logo and the words "Crystal Ball—1973." We wore them, our friends wore them.

Early in the campaign, Butch McGuire, a Chicago restauranteur gave us an unusual gift—a 1955 custom-built black Lincoln Continental that had been used by President Johnson at his ranch. Mr. McGuire had used it to chauffeur celebrities and friends around Chicago. The night of the special gifts party, there it was with a spotlight shining on it parked right in front of the Gucci Salon on Michigan Avenue, letting everyone know that some lucky special contributor or ad book solicitor could look forward to a giant-sized door prize

Promotions like this, the large amount of newspaper and TV coverage, the trip to Washington and our fund-raising techniques gave us a credibility and legitimacy that opened up both doors and purses. The Crystal Ball became the most important and talked about fund-raising program of 1973 in Chicago.

HAVE A BALL! It was something like the opening of a Broadway show. We honored all our past chairpersons because it was our Crystal Anniversary. Every one of the 23 past chairpersons were there. Some had come from California, Florida and New York to be with us that evening. Everyone knew that not only had we made our goal, we had topped it.

There were about 1,100 people there and we knew almost every one of them personally because we had either been in their offices or had met them at parties.

As you can imagine, seating was a nightmare. One of our largest contributors told us that his uncle had had a million dollar bequest for Michael Reese in his will, and one year he and his wife were seated next to the kitchen. He changed his will!



"This is it! The most important event of the year. See you at the Crystall Ball, tonight at 7 p.m. at the Hyatt Regency Chicago."



Ms. Pfaelzer and Ms. Berger, co-chairpersons of the Crystal Ball, and Dr. LeRoy A. Pesch, president of the Michael Reese Medical Center.

Success had its blessings, but it also had its problems. We had to close our reservations because of the great demand for tickets. Early in the year we had arranged for a ballroom that held 700 people. By the end of the year, 1,400 people wanted to come.

One thing was sure. We had to save places for our special gifts contributors. The invitations went out in October. Within the following few weeks, we had 500 reservation requests. We decided not to cash any check until we had called all our special contributors and long-term supporters and reserved places for them. After that we accepted reservations in order of the time the reservation was received. We ended up using every available space for over 1,100 people. We had to turn away 300 people.

You can imagine how we felt when we were called up at the Ball to announce that we had raised $1.4 million. We received a standing ovation. That was one of the most wonderful moments in my entire life, and I know it was for Alice, too.

After the ball was over, we received unsolicited contributions for what we had done. People who had given us $500 sent us another $500. We are still getting contributions from pledges made last year. For example, officials of one company called Michael Reese to say that they were going to give $1,000 a year forever.

What were the costs of the event? First, you must remember that Michael Reese has a tremendous in-house capability. We had our own public relations department, our own graphic designer and our own print shop. Total expenditures for the Ball were $150,000, of which $75,000 came from Mr. Kroc.

The film strip we used as a part of our presentation was a major expense: $8,700 including the cost of the projector. Alice and I each had to come up with about $4,000 for entertainment, travel, etc.

WHY DID WE DO IT? So many people ask us that question. I'd like to say my own answer in two parts. First, I was really motivated—I really believe that the funds we raised may prove to be vitally important to the lives of many people, and second, I come from a family where philanthropy is a tradition.

What's happening in 1974?

Michael Reese now knows the community is receptive to its needs, and this year the Medical Center has created its own in-house development department staffed by professionals. With two enthusiastic women like this year's chairpersons and the professional staff behind them, I know 1974 will again prove that women can hold their own as volunteer fund raisers.

The Grantsmanship Center

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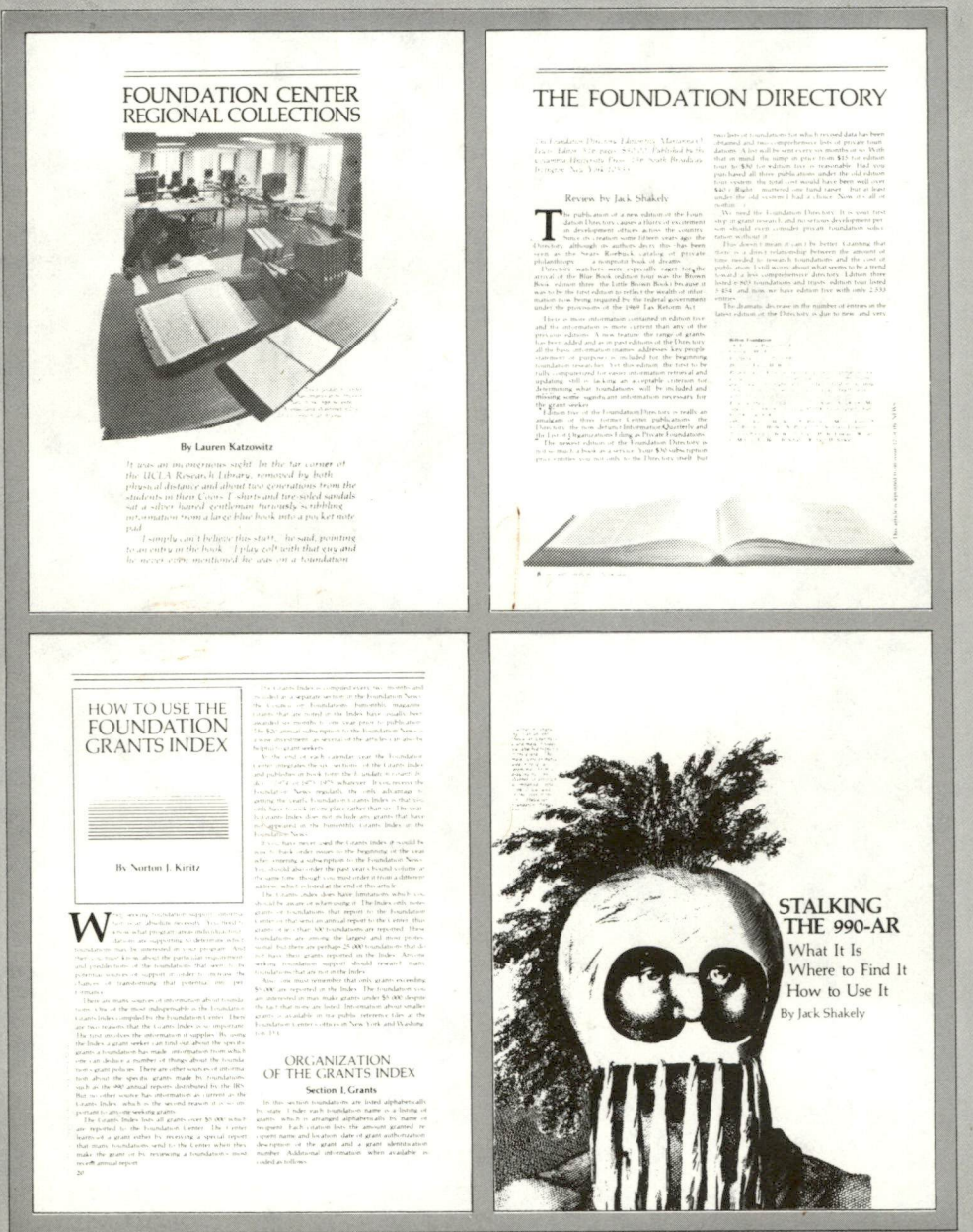
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Part I

RESEARCHING FOUNDATIONS

How to Identify Those That May Support Your Organization



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STALKING THE 990-AR

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Reprints of articles from the Grantsmanship Center News

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FOUNDATION CENTER REGIONAL COLLECTIONS



By Lauren Katzowitz

It was an incongruous sight. In the far corner of the UCLA Research Library, removed by both physical distance and about two generations from the students in their Coors T-shirts and tire-soled sandals sat a silver-haired gentleman furiously scribbling information from a large blue book into a pocket note pad.

"I simply can't believe this stuff," he said, pointing to an entry in the book. "I play golf with that guy and he never even mentioned he was on a foundation

board." He turned to a large box filled with pamphlets and reports, rifling through them not so much to read them as to reassure himself that they were still there.

Silver Hair had discovered the Foundation Center regional collection at UCLA. A volunteer fund raiser for a nonprofit organization in Los Angeles, he was finding that almost every piece of information about private foundations in California and neighboring states was in that corner of the Research Library. He was asked if he used the collection often. "First time. But I'm going to be coming here often. I'm really enjoying this," he said as he dove into the latest annual report of the Markle Foundation.

In 1973 the Foundation Center in New York decided to increase the availability of its foundation research resources by expanding its system of 12 depository libraries to 60 (the plan is now for 90). At the same time the Center changed the name of these reference resources to "regional collections."

Over 60 regionals have been established so far (in 45 states, Mexico and Puerto Rico), and some progress has been made to facilitate what the new name suggests: an active link in a network of resources, not just a passive receptacle for information.

Still, there is a wide divergence in what the user of a regional collection can expect to find there and how much help he can expect to receive. Some offer no more assistance to the novice foundation researcher than they normally would to anyone with a special reference question. Others spend up to a half hour on individualized guidance in using the collection, and may even provide films or classes for group instruction.

By definition, a regional is a collection of foundation information housed in a public, academic or foundation library which has agreed to cooperate with the Foundation Center. The relationship between the Center and the library that houses the regional collections is voluntary and it may be initiated by either the library or the Center. (The Center will usually review a number of sites in a particular area before designating one to house the regional collection.) Most regional collections are in public libraries; several are in university libraries and several in foundations.

The Foundation Center provides a library of basic information and research tools (see box, page 4). It does not provide any administrative assistance, financial support or staff.

One of the most overlooked characteristics of the regional collections is that they are just that — regional. National libraries are located at the Foundation Center offices in New York and Washington, D.C.; a national "cooperating collection" is maintained at the Donors' Forum in Chicago; and Foundation Center-staffed "field offices" have been opened in San Francisco and Cleveland. The basic research resources at the national collections are the same as those at the regionals but the regionals have 990 annual reports only for foundations in the states in which the collection is located and, sometimes, in neighboring states. The national collections also have a more extensive collection of reference books and periodicals related to philanthropy and more microfilm equipment. The field offices carry 990s for a greater number of nearby states than do the regionals.

In return for these basic materials, the regionals promise to purchase certain publications issued each year by the Center. While some regionals have more extensive reference collections including relevant periodicals, books in proposal writing and so forth, this is not required. Purchase of commercial resources is discouraged by the Center.

Each collection also has at least one microfiche reader for viewing aperture and microfiche cards on which are the 990 AR's. Most have duplicating capabilities for patrons, and some have reader-printers for making hard copy from aperture cards and microfiche.

All regional collections have at least one librarian who is designated supervisor and is responsible for maintaining the collection, bringing it up-to-date and providing reference services to the public. The collections are open on weekdays without charge. Some, depending on the hours of the library, are open evenings and/or weekends. Usually, no appointment is necessary except, in some cases, for special instruction.

Judith Margolin, former director of the New York Library and coordinator of the regional collection, said that there are differences among the regionals both in how they are displayed and in the knowledge of the staff, depending on the administration of the library and how much time and interest staff are willing to devote.

How much does the individual have to know about foundation research to use the collections? Margolin

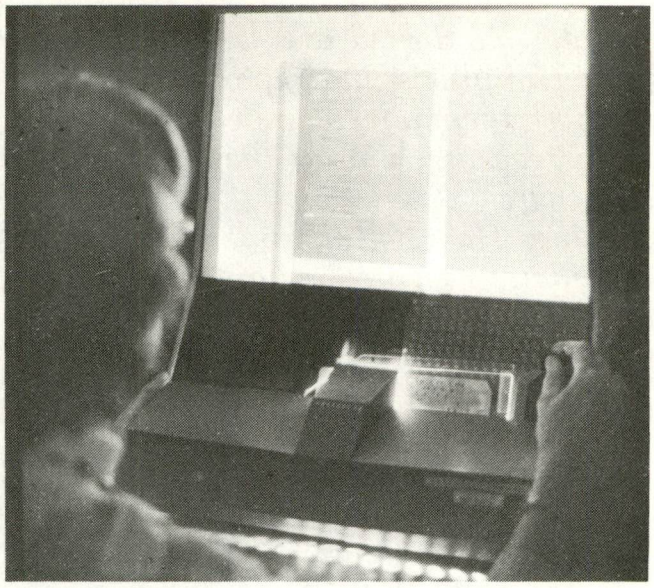
Lauren Katzowitz is a freelance writer who resides in New York City.

This ar reprinted from issue 12 of the NEWS.

What You Can Expect to Find at the Regional Collections

As part of its cooperative arrangement with the regional collections, the Foundation Center provides free to each collection one copy of the following resources:

- **The Foundation Directory**
- **The Foundation Grants Index** annual volumes.
- **Comsearch Printouts**
- **Foundation Grants to Individuals**
- **International Philanthropy**
- **Source Book Profiles**
- **Foundation Annual Reports on Film,** Foundation annual reports on film from 1970 through 1977, covering approximately 400 foundations.
- **Foundation News,** annual subscriptions including the bi-monthly Grants Index.
- **Aperture Cards** for all organizations registered as private foundations in the state in which the collection is located and, sometimes, neighboring states.
- Aperture cards for other individual foundations upon request.
- All booklets, brochures and items published or distributed by the Center.



How much help can a user expect from library staff? The minimum, Margolin said, is identification of the proper resources. Many, she added, provide more service. A number of supervisors of regional collections have received training through the Grantsmanship Center and other programs and have helped clients with the knowledge gained. Some provide up to a half hour of individualized instruction in how to use the materials and microform equipment. The national collections and the field offices hold weekly orientation sessions for patrons; many of the regional collections hold occasional sessions.

Looking at the Regionals

Four of the regional collections are profiled in this article. Interviews with the staff of each indicated a few basic patterns. First, individuals using the regional collections run the gamut in "foundation research IQ" from total ignorance to keen sophistication.

One man wrote the Wisconsin regional at Marquette University requesting "a list of all foundations in the U.S." At the Philadelphia Free Library, reported collection supervisor Frances Ritchey, "Some people wander in off the streets and it's almost too much for them." At the other extreme is the individual who comes in looking just for a single aperture card.

Each of the staff people interviewed offered a similar description of their responsibility toward the patron of the regional collection. Regardless of their own sophistication in foundation research, the librarians do no more than discuss what the user is specifically interested in and show him how to use the available

materials. Under no circumstances do they perform research or make recommendations concerning specific foundations.

Recently, the Foundation Center has taken a more active role in making the regional collections into a "network of resources." A series of memos to regional supervisors from collection coordinator Margolin answers questions of a general nature and offers policy guidelines, such as the advice not to purchase commercial products.

The regional collections should be a place where foundations can refer grant seekers they must turn down, Margolin said. "We also tell foundations that they need information (contained in the collections) in order to do intelligent grant-making." For example, foundations should know what other foundations are funding programs in their own area of interest.

While some foundations have shown a strong interest in the regional collections, few have given grants for equipment and personnel, Margolin said.

The regionals offer free access to foundation information to those fund seekers not needing the services of the Center's Associates Program. That program offers toll-free telephone reference, weekly taped foundation news summaries, duplicating service and access to custom computer searches. It costs $200 a year.

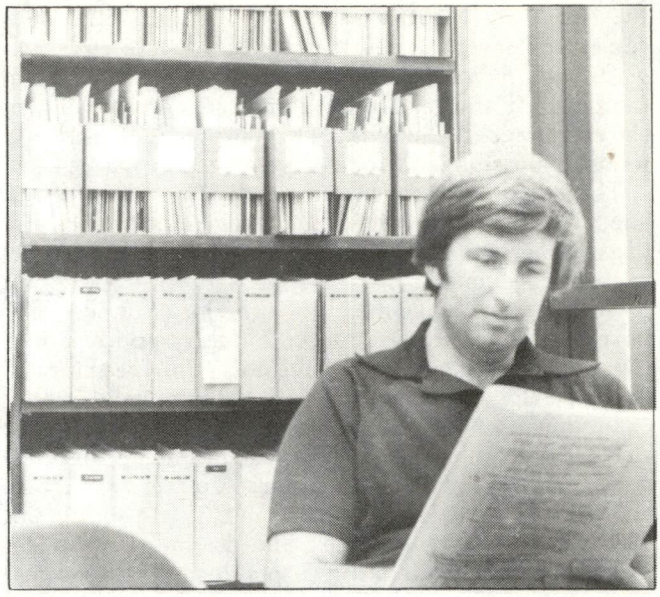
Seattle, Washington

The Washington regional collection is housed in the Seattle Public Library and covers just that state. In addition to the materials provided by the Center the library has purchased a reader and reader-printer for the collection as well as additional reference works on subjects such as federal grant programs and proposal writing. Funds for buying additional materials come from the general book budget for the Department of Education, Psychology and Sociology, where the collection is located.

Five full-time staff are available to assist the researcher. Recently Mardelle Moore, supervisor of the collection, gave a presentation on its use to the entire library staff. A videotape explaining the contents of the collection and how to use it is shown on a scheduled basis. No appointment is necessary for help from staff.

Most of the people who use the collection are looking for grants for social service agencies, Moore reported They find the collection and the equipment to use it consolidated in an area across from the main desk. Microfiche and aperture cards are stored in a desk drawer. An adjacent bookcase holds hardbound materials and periodicals. Printed annual reports are kept in a file along with certain federal documents.

Between January and mid-April this year, Moore said that 241 questions were asked by patrons about the collection and almost 49 hours were spent on the reader.



Philadelphia, Pennsylvania

Frances Ritchey is particularly qualified as a grantsmanship librarian. She has obtained two grants from local foundations for improvement of The Philadelphia Free Library regional collection.

While Ritchie says "I can't claim any particular genius — I was practically taken by the hand — my own feeling is that it just takes a little observation to get started."

The first grant came when Ritchie attended a grantsmanship training program and advised the other participants not to come to the collection together because of the limited resources the library could devote to it. There were only two readers and no staff besides herself.

It was suggested that she apply for foundation assistance, which she did. She was successful, receiving almost $16,000 from the William Penn Foundation to hire two assistants on an hourly basis (the equivalent of one full-time staff person) and buy a reader-printer, two readers and some chairs and tables. The grant also provided $400 to "beef up" the collection with duplicate copies of major resources.

The Free Library collection is one of two regionals in Pennsylvania. The second is at the Hillman Library at the University of Pittsburgh. The Free Library is a major public library, one of the largest in the country. It already had a strong collection of standard source books and periodicals before becoming affiliated with the Foundation Center, Ritchie said. The problem, she explained, was that the materials were not assembled in one place.

With the help of the grant from William Penn Foundation and a second of about $500 from the Philadelphia Foundation for in-service training, Ritchie is striving to make the collection as "accessible and convenient as possible. That is the whole point."

About fifty people a month have used the collection since it was started a year ago, Ritchie said. Each receives up to a half hour of individual instruction on

the first visit. Most learn quickly, Ritchie said, and come back several times.

On the first visit, Ritchie helps the patron generate a sample entry and follow through on his research. Then she encourages the individual to continue with as many terms as possible and follow them up.

The collection is open during the week between 9 a.m. and 5 p.m. when one of the three trained staffers is usually there to help. Ritchie herself spends half-time on the collection.

Interestingly, while the library and local foundations have registered strong support for this service, other elements of the community have not. "The Free Library of Philadelphia has always had an extremely strong commitment to community service," Ritchie said. "But although the library has this commitment, the city doesn't. Instead of getting a grant to do this, we should get a salaried position out of city hall." With additional support, she would like to expand the collection to include substantial material on corporate giving programs and government grants.

As for her own expertise in grantsmanship, she said: "So far I'm hitting 100 percent, but I'm not so naive that I think it will stay like that."

Los Angeles, California

The University Research Library at UCLA is one of the largest research libraries in the country, and the regional collection housed there is characteristic of the benefits and disadvantages of size.

The collection is one of three in California. (The other collections are a field office in San Francisco which covers 11 states, and a regional collection in San Diego.)

The regional collection is located in the reference department which contains some 30,000 volumes. Only two of the nine staff are fully trained in its use, according to Barbara Ewing who supervises the collection. Because the collection is in a university research library, she explained, "We can only give people a certain amount of time."

"We point out what there is and what it does," she said. "We take (patrons) to the materials and turn them loose. If they have a specific problem we can direct them to something else, but (in general), we have little time to help the individual."

Ewing was asked how much a beginner can accomplish by himself. "If they have the basic tools, they can do quite a bit," she said, "but, of course, we can't introduce them to the (foundation) contacts."

Established in 1961, the regional collection is scattered across the first floor reference department. "People usually come up to the reference desk and we rescue them from there," Ewing said. The pamphlet file is kept at the reference desk, along with the Annual Register of Grant Support and the Foundation Directory.

The collection contains annual reports in hard copy from all over the country and the latest 990's on aperture cards for California. Aperture cards are kept in the microform service reading room. The materials provided by the Foundation Center are the most expensive in the collection, Ewing noted. Additional items are purchased with funds from the reference budget.

While the size and complexity of the UCLA library may be a drawback to some beginning foundation researchers, the nature of the research library provides other valuable benefits. For example, publications such as tax journals, law journals and government documents are available.

As in the other regional collections, brief telephone and correspondence inquiries are handled to the extent possible. The regional collection is open during regular library hours.

Milwaukee, Wisconsin

Located at the Marquette University Memorial Library in Milwaukee, the Wisconsin regional collection covers Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio and Wisconsin.

Barbara Syzaco, coordinator of Urban Affairs at the library and supervisor of the collection, describes it as a "walk-in service" since she is the only staff member who works with the collection and her office is located directly across from it. Szysco encourages people to make appointments, since she spends only part of her time on the collection.

Like archives and rare books, the regional collection is considered a "special" collection and is kept in its own section of the library, Syzsco said. With her limited budget — less than $200 — she tries to get "everything we can free." At the recent annual conference of the Council on Foundations, Syzsco picked up copies of many annual reports. Most of her purchases are regional or local grant directories, or publications relating to government assistance.

Individuals who come to the library receive a minimum of a half hour instruction on how to use the basic materials in the collection and operate the microform reader.

The most difficult question her clients ask, Syzsco said, is "How do I find out which small foundations are giving to what?" To help them she is compiling a directory of some 650 active local foundations in Wisconsin. Utilizing data from 1973 tax returns and her personal contacts in the larger foundations, Syzsco's directory will list the "vital statistics" for each foundation: name, address, telephone, assets, grant range, median grant and the names of trustees.

In addition, she is coding all grants into 19 different subject areas and hopes to put the entire directory on a computer program which can be easily updated. Two "very willing volunteers and a secretary who types like a whiz" are assisting her in this project.

FOUNDATION CENTER COLLECTIONS

National Libraries

The Foundation Center
888 Seventh Avenue
New York, New York 10019

The Foundation Center
1001 Connecticut Avenue N.W.
Washington, D.C. 20036

Field Offices

The Foundation Center—San Francisco
312 Sutter Street
San Francisco, California 94108

The Foundation Center — Cleveland
Kent H. Smith Library
739 National City Bank Building
629 Euclid Street
Cleveland, Ohio 44114

National Cooperating Collection

Donors Forum of Chicago
208 South LaSalle Street
Chicago, Illinois 60604

Regional Collections

ALABAMA
Birmingham Public Library
2020 Seventh Avenue, North
Birmingham 35203

ALASKA
University of Alaska
3211 Providence Street
Anchorage 99504

ARIZONA
Tucson Public Library
Main Library
200 S. Sixth Avenue
Tucson 85701

ARKANSAS
Little Rock Public Library
Reference Department
700 Louisiana Street
Little Rock 72201

CALIFORNIA
University Research Library
Reference Department
University of California
Los Angeles 90024

San Diego Public Library
820 E Street
San Diego 92101

COLORADO
Denver Public Library
Sociology Division
1357 Broadway
Denver 80203

CONNECTICUT
Hartford Public Library
Reference Department
500 Main Street
Hartford 06103

FLORIDA
Jacksonville Public Library
Business, Science, and Industry Department
122 North Ocean Street
Jacksonville 32202

Miami — Dade Public Library
Florida Collection
One Biscayne Boulevard
Miami 33132

GEORGIA
Atlanta Public Library
126 Carnegie Way N.W.
Atlanta 30303
(also covers Alabama, Florida, South Carolina, and Tennessee)

HAWAII
Thomas Hale Hamilton Library
University of Hawaii
Humanities and Social Sciences Division
2550 The Mall
Honolulu 96822

IDAHO
Caldwell Public Library
1010 Dearborn Street
Caldwell 83605

ILLINOIS
Sangamon State University Library
Shepherd Road
Springfield 62708

INDIANA
Indianapolis — Marion County Public Library
40 East St. Clair Street
Indianapolis 46204

IOWA
Des Moines Public Library
100 Locust Street
Des Moines 50309

KANSAS
Topeka Public Library
Adult Services Department
1515 West Tenth Street
Topeka 66604

KENTUCKY
Louisville Free Public Library
Fourth and York Streets
Louisville 40203

LOUISIANA
New Orleans Public Library
Business and Science Division
219 Loyola Avenue
New Orleans 70140

MAINE
University of Maine at Portland-Gorham
Center for Research and Advanced Study
246 Deering Avenue
Portland 04102

MARYLAND
Enoch Pratt Free Library
Social Science and History Department
400 Cathedral Street
Baltimore 21201
(also covers District of Columbia)

MASSACHUSETTS
Associated Foundation of Greater Boston
294 Washington Street, Suite 501
Boston 02108

Boston Public Library
Copley Square
Boston 02117

MICHIGAN
Henry Ford Centennial Library
15301 Michigan Avenue
Dearborn 48126

Purdy Library
Wayne State University
Detroit 48202

Grand Rapids Public Library
Sociology and Education Department
Library Plaza
Grand Rapids 49502

MINNESOTA
Minneapolis Public Library
Sociology Department
300 Nicollet Mall
Minneapolis 55401
(also covers North and South Dakota)

MISSISSIPPI
Jackson Metropolitan Library
301 North State Street
Jackson 39201

MISSOURI
Kansas City Public Library
311 East 12th Street
Kansas City 64106
(also covers Kansas)

The Danforth Foundation Library
222 South Central Avenue
St. Louis 63105

Springfield — Greene County Library
397 East Central Street
Springfield 65801

MONTANA
Eastern Montana College Library
Reference Department
Billings 59101

NEBRASKA
W. Dale Clark Library
Social Sciences Department
215 South 15th Street
Omaha, 68102

NEW HAMPSHIRE
The New Hampshire Charitable Fund
One South Street
Concord 03301

NEW JERSEY
New Jersey State Library
Reference Section
185 West State Street
Trenton 08625

NEW MEXICO
New Mexico State Library
300 Don Gaspar Street
Santa Fe 87501

NEW YORK
New York State Library
State Education Department
Education Building
Albany 12224

Buffalo and Erie County Public Library
Lafayette Square
Buffalo 14203

Levittown Public Library
Reference Department
One Bluegrass Lane
Levittown 11756

Rochester Public Library
Business and Social Sciences Division
115 South Avenue
Rochester 14604

NORTH CAROLINA
William R. Perkins Library
Duke University
Durham 27706

OKLAHOMA
Oklahoma City Community Foundation
1300 North Broadway
Oklahama City 73103

Tulsa City-County Library System
400 Civic Center
Tulsa 74103

OREGON
Library Association of Portland
Education and Psychology Department
801 S.W. Tenth Avenue
Portland 97205

PENNSYLVANIA
The Free Library of Philadelphia
Logan Square
Philadelphia 19103
(also covers Delaware)

Hillman Library
University of Pittsburgh
Pittsburgh 15213

RHODE ISLAND
Providence Public Library
Reference Department
150 Empire Street
Providence 02903

SOUTH CAROLINA
South Carolina State Library
Reader Services Department
1500 Senate Street
Columbia 29211

TENNESSEE
Memphis Public Library
1850 Peabody Avenue
Memphis 38104

TEXAS
The Hogg Foundation for Mental Health
The University of Texas
Austin 78712

Dallas Public Library
History and Social Sciences Division
1954 Commerce Street
Dallas 75201
(also covers Arkansas, Louisiana New Mexico, and Oklahoma)

El Paso Community Foundation
El Paso National Bank Building, Suite 1616
El Paso 79901

Minnie Stevens Piper Foundation
201 North St. Mary's Street
San Antonio 78205

UTAH
Salt Lake City Public Library
Information and Adult Services
209 East Fifth Street
Salt Lake City 84111

VERMONT
State of Vermont Department of Libraries
Reference Services Unit
111 State Street
Montpelier 05602

VIRGINIA
Richmond Public Library
Business, Science, & Technology Department
101 East Franklin Street
Richmond 23219

WASHINGTON
Seattle Public Library
1000 Fourth Avenue
Seattle 98104

Spokane Public Library
Reference Department
West 906 Main Avenue
Spokane 99201

WEST VIRGINIA
Kanawha County Public Library
123 Capitol Street
Charleston 25301

(continued on page 24)

THE FOUNDATION DIRECTORY

The Foundation Directory, Edition five; Marianna O. Lewis, Editor; 516 pages, $30.00. Published by the Columbia University Press, 136 South Broadway Irvington, New York 10533.

Review by Jack Shakely

The publication of a new edition of the Foundation Directory causes a flurry of excitement in development offices across the country. Since its creation some fifteen years ago, the Directory, although its authors decry this, has been seen as the Sears Roebuck catalog of private philanthropy . . . a nonprofit book of dreams.

Directory watchers were especially eager for the arrival of the Blue Book (edition four was the Brown Book, edition three, the Little Brown Book) because it was to be the first edition to reflect the wealth of information now being required by the federal government under the provisions of the 1969 Tax Reform Act.

There is more information contained in edition five, and the information is more current than any of the previous editions. A new feature, the range of grants, has been added and as in past editions of the Directory, all the basic information (names, addresses, key people, statement of purpose) is included for the beginning foundation researcher. Yet this edition, the first to be fully computerized for easier information retrieval and updating, still is lacking an acceptable criterion for determining what foundations will be included and missing some significant information necessary for the grant seeker.

Edition five of the Foundation Directory is really an amalgam of three former Center publications: the Directory, the now-defunct Information Quarterly and the List of Organizations Filing as Private Foundations.

The newest edition of the Foundation Directory is not so much a book as a service. Your $30 subscription price entitles you not only to the Directory itself, but two lists of foundations for which revised data has been obtained and two comprehensive lists of private foundations. A list will be sent every six months or so. With that in mind, the jump in price from $15 for edition four to $30 for edition five is reasonable. Had you purchased all three publications under the old edition four system, the total cost would have been well over $40 ("Right," muttered one fund raiser, "but at least under the old system I had a choice. Now it's all or nothin'.").

You need the Foundation Directory. It is your first step in grant research and no serious development person should even consider private foundation solicitation without it.

This doesn't mean it can't be better. Granting that there is a direct relationship between the amount of time needed to research foundations and the cost of publication, I still worry about what seems to be a trend toward a less comprehensive directory. Edition three listed 6,803 foundations and trusts, edition four listed 5,454, and now we have edition five with only 2,533 entries.

The dramatic decrease in the number of entries in the latest edition of the Directory is due to new, and very

Bolton Foundation
100 Erieview Plaza, 36th Floor
Cleveland 44114

Incorporated in 1952 in Ohio.

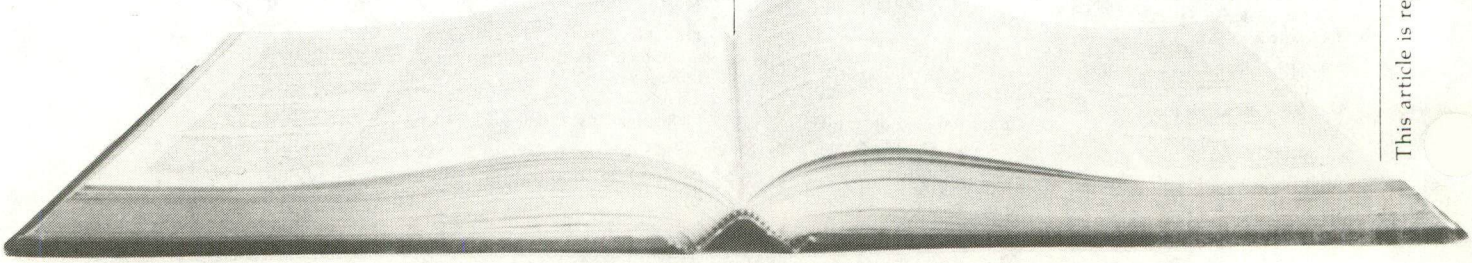
Donor(s): Fanny H. Bolton.

Purpose and Activities: General purposes; primarily local giving to institutions of particular interest to the trustees; grants largely for higher and secondary education, including schools of dentistry and nursing, hospitals, health services, and community funds.

Financial Data (yr. ended 12/31/72): Assets, $2,200,390 (M); expenditures, $90,183, including $79,500 for 30 grants (high: $12,500; low: $200).

Officers: Fanny H. Bolton,* President; Morris Everett,* Vice-President; *Herbert N. Putnam, Jr.*, Secretary-Treasurer.

*Trustees:** Charles B. Bolton, Claire H. B. Jonklass, William C. McCoy, Jr., Betsy B. Schafer, Richard H. Stewart.



This article is reprinted from issue 12 of the NEWS.

No serious person should consider foundation solicitation without the Directory.

stringent, critieria for inclusion. The critiera for edition five were assets of at least $1 million or grants of $500,000 or more. Compare these criteria to those used in edition four ($500,000 in assets or grants of $25,000 or more) and you can easily see why thousands of foundations were left by the wayside.

The primary audience of the Directory, either directly as subscribers or indirectly as patrons of libraries which are subscribers, is the grant seeker. Because of this, the assets of a foundation are of secondary importance to us. We want to know how much money a foundation is giving away. Private foundations were created, and are required by law, to give away money. A one million dollar foundation that is basically stagnant, that is, with no new money coming in or anticipated, may give away $50-60,000 a year (and some may give away considerably less) while an active, growing foundation with a strong investment portfolio may give away many times that amount, even though its assets may be considerably less.

The criterion for inclusion into the Directory should be grants of $100,000 or more a year, based on an average over the past three years. Foundations with assets of $1 million or more which do not meet this grant criterion could also be included on a selected basis.

The new computerized system adopted by the Foundation Center for edition five and subsequent editions will allow for future Directories to be more comprehensive and, hopefully, the grant criterion will receive greater emphasis in upcoming editions. Until that time, however, it would be a good idea for you to keep your copy of edition four of the Directory in order to maintain a list, albeit outdated, of the many strong and active foundations that did not make edition five. Bargain hunters should frequent college book stores and used book stores. I found a copy of edition four in perfect condition for only $5.

What's In It

What will you find in edition five of the Foundation Directory? First, of course, comes the introduction. This is no ordinary introduction, however, and you should resist the urge to skip directly into the descriptive section and spend half an hour reading it. Here you will find not only a comprehensive explanation of how to use the Directory and why it was compiled the way it was, but also a description of the various types of foundations, how they differ and how they operate.

After reading the introduction, you should turn to the very back of the book for an interesting discussion of what a foundation looks for when it receives a request. Grant seekers who are entering the area of private foundation solicitation for the first time will find this especially helpful.

THE 49 LARGEST FOUNDATIONS BY TOTAL GRANTS LISTED IN FOUNDATION DIRECTORY

(figures are from various years, 1971-1974)

Dollar figures in thousands

	Grants	Foundation	Assets
1	$224,368	Ford Foundation, The	$3,145,579
2	33,039	Rockefeller Foundation, The	840,487
3	31,112	Lilly Endowment, Inc.	1,142,605
4	26,828	Kresge Foundation, The	657,953
5	26,542	Mellon (The Andrew W.) Foundation	636,038
6	22,168	Woodruff (Emily and Ernest) Foundation	205,603
7	20,092	Kellogg (W. K.) Foundation	577,328
8	20,075	Johnson (The Robert Wood) Foundation	1,301,948
9	19,740	Merrill (The Charles E.) Trust	64,627
10	19,279	Duke Endowment, The	366,888
11	16,802	Mott (Charles Stewart) Foundation	322,248
12	14,135	Sloan (Alfred P.) Foundation	284,328
13	13,982	Carnegie Corporation of New York	336,453
14	13,584	Pew Memorial Trust, The	581,733
15	12,523	Daniel Foundation, The	22,550
16	12,288	Danforth Foundation, The	197,513
17	12,039	Commonwealth Fund, The	110,884
18	11,784	Rockefeller Brothers Fund	229,976
19	10,103	Mellon (Richard King) Foundation	285,793
20	9,827	New York Community Trust, The	193,191
21	8,163	Wallace (DeWitt) Fund, Inc.	34,856
22	7,942	Ford Motor Company Fund	30,674
23	7,556	Clark (The Edna McConnell) Foundation	98,708
24	7,431	Moody Foundation, The	116,609
25	7,220	De Rance, Inc.	108,247
26	7,087	Hartford (The John A.) Foundation, Inc.	119,782
27	6,943	Houston Endowment, Inc.	216,942
28	6,146	Penn (The William) Foundation	162,716
29	6,087	San Francisco Foundation, The	44,680
30	6,066	Cleveland Foundation, The	168,614
31	5,895	Surdna Foundation, Inc., The	115,925
32	5,883	Bush Foundation, The	147,177
33	5,725	Welch (The Robert A.) Foundation	101,911
34	5,230	Research Corporation	95,511
35	4,988	Alcoa Foundation	107,869
36	4,884	Cary (Mary Flagler) Charitable Trust	72,482
37	4,813	El Pomar Foundation	80,363
38	4,754	Grant Foundation (Incorporated), The	83,463
39	4,662	Kenan (William R.), Jr. Charitable Trust	107,320
40	4,623	Freimann (The Frank) Charitable Trust	18,871
41	4,489	St. Charles Charities	2,637
42	4,440	Hill (Louis W. and Maud) Family Foundation	118,560
43	4,413	Heinz (Howard) Endowment	61,963
44	4,332	Fleischmann (Max C.) Foundation	103,005
45	4,267	Atlantic Foundation, The	118,442
46	4,238	Reynolds (Z. Smith) Foundation, Inc.	79,880
47	4,163	Xerox Fund	5,009
48	4,097	Brown Foundation, Inc., The	142,115
49	4,077	Guggenheim (John Simon) Memorial Foundation	103,859

The Foundation Center simply does not get the kind of cooperation it must have to keep the Directory current and useful.

Now let's look at the guts of the Directory, the descriptive section, where the foundations are listed alphabetically by state. Those who were familiar with edition four will have no trouble with edition five. The format is identical.

The name and address of the foundation is listed first, followed by the date and location of incorporation (note: the state in which a foundation is incorporated will have the foundation's annual reports on file, usually in the office of the Attorney General). This is followed by a statement of purpose and activities (the Directory uses the phrase "broad purposes" if the foundation gives to religious organizations, "general purposes" if the foundation does not).

This is followed by the financial data, which contains one of the new pieces of information found in edition five. Not only will you find the assets of the foundation, the expenditures (including the amount of grant expenditures) and the number of grants, you will also find the size range of grants. This is an interesting piece of information, but future editions of the Directory might consider following this with an average grant figure. Looking at information about the Ahmanson Foundation in California, you will find that the foundation did not make a grant larger than $2 million and none smaller than $10. An average grant figure would have made this information more edifying.

Again, as in edition four, you will find a list of officers and trustees with the person to whom requests are to be directed printed in italics.

What's Not In It

Now let's look at what is not listed in the descriptive section. First, there is still no statement as to whether the foundation is staffed or unstaffed. While it is true that some unstaffed foundations (especially corporate foundations) are as able to respond to your request as staffed foundations, by and large only those with staff will have the personnel and expertise to review full-blown proposals or, for that matter, make any acknowledgement of your inquiry whatsoever.

There is, however, a way to ascertain if a foundation is staffed from the information given in the Directory. In the financial data section you will find this statement, "expenditures, $000,000, including $000,000 for 00 grants." If the grants expenditure is significantly less than total expenditure, this usually means that the foundation is staffed (it may also mean that an annual report is available).

Second, there is no information concerning foundation deadlines. Most foundations do not have deadlines and will accept a request at any time during the year. Yet there is a sizable minority that has submission deadlines and this information can come in very handy. There are few things more frustrating to a grant seeker than to research a foundation thoroughly only to find that the foundation's only meeting of the year occurred the week before your proposal was sent.

Why Won't More Foundations Respond?

Of course, the Foundation Center can provide only that information which it receives from foundations (with the help of the foundations' 990-AR's, which unfortunately do not require information about deadlines or whether the foundation managers are paid staff or volunteers).

This brings us to another point, a point that must perplex the Foundation Center as much as it does us. Why won't most of the foundations in this country respond to the Foundation Center's request for information?

In preparing this review, we randomly interviewed a number of foundation staff to see how the Directory had obtained its information. One foundation executive didn't seem to know exactly what the Foundation Directory was and, when read her foundation's entry, said, "I don't know how they got that information. I never send back those questionnaires." When it was suggested that the information was available through the IRS form 990-AR, she replied "Well, if they want to go to all that trouble, that's their business."

The Foundation Center simply does not get the kind of cooperation it must have to keep the Directory completely current and useful. While most of the foundation executives with whom we talked said they had sent the Center the information requested, several mentioned that the questionnaire was only one of many such requests they received throughout the year. One said, "These forms are getting to be a real pain in the neck."

Pain in the neck or not, the Foundation Center must have cooperation to make the Directory work. Ironically, the foundations that provide the least information often expose themselves to the largest number of inappropriate requests. A few minutes spent providing the Center with the needed information could save a foundation countless hours required to sift through all the "shotgun" proposals, inappropriate submissions and requests for more information.

When the Foundation Center does not receive the necessary information from the foundation itself, the IRS form 990-AR is the only other source. Not only is the information found in the 990-AR insufficient (it's incredible that after so many years of discussion and work, that vapid document should be the government's desire for "full public disclosure"), but the time needed to process these forms through the IRS in Philadelphia

Congress should recognize the Foundation Center as the official depository of information about foundations across the nation.

can be months. The Center, through no fault of its own, was sometimes forced to use financial data that was three or four years old in the Directory.

An Official Depository

Congress should recognize the Foundation Center as the official depository of information about foundations across the nation. It should appropriate some of the excess revenue realized from the four percent tax levied on foundations (which was intended to cover the cost of foundation monitoring activities of the IRS, not create revenue) to contract with the Center for this service.

The process of implementing this suggestion would not be complex. At present, copies of the 990-AR forms must be sent to the Attorney General of the state or states in which the foundation was incorporated, has principal offices and is registered as a charitable organization or holds property devoted to a charitable purpose. All that would be required, aside from a warehouse and a couple of hundred staff members, is one more copy of the 990-AR form to be sent to the Foundation Center. Not only would this provide the Center, and ultimately you and me, with most of the information needed (particularly if IRS changed the 990 form to require more useful information, as suggested in the article beginning on page 15, it would give the Center a quasi-governmental status that might gain the respect of the foundation mentioned earlier and the other foundations that refuse to respond.

Getting back to the Directory itself, you will also find a number of other sections, one new to edition five, that are of interest. One is the list of Foundation Center regional and national collections (see article, page 2), a list that has grown significantly since the publication of edition four.

Also included is an Index of Fields of Interest, which lists foundations with national or regional grantmaking policies under key words and phrases such as "higher education," "population control," "urban affairs," etc. This section is more extensive than the one in edition four, but you still need to be creative in using it — for drug abuse programs you may want to check "mental health," "crime and delinquency prevention" and "alcoholism," for example.

The new section is a list of foundations by state and city, a very helpful addition in that many foundations give only in their own city. There are also sections listing donors, trustees and administrators alphabetically, and an alphabetical listing of all foundations found in the Directory.

In his introduction to edition five, Thomas R. Buckman, president of the Foundation Center, acknowledges that "new reporting requirements and technical innovations resulted in a much greater flow of information than before." The Foundation Directory is beginning to reflect this "greater flow" with edition five, and the Center's new computerized information retrieval system gives us even greater hope for edition six.

The Foundation Directory is still the best basic foundation research book you can buy.

USING THE FOUNDATION DIRECTORY

The following is adapted from an article in Issue 3 of the NEWS.

The Foundation Directory is perhaps the most used research tool for organizations seeking foundation grants. It is also the most misused.

Many use it as the sole source for locating foundations that may potentially support their organization. Researchers, knowing of the Directory but not knowing much about foundations, often use the Directory as a shopping list. They identify all foundations in a given state or geographic area which indicate a "purpose or activity" similar to that of their organization and proceed to send out multiple copies of a proposal —a questionable method known as "shotgunning."

To their chagrin, the usual response is no response at all. The next most likely reply is a discouraging form letter. There is seldom an expression of interest in the project by a foundation.

"Shotgunning" foundations can have very negative effects:

First, foundations erect defenses to ward off the innumerable requests they receive which do not relate to their actual current priorities and/or which are not presented in a manner consistent with their application procedures and/or which are made by organization or individuals not legally eligible to receive grant support from a foundation.

Second, applicants become totally discouraged at the potential of receiving foundation support and inappropriately rule out such support for their organization.

The Directory does provide some valuable information, which is why it is the place to begin researching foundations. But you must be wary of the limits of the information provided, which includes:

1. **The foundation address.** This is useful for further communication.
2. **The date of incorporation.** If the foundation is a community foundation that fact is noted here. (If it is, it will not provide support for organizations outside its geographic area.)
3. **The statement of purpose and activities.** This is the most misused piece of information in the directory. The degree to which this statement accurately represents the current purpose and activities of a foundation is a function of how recent the entry is and how accurately the foundation wishes to portray its interests and priorities.

   Beware of making assumptions about the foundation based on this limited piece of information. "Interest in youth activities" may mean no more than the foundation has supported one or two local youth agencies and applications from other youth agencies may have no chance of being funded.
4. **Financial Data.** This information as with "purpose and activities," needs constant updating. Some foundations vary little from year to year in their assests and distribution of funds. Others change dramatically.

   A few foundations have an (L) rather than an (M) following the assets figure. (L) stands for ledger and means that the figure given is the ledger value of the foundation's assets as opposed to the market (M) value. Often the ledger value of assets is considerably less than the actual, or market, value of those assets, meaning that if the foundation ever sold some of its holdings its assets (and consequently its grants) could go up.

   An important aspect of the financial data is the dollar difference between "expenditures" and "grants." If the figure is the same, it is not necessarily the mark of an efficient foundation. It simply means that there are no paid staff employed by the foundation. A foundation that does not employ staff is much less likely to respond to your proposals than a staffed foundation. And, when staff are not employed, directors and trustees of foundations become the people to know in order to generate foundation interest in your organization.
5. **Officers and trustees.** Foundations without staff (the overwhelming number of foundations) are much more inclined to distribute funds based on the personal interest of the donor and trustees.

Applicant organizations sometimes circulate lists of the officers and trustees of local foundations (most foundations give only locally) to their board of directors in order to see if any of their board members have connections with local foundation boards. This can be very helpful, especially if your own board is well-connected. If it isn't, maybe you ought to consider developing your board.

Indices

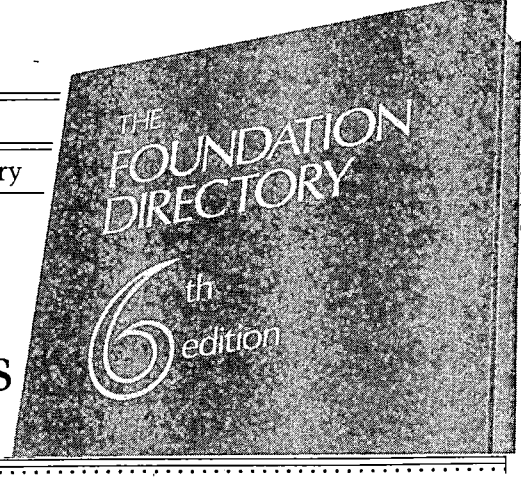
The last part of the Directory is a series of indices. There is an alphabetical index of foundations that are included in the Directory which can be helpful when you want to look up a particular foundation but you don't know which state it is in. There is an index of donors, trustees and administrators associated with foundations. There is an index that arranges foundations according to the city in which they are located, which can help you find foundations that are near your organization. And finally, there is an index of the fields of interest of foundations.

This last index can be used to find foundations that may support your organization because of its program and not its location. But again, don't assume that because the index indicates that a certain foundation has an interest in your field that it is a potential source of support. You must get more information, the most important of which is an actual list of the foundation's grants. You can get that information in a variety of ways which are discussed in other articles in this booklet.

REVIEW

The New Foundation Directory

'Big Red' Should Help Grant Seekers See Green



The Foundation Directory, Edition 6, *Marianna O. Lewis, ed. Published by the Foundation Center, distributed by Columbia University Press, 136 So. Broadway, Irvington, N.Y. 10533, 1977, 661 pages, $35.*

And now comes Big Red. The biennial unveiling of a new edition of *The Foundation Directory* is always something of a celebration, and the silver-and-red sixth edition *is* cause for a celebration: it's good, perhaps as good as any directory can be when almost one-third the entrants refuse to cooperate.

There are a number of additions and improvements in this latest edition of the *Directory* which deserve mention, but none is so outstanding as the subtle but definite editorial shift towards the grant seeker. For almost two decades, since the Russell Sage Foundation first brought out edition one of *The Foundation Directory*, the official editorial party line was that the directory was designed for the foundation community, and while grant seekers could certainly buy and use the book, they were not seen as the primary audience.

This was always something of a fiction, for the Foundation Center knew that foundation sales alone could never sustain publication. But many foundations, then and now, are hesitant to share information in fear that the more information given, the more proposals received. Since the 1969 Tax Reform Act brought all foundations out from the shadows, more foundation executives are putting that mistaken notion to rest. No publication enjoys the fruits of this growing enlightenment more than *The Foundation Directory*.

The most important changes in the new directory are in the listings of individual foundations. For the first time, the information includes the telephone numbers of many foundations as well as the addresses. There is more to this telephone information than may initially meet the eye. First, in order to have a telephone, you probably have an office. Second, if there is a telephone, there must be someone to answer it, which usually means staff. A staffed foundation is usually more responsive to unsolicited proposals than an unstaffed foundation.

Entries for foundations include a section entitled "grant application information." Although few foundations list this information, what is there is extremely helpful. The Cabot Foundation in Boston, for example, informs us that we should make our "initial approach by telephone" and "submit one copy of proposal." It also indicates that there is no application deadline and that the board "meets as required."

Another addition that may at first glance appear of little importance is the listing of the foundation's IRS Employer Identification Number. Yet this number, called simply the EIN, is needed when you request a foundation's annual report from the IRS (see page 43).

As an added bonus, the new *Directory* also includes a list of foundations that were included in edition five but did not pass muster in this edition. There is also a complete list of community foundations in the United States and Canada and an attempt to define the types of foundations, showing how they differ.

The new *Directory* is considerably larger than edition five, with 2,818 foundations listed as opposed to 2,533 in the last edition. Many more corporate foundations are included because the criteria for inclusion have been lowered from $1 million in assets or $500,000 in grants to $1 million in assets or *$100,000* in grants. Many active corporate foundations maintain low assets but make many grants, and they are included in the *Directory* for the first time.

Most of the financial information in edition six is 1975 or 1976 data, which is about as fast as the IRS itself can process the information. Some is even more up-to-date.

One addition that must not go unnoticed is the inclusion of a star beside the name of every foundation that failed to respond to Foundation Center requests for information. Although the Center staff dug up the information from public records anyway, the inclusion of this star is an indication to grant seekers that if a foundation won't even respond to a simple request for information, it probably will not respond very adequately to proposals.

The only problem I had with the new *Directory* was in the "Index of Fields of Interest." In the Big Red edition, each foundation has been given a number (not the EIN mentioned earlier). All foundations listed in the field of interest index are listed only with their number, not the page number as in previous editions. Whereas this is not a major drawback, those readers who have struggled with the same type of system in the *Foundation Grants Index* know what a pain it can be.

That aside, let's make it clear that Big Red is a winner. With almost 300 more entries, expanded information and over a hundred more pages, it is especially pleasing to note that, despite inflation, the cost has gone up only $5 over the 1975 edition. Congratulations, Foundation Center.

STALKING THE 990-AR By Jack Shakely

What It Is ▣ Where to Find It ▣ How to Use It

The name sounds a bit like a new addition to the military arsenal. You can almost hear John Wayne bellowing a command to a company of Green Berets — "Get your 990-AR's men and defend that hill!"

Well in a sense 990-AR's can be a weapon, but for a very different kind of fight . . . the struggle to find foundation funding.

It takes work, but stalking 990-AR's can be quite rewarding. They are a good source of information about nearly every foundation in the country, especially the 25,000 or so that are not listed in the Foundation Directory because they don't meet the Directory's size requirements.

First, a bit of history. Prior to the 1969 Tax Reform Act there were very vague requirements for private foundations to provide information about their yearly activities. But there were no penalties for foundations that chose to ignore the information requirement. Many did.

Beginning in 1969 every private foundation in the country with gross assets of $5,000 or more was required to issue an annual report to the public. The government even provided a form for foundations to use, the 990-AR.

There is a lot you can learn from a 990-AR. Let's take a look at a couple of them — one for a small local family foundation, the other for a much larger national foundation. The smaller foundation is the Van Hummell-Howard Foundation in Colorado. The large foundation is the New York-based Rockefeller Family Fund, smaller cousin of the Rockefeller Foundation and the Rockefeller Brothers Foundation (among other Rockefeller philanthropies).

The Rockefeller Family Fund (hereafter to be known as the R.F. Fund) is in one sense certainly a family foundation since its board of trustees is made up exclusively of Rockefellers. But it is quite distinct from most family foundations such as Van Hummell-Howard in one extremely important aspect — it has a professional staff. How to determine that from the 990-AR form, and what it means, we will discuss later.

Using a 990-AR

On the first page of any 990-AR form you will find the name and address of the foundation, plus the name of the principal officer of the foundation (see illustration 2). With the Rockefeller Family we find it is Robert W. Scrivner; with Van Hummell-Howard it is Thomas L. Howard, Jr., our first indication that this is strictly a family foundation.

Next you will find the gifts, grants and contributions *received* by the foundation in that year (see illustration 3). The Van Hummell-Howard Foundation did not receive any gifts in the year reported, so we can assume that the size of this foundation is more or less constant and that its giving pattern will be about the same as in years past. However, the Rockefeller Family Fund lists gifts of over $10 million, which is more than 20 times greater than its assets at the beginning of the year the report covers — 1972. This suggests that the foundation will be considerably increasing the amount of its giving in future years. We checked to confirm this assumption and found that the foundation had indeed significantly increased its grant disbursements in both 1973 and 1974.

Following the "gifts received" entry is the gross income of the foundation for the year and a total of the two amounts — gifts and income. This is the amount of money the foundation could distribute without dipping into assets.

What You Can Find in the 990-AR

The Internal Revenue Service, in section 6056 of the IRS Code, requires private foundations to provide information in 10 general categories:

1. The address of the foundation's principal office and of the location of its books and records.
2. Total contributions and gifts received during the year.
3. Gross income for the year.
4. Annual disbursements (including administrative expenses).
5. Expenses attributable to gross income incurred within the year (broker's fees, bank or trust charges, property management, etc.)
6. The names and addresses of its managers.
7. A list of managers who are also substantial contributors or own 10 percent of a business enterprise in which the foundation has a 10 percent interest.
8. A balance sheet showing assets, liabilities and net worth.
9. An itemized account of all securities and other assets, including both book and market value.
10. All grants made or approved during the year, the name and address of each recipient, the amount and purpose of the grant and the relationship, if any, between any recipient and the foundation's managers or substantial contributors.

This article is reprinted from issue 12 of the NEWS.

Immediately below the revenue section is the listing of disbursements and expenses. This is of prime importance to grant seekers. There are two things you can learn from this figure.

Comparing Disbursements with Grants

First, check the schedule of grants listed elsewhere in the form (usually on typewritten sheets attached at the end) to see how close the total dollar figure for all grants comes to the total for disbursements. If the figures are the same or very close, you may assume that the foundation has no paid staff, and therefore probably no guidelines for submission of applications, no method nor inclination to handle proposals and no systematic approach to processing requests for funds. (One exception is the corporate foundation, where often the foundation is staffed by a full-time employee who is paid out of the corporation's budget, not the foundation's budget.)

Checking the Rockefeller Family Fund we find that the difference between total grants and total disbursements is about $60,000. Normally this difference is spent on administrative expenses and indicates that the foundation has full-time staff, maintains an office and will probably consider letter requests and written proposals. In the case of the Rockefeller Family this is the case, though by only looking at the 990-AR one couldn't be certain.

Some foundations conduct their own projects and the difference between total expenditures and grants reflects the money spent on those projects. The Twentieth Century Fund is a good example. In 1972 the Fund had a total expenditure of $1,515,000 but made only

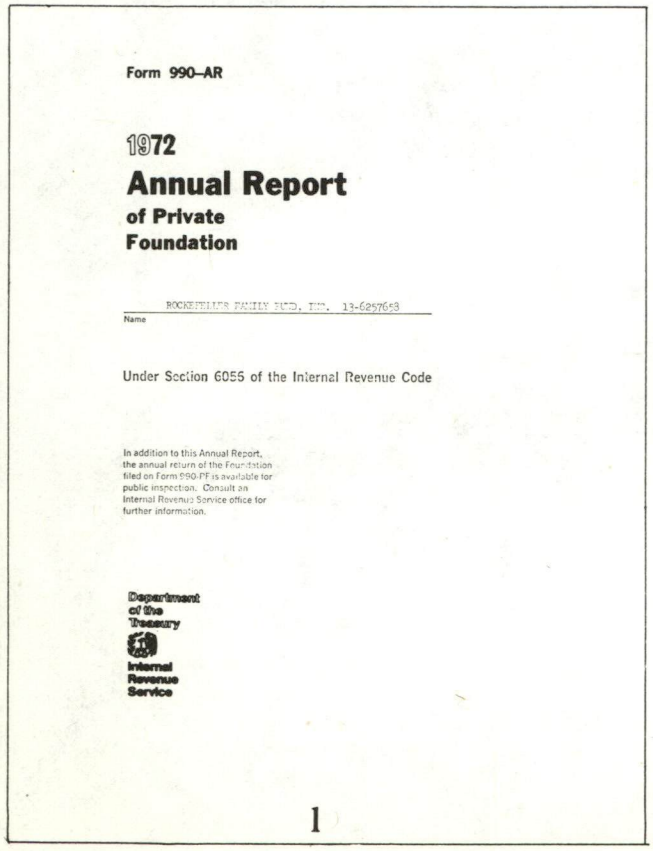
Foundations, especially the small ones, are very much like people. They have habits, good and bad, and are usually very predictable.

one grant, that for $50,000. Most of the remaining expenditures were made for a variety of research studies done under contracts between the Fund and researchers. The researchers, in essence, worked for the Fund rather than receiving a grant from the Fund.

And then many foundations are run by banks or trust companies and much of the difference between grants and total expenditures is the money paid to those organizations. Banks or trust companies seldom become involved in reviewing applications, meaning that most of the grants go to organizations that the trustees know personally.

How can you determine if a foundation that shows a difference between grants and expenditures has a professional staff? One way is to see if an agency in your area has been funded by the foundation and if so, call them. Another way is to closely observe the list of grants in the 990-AR. If there are a good number of grants and they go to organizations other than traditional fund-raising organizations (YMCA, American Cancer Society, etc.) that is a good indication that there is staff. If the projects funded seem to be fairly innovative that again is a positive sign. Such is the case with the R.F. Fund's grants.

Another good indication is how much is said about the purpose of each grant. The R.F. Fund says a lot relative to what you will find in most foundations' 990-



Form 990-AR

1972

Annual Report of Private Foundation

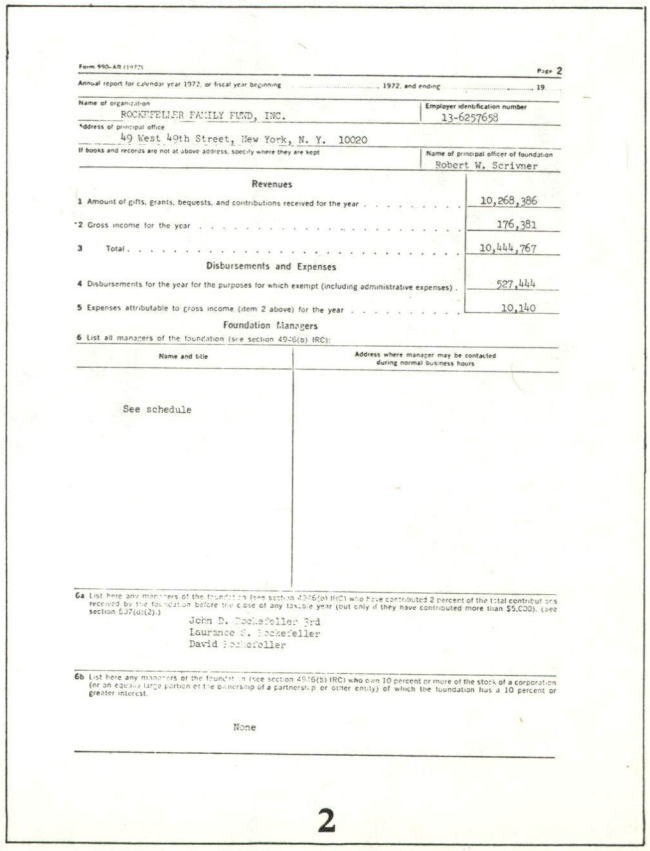
ROCKEFELLER FAMILY FUND, INC. 13-6257658
Name

Under Section 6055 of the Internal Revenue Code

In addition to this Annual Report, the annual return of the Foundation filed on Form 990-PF is available for public inspection. Consult an Internal Revenue Service office for further information.

Department of the Treasury
Internal Revenue Service

1



Form 990-AR (1972) Page 2

Annual report for calendar year 1972, or fiscal year beginning ..... 1972, and ending ..... 19..

Name of organization: ROCKEFELLER FAMILY FUND, INC.
Employer identification number: 13-6257658

*Address of principal office: 49 West 49th Street, New York, N. Y. 10020

If books and records are not at above address, specify where they are kept
Name of principal officer of foundation: Robert W. Scrivner

Revenues

1 Amount of gifts, grants, bequests, and contributions received for the year	10,268,386
*2 Gross income for the year	176,381
3 Total	10,444,767

Disbursements and Expenses

4 Disbursements for the year for the purposes for which exempt (including administrative expenses)	527,444
5 Expenses attributable to gross income (item 2 above) for the year	10,140

Foundation Managers

6 List all managers of the foundation (see section 4946(b) IRC):

Name and title	Address where manager may be contacted during normal business hours
See schedule	

6a List here any managers of the foundation (see section 4946(b) IRC) who have contributed 2 percent of the total contributions received by the foundation before the close of any taxable year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

John D. Rockefeller 3rd
Laurance S. Rockefeller
David Rockefeller

6b List here any managers of the foundation (see section 4946(b) IRC) who own 10 percent or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10 percent or greater interest.

None

2

You could call or visit an agency similar to yours that is listed as a recipient of a grant from the foundation you are about to approach.

AR's, which suggests staff. And finally, with the R.F. Fund the fact that the principal officer listed doesn't have the Rockefeller name and is not listed as a trustee is another positive sign. (In the case of the R.F. Fund Mr. Scrivner functions as an executive director and the rest of the professional staff are employed by the much larger Rockefeller Brothers Foundation and used as consultants by the Family Fund.)

The Van Hummell-Howard Foundation, on the other hand, didn't spend a penny on administrative expenses. Whatever expenses the foundation might have are probably paid for by one of the foundation trustees. This is borne out by looking at the trustees (which you will find listed after the financial section) and finding that besides Thomas Howard, Jr., the other trustees are Katheryn M. Howard and G. Bruce Howard. There are two other people listed: Glenn Reineke, secretary, and George Vialpando, treasurer. As these two are listed as having the same address as Mr. Howard, and knowing that nobody on the foundation received any compensation, we can assume that Reineke and Vialpando are employees of Mr. Howard.

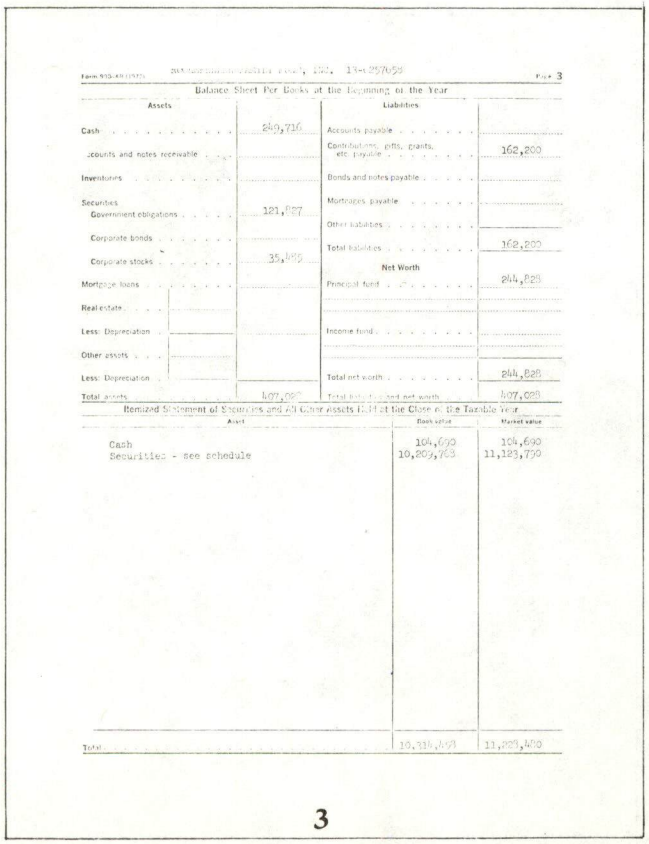
Particularly for small local foundations like Van Hummell-Howard, this list of the foundation's managers (which in our example for the R.F. Fund is included on a separate sheet — illus. 5) is one of the most important pieces of information in a 990-AR. Yet it is one of the most ignored by inexperienced fund raisers. Most small foundations behave more like individual givers than staffed, professional organizations, supporting people and agencies that the donor or one of the trustees are acquainted with personally. Once you know the people that are on the boards of your local foundations you can try to find individuals associated with your organization who know them. You may be surprised at how successful you are at finding such relationships between your organization and local foundations.

Comparing Revenue With Disbursements

Second, compare the revenues with the disbursements. Most private foundations will disburse slightly more than they receive in revenue. If there is a very large discrepancy, however, two things could be happening. If disbursements are much less than income, then something may have broken down in the foundation's grant-making process — changing foundation priorities, litigation against the foundation, a grant withdrawal. Whatever. if disbursements are significantly lower than income, the foundation is probably in a state of transition.

If the disbursements are significantly higher than revenue, say two or three times higher, it may mean that the foundation is anticipating a large gift, either from a donor or a donor's estate, or, more probably, that the foundation is about to cease operating. Obviously the R.F. Fund was anticipating the large gifts it received during 1974, as its disbursements were 2½ times its income.

On the third page of the form we find a balance sheet



Form 990-AR (1973) Page 3

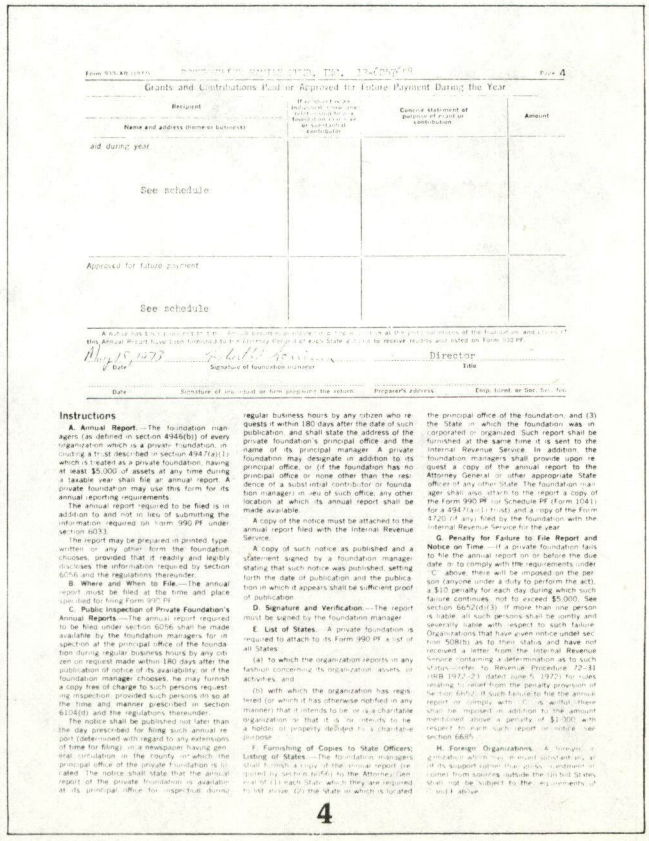
Balance Sheet Per Books at the Beginning of the Year

Assets		Liabilities	
Cash	249,736	Accounts payable	
Accounts and notes receivable		Contributions, gifts, grants, etc. payable	162,200
Inventories		Bonds and notes payable	
Securities: Government obligations	121,827	Mortgages payable	
Corporate bonds		Other liabilities	
Corporate stocks	35,665	Total liabilities	162,200
Mortgage loans		Net Worth: Principal fund	244,828
Real estate		Income fund	
Less: Depreciation			
Other assets			
Less: Depreciation		Total net worth	244,828
Total assets	407,228	Total liabilities and net worth	407,228

Itemized Statement of Securities and All Other Assets Held at the Close of the Taxable Year

Asset	Book value	Market value
Cash	104,690	104,690
Securities - see schedule	10,209,783	11,123,730
Total	10,314,473	11,228,420

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Form 990-AR (1973) Page 4

Grants and Contributions Paid or Approved for Future Payment During the Year

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to foundation manager or substantial contributor	Concise statement of purpose of grant or contribution	Amount
Paid during year: See schedule			
Approved for future payment: See schedule			

A filing fee is required for this return. See instructions. Check if: a. Initial return ☐ b. Change of address ☐ c. Amended return ☐ d. Final return ☐ e. Change in accounting period ☐ f. Change in activities ☐ g. Change in foundation manager ☐ h. Change in substantial contributor ☐ i. Change in method of operation ☐ j. Change in tax status ☐ k. Change in net worth ☐ l. Change in principal office ☐ m. Change in name ☐ n. Change in fiscal year ☐ o. Change in trustees ☐ p. Change in officers ☐ q. Change in directors ☐ r. Change in investment policy ☐ s. Change in purpose ☐ t. Change in bylaws ☐ u. Change in articles of incorporation ☐ v. Change in form of organization ☐ w. Change in accounting method ☐ x. Change in depreciation ☐ y. Change in inventory ☐ z. Change in capitalization ☐ aa. Change in dividends ☐ bb. Change in interest ☐ cc. Change in rent ☐ dd. Change in royalties ☐ ee. Change in commissions ☐ ff. Change in fees ☐ gg. Change in salaries ☐ hh. Change in wages ☐ ii. Change in benefits ☐ jj. Change in pensions ☐ kk. Change in insurance ☐ ll. Change in taxes ☐ mm. Change in other expenses ☐ nn. Change in other income ☐ oo. Change in other assets ☐ pp. Change in other liabilities ☐ qq. Change in other net worth ☐ rr. Change in other items ☐ ss. Change in other ☐ tt. Change in other ☐ uu. Change in other ☐ vv. Change in other ☐ ww. Change in other ☐ xx. Change in other ☐ yy. Change in other ☐ zz. Change in other ☐

Aug 10 1973 — Signature of foundation manager — Director — Title

Date — Signature of individual or firm preparing the return — Preparer's address — Empl. fcmed. or Soc. Sec. No.

Instructions

A. Annual Report.—The foundation managers (as defined in section 4946(b)) of every organization which is a private foundation, including a trust described in section 4947(a)(1) which is treated as a private foundation, having at least $5,000 of assets at any time during a taxable year shall file an annual report. A private foundation may use this form for its annual reporting requirements.

The annual report required to be filed is in addition to and not in lieu of submitting the information required on Form 990-PF under section 6033.

The report may be prepared in printed, typewritten or any other form the foundation chooses, provided that it readily and legibly discloses the information required by section 6056 and the regulations thereunder.

B. Where and When to File.—The annual report must be filed at the time and place specified for filing Form 990-PF.

C. Public Inspection of Private Foundation's Annual Reports.—The annual report required to be filed under section 6056 shall be made available by the foundation managers for inspection at the principal office of the foundation during regular business hours by any citizen on request made within 180 days after the publication of notice of its availability, or if the foundation manager chooses, he may furnish a copy free of charge to such persons requesting inspection, provided such persons do so at the time and manner prescribed in section 6104(d) and the regulations thereunder.

The notice shall be published not later than the day prescribed for filing such annual report (determined with regard to any extensions of time for filing), in a newspaper having general circulation in the county in which the principal office of the private foundation is located. The notice shall state that the annual report of the private foundation is available at its principal office for inspection during regular business hours by any citizen who requests it within 180 days after the date of such publication, and shall state the address of the private foundation's principal office and the name of its principal manager. A private foundation may designate in addition to its principal office, or (if the foundation has no principal office or none other than the residence of a substantial contributor or foundation manager) in lieu of such office, any other location at which its annual report shall be made available.

A copy of the notice must be attached to the annual report filed with the Internal Revenue Service.

A copy of such notice as published and a statement signed by a foundation manager stating that such notice was published, setting forth the date of publication and the publication in which it appears shall be sufficient proof of publication.

D. Signature and Verification.—The report must be signed by the foundation manager.

E. List of States.—A private foundation is required to attach to its Form 990-PF a list of all States:

(a) to which the organization reports in any fashion concerning its organization, assets, or activities, and

(b) with which the organization has registered (or which it has otherwise notified in any manner) that it intends to be or is a charitable organization or that it is or intends to be a holder of property devised for a charitable purpose.

F. Furnishing of Copies to State Officers; Listing of States.—The foundation managers shall furnish a copy of the annual report (required by section 6056) to the Attorney General (or the equivalent thereof) of (1) each State which they are required to list above, (2) the State in which is located the principal office of the foundation, and (3) the State in which the foundation was incorporated or organized. Such report shall be furnished at the same time it is sent to the Internal Revenue Service. In addition, the foundation managers shall provide upon request a copy of the annual report to the Attorney General or other appropriate State officer of any other State. The foundation manager shall also attach to the report a copy of the Form 990-PF or Schedule PF (Form 1041) for a 4947(a)(1) trust) and a copy of the Form 4720 (if any) filed by the foundation with the Internal Revenue Service for the year.

G. Penalty for Failure to File Report and Notice on Time.—If a private foundation fails to file the annual report on or before the due date or to comply with the requirements under C above, there will be imposed on the person (anyone under a duty to perform the act), a $10 penalty for each day during which such failure continues, not to exceed $5,000. See section 6652(c)(3). If more than one person is liable, all such persons shall be jointly and severally liable with respect to such failure. Organizations that have given notice under section 508(b) as to their status, and have not received a letter from the Internal Revenue Service containing a determination as to such status (refer to Revenue Procedure 72-31, IRB 1972-21 dated June 5, 1972) for rules relating to relief from the penalty provision of Section 6652. If such failure to file the annual report or comply with C is willful, there shall be imposed in addition to the amount mentioned above a penalty of $1,000 with respect to each such report or notice. See section 6685.

H. Foreign Organizations.—A foreign organization which has received unearned income, all of its support (other than gifts, investment income from sources outside the United States) shall not be subject to the requirements of C and F above.

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of the foundation's assets and an itemized statement of investments. Although knowing where a foundation invests its money may seem important, it's really not unless you are doing investigative reporting into foundation investments.

There are a few things you might determine from the investment pattern, however. If, for example, the foundation you are studying has heavy investments in Equity Funding, the Dale Automobile and Home Stake Oil Company, you can expect slim pickings next year.

Look to see if the foundation is investing in what is called PRI, program related investments. These are investments in, say, minority businesses, rural development bonds or educational loans with low or no-cost interest. This may indicate a very involved and dedicated foundation. Conversely, if the foundation's portfolio includes several oil companies, it may not be receptive to a proposal to study ways to replace the internal combustion engine. (But then with the Sierra Club owning Exxon stock and the National Audobon Society in the oil leasing business, one just doesn't know these days.)

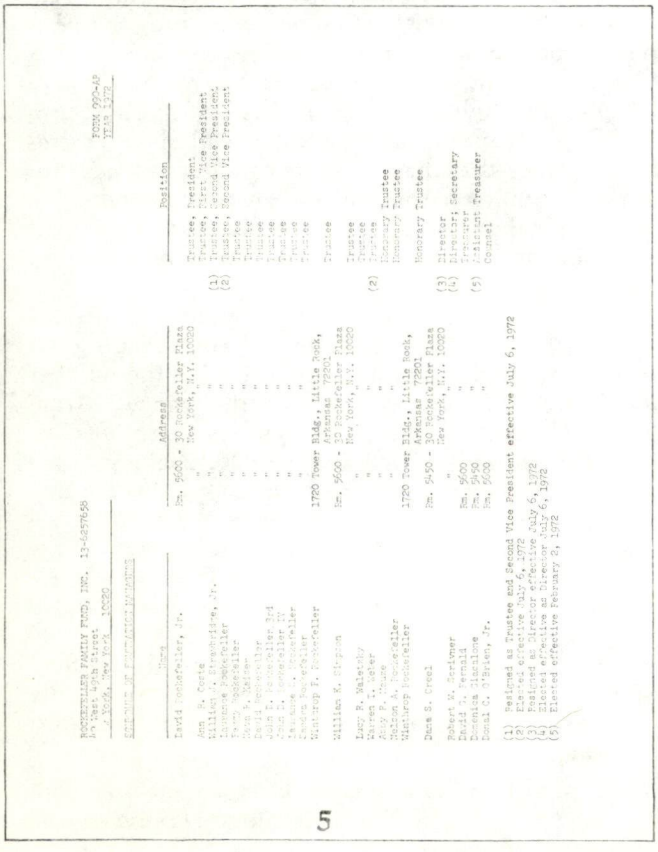
Analyzing the List of Grants

Finally, we arrive at the single most important piece of information the 990-AR affords the foundation researcher — the list of grants and contributions made or committed for the year (illustration 6). In this section you are supposed to be able to find the name and address of every grant recipient, the amount paid or committed and the purpose of the grant. This section comes on page 4 of the form (illus. 4), but most foundations will attach a schedule of grants that often the foundation itself has designed. This can be exasperating since there is wide variance in what each foundation includes, with many foundations not even putting down all the information they are required to list.

Foundations who do not want you to know about them will begrudgingly allow you to examine their 990-AR at their offices, but you better submit your request for funds under an assumed name.

The R.F. Fund lists the total amount granted to the organization, the amount paid in previous years, the amount paid in the fiscal year the report is for (1972) and the "unpaid balance," which is the grant expenditures the foundation is committed to in the future. The R.F. Fund has neglected to put the exact address of the recipient organization as they are required to do, but extensive statements of purpose for each grant have been provided. Often the statement of purpose listed in a 990-AR will be extremely unedifying.

By looking at the R.F. Fund's grants we can see that while most of its grants were made in New York, this is a true national foundation, with grants going to organizations in Massachusetts, California, Maine, Colorado and Vermont. Obviously though it has primary interest in New York and Massachusetts. The key thing to determine in looking at the geographic location of the recipient organizations is not whether an organization in your state was funded but whether a fairly significant number of the recipients are out of the



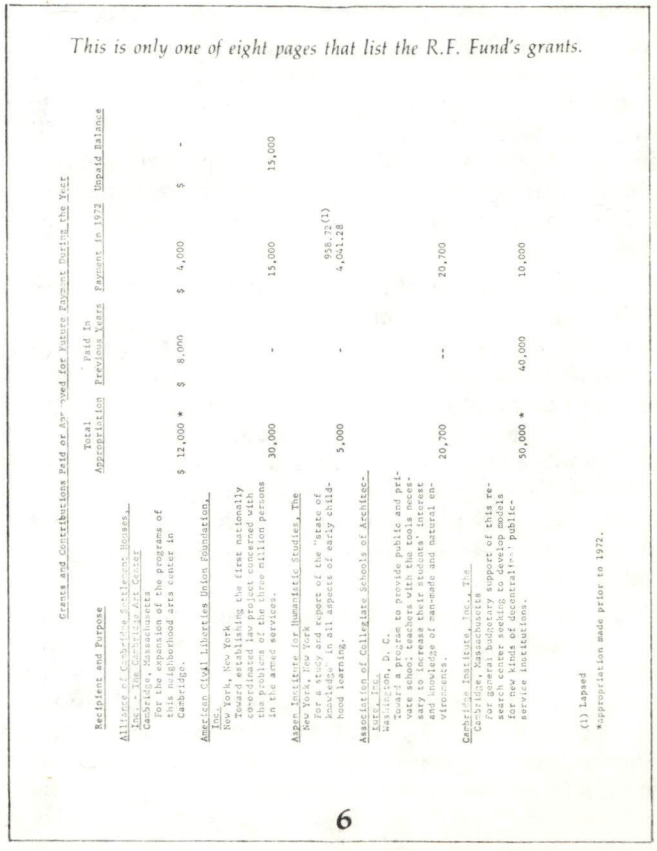
ROCKEFELLER FAMILY FUND, INC. 13-6076650
FORM 990-AR
14 West 49th Street 10020
YEAR 1972

Exhibit of Foundation Managers

Name	Address	Position
David Rockefeller, Jr.	Rm. 5600 - 30 Rockefeller Plaza New York, N.Y. 10020	Trustee; President
Ann M. Dorte	" "	Trustee; Vice President
William J. Rinaldini, Jr.	" "	Trustee; Second Vice President (1)
Laurance Rockefeller	" "	Trustee; Second Vice President (2)
John D. Rockefeller 3rd	" "	Trustee
John D. Rockefeller IV	" "	Trustee
Jay Rockefeller	" "	Trustee
Peter Sharp	" "	Trustee
Winthrop P. Rockefeller	1700 Tower Bldg., Little Rock, Arkansas 72201	Trustee
William M. Stirton	Rm. 5600 - 30 Rockefeller Plaza New York, N.Y. 10020	Trustee
Lucy R. Walensky	" "	Trustee
Richard L. Heller	" "	Trustee (2)
Peter G. Peterson	" "	Trustee
Madeline A. Rockefeller	1700 Tower Bldg., Little Rock, Arkansas 72201	Honorary Trustee
Winthrop Rockefeller	" "	Honorary Trustee
Dana G. Creel	Rm. 5490 - 30 Rockefeller Plaza New York, N.Y. 10020	Director (3)
Robert W. Scrimger	" "	Director; Secretary (4)
Donald C. Herrald	Rm. 5600 "	Treasurer
Dominick Siciliano	Rm. 5490 "	Assistant Treasurer (5)
Donal C. O'Brien, Jr.	Rm. 5600 "	Counsel

(1) Resigned as Trustee and Second Vice President effective July 6, 1972
(2) Elected effective July 6, 1972
(3) Resigned as Director effective July 6, 1972
(4) Elected effective as Director July 6, 1972
(5) Elected effective February 8, 1972

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This is only one of eight pages that list the R.F. Fund's grants.

Grants and Contributions Paid or Approved for Future Payment During the Year

Recipient and Purpose	Total Appropriation	Paid In Previous Years	Payment In 1972	Unpaid Balance
Alliance of Cambridge Settlement Houses, Inc. - The Cambridge Art Center Cambridge, Massachusetts For the expansion of the programs of this neighborhood arts center in Cambridge.	$ 12,000 *	$ 8,000	$ 4,000	$ -
American Civil Liberties Union Foundation, Inc. New York, New York Toward establishing the first nationally coordinated law project concerned with the problems of the three million persons in the armed services.	30,000	-	15,000	15,000
Aspen Institute for Humanistic Studies, The New York, New York For a study and report of the "state of knowledge" in all aspects of early childhood learning.	5,000	-	958.72(1) 4,041.28	
Association of Collegiate Schools of Architecture, Inc. Washington, D. C. Toward a program to provide public and private school teachers with the tools necessary to create in their students greater awareness and knowledge of man-made and natural environments.	20,700	--	20,700	
Cambridge Institute, Inc., The Cambridge, Massachusetts For initial planning support of this research center seeking to develop models for new kinds of decentral-~' public-service institutions.	50,000 *	40,000	10,000	

(1) Lapsed
*Appropriation made prior to 1972.

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state where the foundation is located. Also important is whether the foundation seems willing to give grants to areas very distant from it. In other words, an Eastern foundation may give to several different states, but they may be all on the East Coast. Also notice if there is a trend as to the types of grants given in state as opposed to those given out of state. A foundation may fund construction projects, but only those in its immediate geographic area, whereas it may support projects in a particular programmatic area regardless of where the organization may be located.

In comparison with the R.F. Fund, the Van Hummell-Howard Foundation, as most family foundations do, sticks pretty close to home. All the gifts, with the exception of some national organizations we'll look at later, are made in and around Denver.

Next look at the kinds of organizations receiving grants from the foundation. What can be determined by such an examination applies more to larger foundations, but observing the funding patterns of small local foundations can be rewarding as well. If a local foundation gives all of its grants in one programmatic area, say alternative education or boys' clubs and your organization conducts programs in that area, you may be able to get some funding even though your organization has no personal relationships with the foundation's directors, provided you can make some contact with them (keeping in mind that most small foundations are unstaffed.) But if the foundation gives to several types of programs, or it gives only a few relatively large grants, your chances of obtaining funding from the foundation are extremely limited.

The Van Hummell-Howard Foundation seems to have a tendency to give to the better-known national causes, and always gives the same amount — $100. The Kidney Foundation, Father Flanagan's Boy's Home, the Easter Seal Society and the Guide Dog Foundation for the Blind each received that amount. (It is interesting to note that each of these organizations is a heavy user of direct mail solicitation.) If I were making a presentation from the Denver chapter of the American Cancer Society, I would figure a $100 request would be right on the mark.

Observing the R.F. Fund's grants results in a much richer supply of information. In terms of types of programs, the Fund has supported several groups concerned with women, some conservation organizations, a few minority-oriented projects, media projects, churches, some educational innovation projects, (the Fund's entire list of grants is not reproduced). In terms of the purpose of the grant, most seem to be to support a particular project, which means that a proposal was probably read (and that there is staff to read it).

The purpose of past grants is extremely important in determining if the foundation is really a potential funding source for your organization. Let's say that your organization is concerned with innovative education. On that basis the R.F. Fund seems to be a very good potential source of funds. But the project you need support for is the construction of a school building. The potential of the R.F. Fund supporting you has diminished considerably. The foundation has supported construction (renovation to be more precise — see illus. 9) at an arts school. But that is the only "bricks and mortar" project it has supported. Be extremely wary of extrapolating trends from one grant. Most likely one of the foundation's trustees has a special interest in the Elma Lewis School of Fine Arts, Inc., and that is probably the only reason the R.F. Fund deviated from an otherwise very strong pattern.

The R.F. Fund does seem to be open to giving grants for general budgetary support however, which many foundations will not do. Eleven of its grants went expressly for general support.

Another potential pratfall awaits the uninitiated who are analyzing the Fund's grants. The Mount Desert Island Young Men's Christian Association received a grant for general budgetary support. The fact that that YMCA is in Maine may lead one to assume that the foundation will support other YMCA's or similar national youth organizations. But the grant is for but $200, considerably less than the Foundation's average grant, and there isn't any other grant even remotely similar to that one. Perhaps one of the younger Rockefeller's has had some good times at the Mount Desert Island Y.

Another thing to look for is the kind of institution supported by the foundation. The R.F. Fund has made several grants in the field of innovative education. But not one of those grants went to an institution of higher education. In fact, most of the foundation's grants went to the fairly unknown, probably small, most likely very young organizations. Few grants went to national organizations, and those that did (the American Civil Liberties Union Foundation and the Sierra Club) went explicitly for establishing some new program. For another foundation the reality may be just the opposite. It may fund only well established organizations, or colleges and universities, or "bricks and mortar" projects. Read the grants list closely, particularly if it seems at first glance that there is some funding potential for your organization. (An ancillary benefit of studying the grants list is the possibility of learning about a recipient group similar to yours, or one that may be able to assist you in some way.)

Finally check the size of the foundation's grants. As we said, the Van Hummell-Howard Foundation gives small grants with a strong propensity for the number 100. The R.F. Fund has a much larger range — from $200 to $50,000. But the $200 figure is deceptive. The next smallest grant is well over $3,000. Looking at the foundation's average gift (both the mean and the median) is an excellent way to determine if your proposal is within the capability of the foundation you are researching. The mean grant of the R.F. Fund is $18,780 (the sum of the total appropriations column divided by the number of grants — 39). The median is $19,200 (the grant amount that half the grants are greater than and half are less than). The median is important only when one or two extremely large or small grants distort the mean.

Also notice the relationship between the size of a grant and its purpose. The Fleischmann Foundation in

Nevada for instance has made several grants ranging from $10-20,000 for construction projects at YMCA's. They have also made some considerably larger grants of around $300,000 to institutions of higher education. Now if your organization is a YMCA with a need for a new building, this foundation may have some potential for you. But if you request a grant of $300,000 for construction of your Y you won't have a chance, despite the fact that the foundation has made grants of that size. Clearly, their grants for Y construction are limited to a maximum of about $20,000.

As we mentioned earlier, foundations, especially the small ones, are very much like people. They have habits, good and bad, and are usually very predictable. If a foundation has never made a gift over $10,000, your project for $20,000, even if it is a cure for hang nail and bad breath, may well fall on deaf ears.

One very significant use you can make of this section is writing, calling or visiting an agency similar to yours that is listed as a recipient of a grant from the foundation you are about to approach. The agency staff may have some hints on things to avoid, ways to approach the foundation and information about the foundation's current objectives. Sometimes, of course, the recipient agency will see you are a competitor and won't tell you anything, but what have you to lose? We know one organization which received a $600,000 grant starting in just this manner.

Where to Find It

Now that the information to be found in the 990-AR's has hopefully whetted your appetite, you may be wondering where to find them. There are four primary sources, some more accessible than others, some politically more advisable than others.

The first source is the foundation itself. Every private foundation is required to advertise the fact that its annual report is available for public inspection for 180 days in its main offices. This advertisement must be published in a newspaper of general circulation, which usually means the legal newspaper in your town, which is usually read by a few hundred lawyers and a handful of court clerks.

Be careful about visiting the foundation's office to read the 990-AR. This procedure may not meet the basic standard of putting your best foot forward. Foundations who do not want you to know about them will begrudgingly allow you to read the report, but you better submit your subsequent request for funds under an assumed name.

You might try the IRS main office in Philadelphia. Here you will find a 990-AR for every private foundation in the country, and they are all available for inspection. This is the most recent source of information, but for obvious reasons it may not be economically feasible for you to visit the office.

A third source, at least for private foundations in your state, may be the office of your state's Attorney General. Again, while the information will be new, the location of the Attorney General's office may not be convenient and, besides, the 990-AR's will be exclusively for foundations in your state.

The fourth and best source is one of the many Foundation Center national and regional library collections. For complete information on this source, including the address of the library nearest you, read the related article on the collections on page 7.

The 990-AR is a vital source of information about all foundations, even those listed in the Foundation Directory, as knowing about the specific grants of a foundation (and the names of its trustees) is extremely important in your search for foundation funding. And the 990-AR is often the only hard information you will be able to find on the more than 25,000 private foundations that are not included in the Directory. Remember, however, that the reason most of these foundations don't publish guidelines and distribute annual reports or otherwise expose themselves to grant seekers is because they are too small and understaffed to do so. Yet these small foundations, while by and large incapable of making massive grants, are a good place to begin broadening your funding base.

Find out where your local foundations are, who runs them and what they fund, and then share this information with other members of your staff, your volunteers, your board members and anyone else associated with your agency. You may find that the people involved with your organization know a lot more foundation people than you thought.

You may also find that by researching foundations you may waste a lot less stationery (and time) sending futile funding requests, and that the ones you do send may ultimately help pay for a lot more stationery.

The 990-PF

The 990-PF is the private foundation equivalent to the 990-A form which is required from every nonprofit corporation. Only two pieces of information, the salaries of paid staff and carry-over grants, if any, are found on the 990-PF that cannot also be found on the 990-AR. Although you will find both the 990-PF and the 990-AR forms on the IRS microfiche cards, the PF's won't provide you with much useful information (they do not contain the list of grants) and probably should be skipped. □

HOW TO USE THE FOUNDATION GRANTS INDEX



By Norton J. Kiritz

When seeking foundation support, information is an absolute necessity. You need to know what program areas individual foundations are supporting to determine which foundations may be interested in your program. And then you must know about the particular requirements and predilections of the foundations that seem to be potential sources of support in order to increase the chances of transforming that potential into performance.

There are many sources of information about foundations. One of the most indispensable is the Foundation Grants Index compiled by the Foundation Center. There are two reasons that the Grants Index is so important. The first involves the information it supplies. By using the Index a grant seeker can find out about the specific grants a foundation has made, information from which one can deduce a number of things about the foundation's grant policies. There are other sources of information about the specific grants made by foundations, such as the 990 annual reports distributed by the IRS. But no other source has information as current as the Grants Index, which is the second reason it is so important to anyone seeking grants.

The Grants Index lists all grants over $5,000 to nonprofit organizations which are reported to the Foundation Center. The Center learns of a grant either from a special report that many foundations send to the Center when they make the grant or by reviewing a foundation's most recent annual report.

The Grants Index is compiled every two months and included as a separate section in the Foundation News, the Council on Foundations' bimonthly magazine. Grants that are noted in the Index have usually been awarded six months to one year prior to publication. The $20 annual subscription to the Foundation News is a wise investment, as several of the articles can also be helpful to grant seekers.

At the end of each calendar year the Foundation Center integrates the six "sections" of the Grants Index (and adds thousands of additional year-end grants not reported in Foundation News) and publishes in book form the *Foundation Grants Index — 1974* (or 1973, 1975, whatever).

If you have never used the Grants Index it would be wise to back order issues to the beginning of the year when entering a subscription to the Foundation News. You should also order the past year's bound volume at the same time (though you must order it from a different address, which is listed at the end of this article).

The Grants Index does have limitations which you should be aware of when using it. The Index only notes grants of foundations that report to the Foundation Center or that send an annual report to the Center, thus grants of less than 350 foundations are reported. These foundations are among the largest and most professional, but there are perhaps 25,000 foundations that do not have their grants reported in the Index. Anyone seeking foundation support should research many foundations that are not in the Index.

Also, one must remember that only grants exceeding $5,000 are reported in the Index. The foundation you are interested in may make grants under $5,000 despite the fact that none are listed. Information about smaller grants is available in the public reference files at the Foundation Center's offices in New York and Washington, D.C.

ORGANIZATION OF THE GRANTS INDEX

Section I, Grants

In this section foundations are listed alphabetically by state. Under each foundation name is a listing of grants, which is arranged alphabetically by name of recipient. Each citation lists the amount granted, recipient name and location, date of grant authorization, description of the grant and a grant identification number. Additional information, when available, is coded as follows:

RT — Type of recipient organization.
PG — Population group to receive benefit from the activity.
PH — Phase of activity (e.g., matching grant, continuing support)

This article is reprinted from issue 4 of the NEWS.

LO — Site(s) of the activity other than recipient location

LM — Program, geographic or other limitation set by the foundation

Section II, Recipients

This is an alphabetical list of the organizations that have received grants. The grant identification number is noted in italics. That number is used to find the description of the grant.

Section III, Key Words and Phrases

This in essence is an index to the Index. It is based primarily on the descriptions of grants provided by the foundations. Most grants are listed under two or three subject categories. By looking through the index to find grants that have been awarded in subject areas that your organization is involved in (e.g., community education, cancer research), you can find foundations that may be interested in supporting your activities.

Section IV, Subject Categories

Grants are listed according to broad subject areas. Within those subject areas they are listed alphabetically by the recipients' state location.

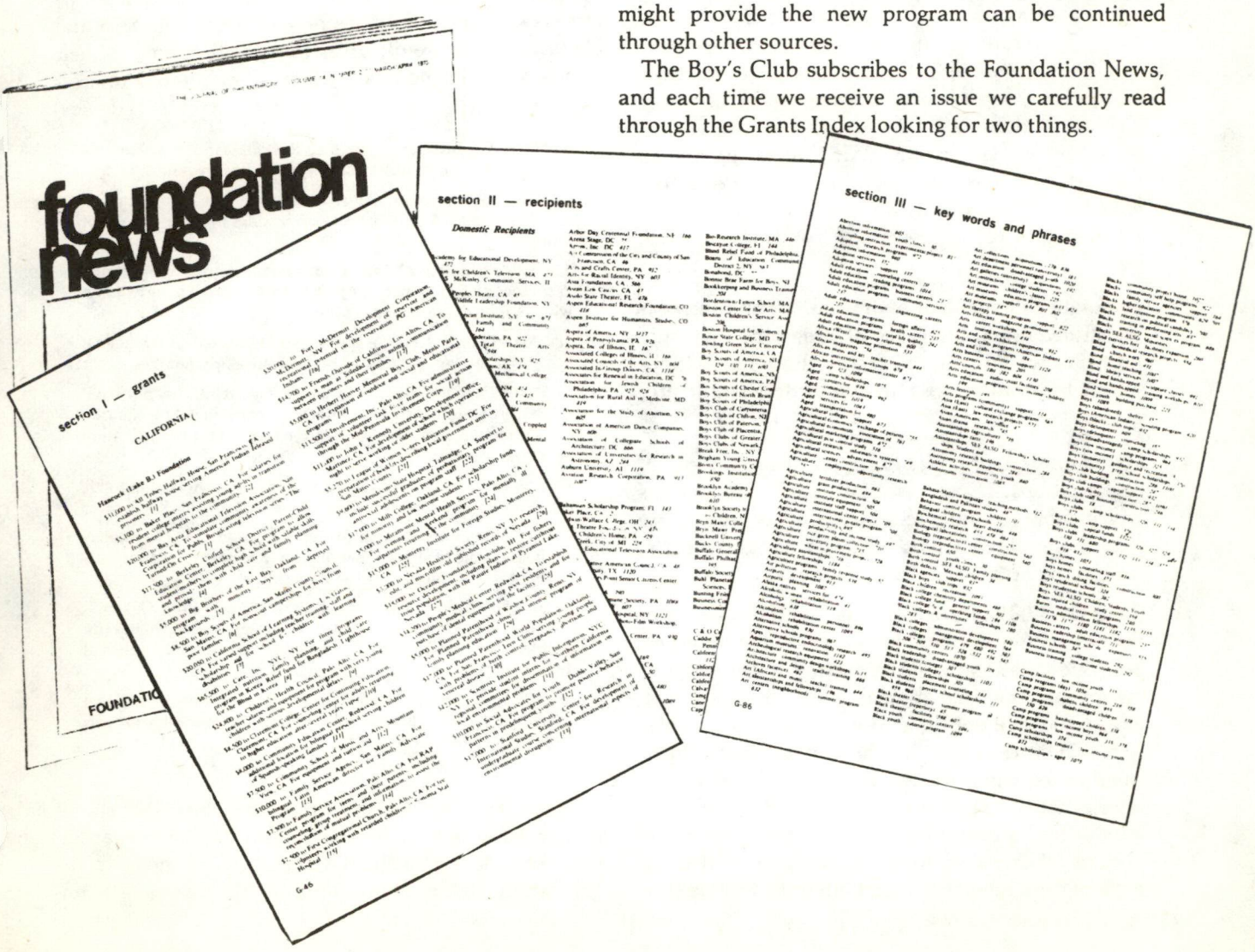
USING THE GRANTS INDEX

Let us assume that we are the director of a Boy's Club in East Los Angeles, a largely Mexican-American community with a disproportionate number of low-income residents.

The Boy's Club has several kinds of support, with foundation support placed in proper perspective: it is not relied upon to meet basic needs since such support is limited in both time and scope.

The Club does look to foundations for such needs as capital support in construction of new facilities, for the purchase of needed equipment that cannot be obtained through other sources and, on occasion , for assistance in generating a new program — provided that there is some assurance that with the seed money a foundation might provide the new program can be continued through other sources.

The Boy's Club subscribes to the Foundation News, and each time we receive an issue we carefully read through the Grants Index looking for two things.



Naturally we are looking for foundations that might be willing to support some need which we have identified and for which we cannot find sufficient support from other sources.

Additionally, since all grants are transactions between two parties — givers and seekers — we also want to know who the successful seekers are in our program area, i.e., what other Boy's Clubs have recently received foundation grants. It is important to keep abreast of what similar organizations are doing and begin communicating with such organizations around the country. This communication can lead to a greater understanding of the field in which one is working. Exchange with successful grant getters in a particular field can improve an organization's program as well as help prepare more knowledgeable proposals.

Why Might a Foundation Make a Grant to Us?

An agency needs to determine why a foundation might make a grant to it. Five things need to be considered.

1. **Many foundations make grants in certain geographic areas only** — usually where they are located. Therefore, as director of an East Los Angeles Boy's Club, we ought to first look at foundations in the Los Angeles area, then those in Southern California, those in California, and fourth, to out-of-state foundations that do make grants in California. Finally we look to foundations that have not made grants to California but which have made grants to organizations outside their own state.

2. **Foundations have their own priorities and interests which determine the types of programs they support.** We would seek to identify those foundations which have an interest in supporting youth programs.

3. **Foundations may prefer to support certain types of organizations.** Even within those foundations which support youth activities, we may find those who prefer Boy's Clubs, others who support Y's, Scouting, or other specific institutions.

4. **Some foundations are concerned with the nature of the population who will be served by the program.** Some foundations have concern for the elderly, others for American Indians, etc. While we have already defined one dimension of the client population — young people, we have two other dimensions which might interest some foundations more than others — we serve both a low-income community and a community with a large number of persons of Mexican-American descent. Either or both of these categories might interest a foundation.

5. **Foundations often make their money available for certain specific purposes.** Few foundations are willing to support the ongoing operating budget of an agency. Some foundations primarily support building funds; others support the purchase of equipment; still others will provide seed money for a new and innovative program if assured that there is some way of continuing the program when the grant has terminated.

With these considerations in mind, we can use the Grants Index to identify foundations that may be interested in supporting our organization. We will be looking at the Grants Index in the March/April 1973 issue of the Foundation News.

Section I, Grants

Our first step is to look in the "Grants" section to find grants awarded by California foundations. There are two pages of California grants in this issue representing the grants of three foundations.

The first foundation listed is the Luke B. Hancock Foundation in Palo Alto, California. According to the Foundation Directory, which we use as a reference, the Hancock Foundation gives primarily in California and Nevada, so they're okay geographically. Some of their grants noted in the index which stimulate our interest include:

> $5,000 to **Big Brothers** of the East Bay, Oakland, CA. For program with **minority boys from deprived backgrounds.**
>
> $8,500 to **Boy Scouts of America**, San Mateo County Council, San Mateo, CA. For nonscout camperships for **boys from poor families.**
>
> $24,800 to **Children's Health Council**, Palo Alto, CA. For teacher salaries and equipment for programs with very young children with serious developmental delays.
>
> $8,000 to Family Service Agency, San Mateo, CA. For bilingual preschool **serving children of Spanish-speaking families.**
>
> $7,500 to Family Service Association, Palo Alto, CA. For RAP Center **program for teens and their parents**, including counseling, group treatment and information to assist the reconciliation of mutual problems.
>
> $17,000 to Mills College, Oakland, CA. For scholarship funds **for minority and low-income students.**
>
> $34,200 to People's Medical Center, Redwood, CA. To establish community medical clinic **serving poor residents** and for purchase of dental equipment for the facility.
>
> $17,000 to Planned Parenthood World Population, Oakland, CA. For San Francisco Teen Clinic **serving young people with problems** of birth control, pregnancy, abortion and venereal disease.
>
> $10,000 to Social Advocates for Youth — Diablo Valley, San Francisco, CA. **For program to promote positive behavior patterns in pre-delinquent youth.**

What have we learned from the above? Well, of grants noted here, a few have been made to organizations outside of Northern California, but none to organizations in Southern California. So we're a little un-

sure of the foundation's willingness to support our Los Angeles program. We have found that the foundation has considerable interest in youth activities, the poor and even the Mexican-American community. So there does seem to be interest in some dimensions of our program. We've seen strong evidence of programmatic support, as well as some support of construction, equipment, scholarship funds, camperships, etc. We find that most grants are in the $8,000 to $20,000 range.

What do we conclude and what do we do next? We conclude that the Luke B. Hancock Foundation is a possible source of support for us — not too great a possibility, but possible.

Our next step is to gather further information about the foundation so that we can both get a better idea about whether the foundation would support our program and plan our approach.

First we should look in earlier issues of the Grants Index, particularly the most recent full-year compilation of the Index. This can give us a more rounded picture of the foundation's grants.

Next, we need to see a copy of the annual report of the foundation we are researching. This can be accomplished in a number of ways. We can check to see if the foundation is in the Foundation Center's Source Book, which simply reprints the annual reports of 100 large foundations. The Source Book can be found at Foundation Center regional collections (see related article) or at some major libraries. (It can also be purchased but the price is prohibitive for most organizations — $65).

Unfortunately, the Hancock Foundation's annual report is not included in the Source Book, which leaves two alternatives. We can go to a regional collection if one is near and look at the foundation's 990 annual report on microfiche (see related article). There is a 990 AR for every foundation and it must list all of the foundation's grants. It can also give us some other useful information about the foundation such as its trustees and director. The problem with using 990 ARs is that they are usually dated because of the time it takes the IRS to process them and they give only limited narrative information about the foundation (e.g., what the application procedures are).

This leaves the other alternative: writing to the foundation (the address can be found in the Foundation Directory) and requesting a copy of their annual report. Foundations are only required by law to file a 990 AR, but most of the large foundations such as those included in the Grants Index produce an additional report to be distributed to people the foundation works with. The letter requesting the annual report should not go into raptures about the program — if it does it may be construed as a grant request. Merely request a copy of its annual report.

Back to analyzing the grants of the California foundations noted in this issue of the Grants Index. The second of the three foundations listed in California is the Seeley G. Mudd Foundation. Two grants are listed: $1.5 million for construction at the Duke University Medical School and $1.25 million for construction at Lehigh University. We won't seek any further information about this foundation at this time. Not that a more complete picture might show some possibilities, but we're just zeroing in on relevant information from this issue of the Index and these two grants are not related to our interests or needs.

The third foundation listed is the San Francisco Foundation. We might look at some of their grantees to see what similar youth agencies are doing in the San Francisco Bay Area, but we know that this is a community foundation and that community foundations do not make grants to organizations outside their geographic area.

Section II, Recipients

We now turn to Section II — Recipients.

Since we are a Boy's Club we can simply look under the B's and locate all the Boy's Clubs who received grants. We find six. The Boy's Clubs of:

Carpinteria, CA (286)
Clifton, NJ (332)
Paterson, NJ (333)
Placentia, CA (247)
Greater Cincinnati, OH (287)
Newark, NJ (334)

The number after each recipient is the grant identification number which we use to check back in Section I of the Index to see who gave to these clubs and the purposes of the grants.

Both 286 and 287 came from the Max C. Fleischmann Foundation in Reno, Nevada: $40,000 to Carpinteria for construction of a new building and $100,000 to Cincinnati for the same purpose. This is very interesting. Here is a Nevada foundation making grants to two Boy's Clubs in other states — and sizeable grants at that. We ought to find out more about this foundation.

Numbers 332, 333 and 334 are all from a New Jersey foundation, The Turrell Fund, to New Jersey Boy's Clubs. We find a notation in the Index that says "Limited to organizations in New Jersey and Vermont." We can forget this foundation as a funding source, but again, if any of the information describing the nature and purpose of the recipient's program is relevant to our purposes we should correspond with the recipient of the grant.

We're left with Grant Number 247, which we find is an $8,500 grant from the Kresge Foundation in Michigan to the Boy's Club in Placentia, California. The grant was for the construction of an activities center. Well, Kresge is one of the largest foundations in the country and if they can make a grant to a Boy's Club in California, then maybe they can make room for us. We

should get more information about the Kresge Foundation.

If we wish we can go further with the recipient's section and find seven grants made to Boy Scouts and 22 made to Y's. We can then follow the same procedure we followed for the Boy's Clubs.

Section III, Key Words and Phrases

We can use this section to find out about grants given in program areas that are similar to ours. We then look up each grant and make judgments about whether the foundation may be interested in our program. Categories listed in the index include:

Black youth — tutorial program (1099)
Boys (abandoned) — shelter (357)
Boys (American Indian) — scouting program
Boys (Black) — club trips (932)
Boys (delinquent) — (609)
Boys (disadvantaged) — camp scholarships (932)

There are 11 "Boys" entries, 11 additional "Boys Clubs" entries, three "Boys homes," one "Boys ranch" and two "Boys residential schools."

In addition, we are referred to "Children," "Students" and "Youth."

What other categories could we look at?

Under "C" we find "Camp Programs," "Children's," "Community Centers" (one listing is even for "Community Centers — low income youth"). Under "D" are "Delinquent Boys" and "Delinquent Girls" as well as "Disadvantaged Children, Boys and Girls." Under "G" is "Girls." Under "I" there are a host of "Inner City" programs. Under "L" is "Low Income Boys and Girls"; under "M," "Mexican-American" and "Minority." There are still other listings to be found. For obvious reasons one should go through the entire index rather than looking at only a few preconceived categories.

We should analyze all the grants in the Index of foundations that have made a grant to a category that seems relevant to us. Then we need to get more information about the foundations that seem to have some potential of funding our organization. With that information we can plan a strategy for approaching each one.

The First Step . . .

You can order a subscription to the Foundation News by writing:

Foundation News
Box 783
Old Chelsea Station
New York, NY 10011
($20 per year)

The Foundation Grants Index 1977 ($20) can be ordered from:

Columbia University Press
136 South Broadway
Irvington, NY 10533

The Grants Index for the prior year is published sometime around the middle of the year.

(continued from page 7)

WISCONSIN
Marquette University Memorial Library
1415 West Wisconsin Avenue
Milwaukee 53233
(also covers Illinois)

WYOMING
Laramie County Community College Library
1400 East College Drive
Cheyenne 82001

PUERTO RICO
Consumer Education and Service Center
Department of Consumer Affairs
Minillas Central Government Building North
Santurce 00908
(covers selected foundations)

MEXICO
Biblioteca Benjamin Franklin
Londres 16
Mexico City 6, D.F.
(covers selected foundations)

Part II of "Researching Foundations" includes a step-by-step guide to using sources of foundation information and a detailed listing of two important but often neglected sources of foundation facts—state foundation directories and state attorneys general.

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CITY HALL

AN IMPORTANT RESOURCE FOR YOUR ORGANIZATION

By Carol Derfner

Carol Derfner is the executive director of the Anchorage Arts Council. This guide was adapted from a speech given at a recent conference in San Diego, parts of which first appeared in A.C.A. Reports, *a bimonthly newsletter published by the Associated Councils of the Arts.*

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The Grantsmanship Center News
1031 South Grand Avenue, Los Angeles, California 90015.

Often overlooked during the past decade of immense, Washington-directed grant programs has been a very important funding resource — local governments.

Not only will local and state governments be spending over $100 billion this year, they will be making decisions about allocating more than $50 billion in direct federal assistance. New Federalism, with its emphasis on the involvement of local governments in federal programs, is redefining the environment in which nonprofit organizations must seek support. Organizations will increasingly be having to go before local governmental bodies to request funding as well as to seek local approval of applications for federal assistance.

But approaching local governments to obtain funding requires sophistication in an activity which, for many nonprofits, is not only unfamiliar but potentially dangerous.

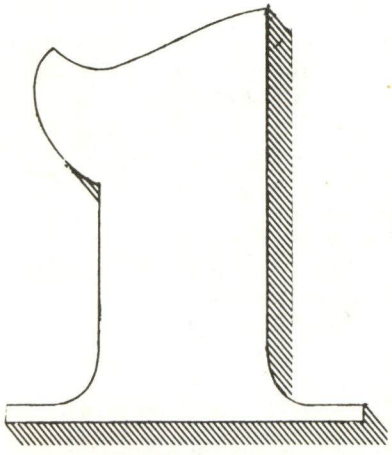
Lobbying. It can be a life or death matter for an organization which is dependent on tax-deductible contributions. Such an organization can lose its 501 (C)(3) status if it devotes a "substantial" amount of its resources to lobbying. Yet local governments may be the best sources of support for many organizations, so it is necessary to effectively work with them.

Carol Derfner has developed the accompanying guide through her experiences with local governments as a hospital administrator in Los Angeles and as executive director of the Anchorage Arts Council.

She is effective, and prudent.

In two years the Council has generated approximately $805,000 from city and borough governments for arts projects — in a state with a depressed economy and a lack of basic arts awareness.

At the same time, Derfner scrupulously documents the various activities of the Council and the time it spends on each. She can thus be certain that activities that could be construed as lobbying do not become a substantial part (one court defined it as 5 percent) of the Council's activities, and she can prove it to the IRS.



I. LAYING THE GROUNDWORK

These are things you should do prior to ever appearing in front of an agency with a request. We consider them a part of our ongoing advocacy program.

Select a few of your board members who have political knowledge and who will dedicate themselves to helping you as much as possible.

Get your basic philosophy ironed out with them and make sure that you are all on the same wavelength in your thinking since you will be working together very closely.

Keep on top of "who's who" among local elected and appointed officials and key administrative personnel.

These people constantly change. You should study their personalities, voting patterns, strengths and weaknesses, special interests, etc. You can find this out by simply observing their activity in meetings and listening to their comments. Put them on your mailing list for your publications. You might also prepare a mailing list of these people for special mailings.

Find some good friends of your program area within the administrative departments.

Sometimes these people will be able to help you in small ways. Often you will hear valuable information that you would not otherwise know through these people. Spend some time in the city clerk's office too. You can familiarize yourself with the paperflow that way and it never hurts to have the clerk know who you are. The same is true of the mayor's secretary and assistants. They can expedite the flow of materials and information to you if need be without bothering the mayor.

Learn the procedures of local government.

When do you file a letter of request for an appearance? What is the procedure if you want a last minute appearance? How do you find out about the discussion on a particular issue at a meeting you couldn't attend? How are the official meetings run? For example, our city council meetings are less formal than our borough assembly meetings, although they both use parliamentary procedure. Must you take your request to an advisory commission prior to the actual city council meeting? *Be especially cognizant of the time frame for budget requests.* There is nothing worse than to make a monetary request too late.

Learn how to read a government budget document.

Most of us do not know how because we are not part of government. They can be fascinating and very confusing. The only way to understand a budget is to constantly ask questions — of the clerk, the budget officer, people you know within administrative departments, anyone who has been involved with the budget process. Once you have learned what all the terminology means and what the abbreviated and coded columns stand for, keep one handy and take it with you to meetings for visual effect as well as reference.

Comb your local newspaper constantly for anything that pertains to your local governments.

You will always be aware that some actions will have a direct effect on you, but you will be in a better position to evaluate your situation if you are aware of such things as special meetings, hearings, special funding, drastic cutbacks, key personnel changes, political struggles, etc.

Go to all the meetings that you can for awhile. Familiarize yourself with the total scope of their concerns.

Listen to them discuss sewers and mill rates and dog licensing regulations. Sounds boring? I take correspondence from the office with me and listen with one ear. I not only familiarize myself with the scope they must deal with, but I can make my own observations of the people I will have to deal with later. I personally find it all fascinating, and I pick up a lot of good ideas and contacts by doing this.

Learn their vocabulary.

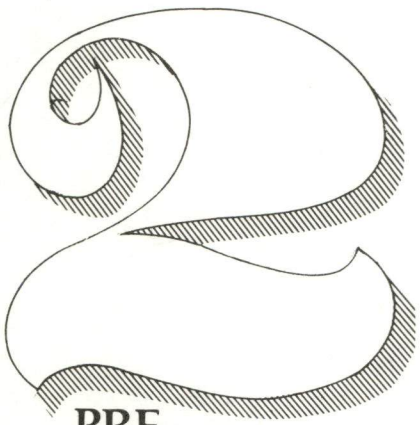
Watch their reactions and how they relate with each other. Watch and listen to the testimony of others. Then try to analyze why certain requests were either approved or rejected. Judge the average length of concentration that is given to testimony.

Sit in a visible spot.

If they get used to seeing you at meetings you won't be a total stranger to them when you finally talk to them. They will also know that you have been avidly following their discussions and know something about the inner workings of local government. Besides that, you might pique their curiosity.

Familiarize yourself with their decorum.

For example, do you answer a question posed to you by addressing the Chair first? Do you respond to the mayor by calling him "Your Honor" or "Mayor _____"? This is important because you will be a supplicant asking for their time and their money and you should *never* forget they are elected officials who should be accorded due respect for their positions of responsibility.



PRE-PRESENTATION WORK

After you have thoroughly acquainted yourself with the political arena that you will be entering, you must now conceptualize and actually develop the program request.

Select a project or a "salable" concept that you think the municipal agencies would fund that is also what you need.

Don't go in for a project simply because there might be monies available. You will dilute your efforts in the long run by thinking that way. Develop a program that you have wanted to do and that has obvious benefits for the municipal agencies. For example, we wanted to obtain some basic data regarding the attitudes and actual participation of Anchorageites in the cultural events of the community. We knew we did not have the expertise to do this ourselves and the municipal governments had not conducted studies on leisure-time activities except as they related to outdoor recreational needs. It was a natural project for cooperative efforts.

If possible, develop a "package" that will provide for a matching grant and the technical expertise to carry out the project.

We went in with the security of National Endowment for the Arts and State Council on the Arts matching dollars for this study. All we needed was the municipal contribution. We even screened the bidding firms and decided on a proposal from the National Research Center of the Arts, thereby eliminating any decisions they might have to make on this project except its necessity.

Keep their economic situation in mind.

You have a right to ask for the money but you stand a much better chance of getting it if you come in with a reasonable request. I have not seen too many "pie in the sky" projects funded.

Watch your language.

Be prepared to speak in their working vocabulary. You will find very often that your working lexicon is absolutely foreign to them. Examples of this in the area of arts are the terms "NEA," "outreach," and "audience development." Also, "buzz" words that promote the notion of elitism such as "culture," "patrons," "chamber music," etc. Even the word "art" should be avoided sometimes. We dealt with this semantic problem by calling our study a "leisure-time study" rather than an "arts-attitude study."

Be extremely accurate and specific in your facts and figures.

If you are not, you can be sure that someone will trip you up with your own generalities. If you say that the arts can prevent juvenile delinquency, you better have some statistics or testimony from a juvenile officer to back you up.

Take the mystique out of the arts (or any other program area) in your presentation.

You may be accused by arts leaders in your community of treating the arts like soap powder, but elected officials will respond to your request better if they can deal with the specifics of the program rather than the loftier goals that you are aiming for.

Write your proposal.

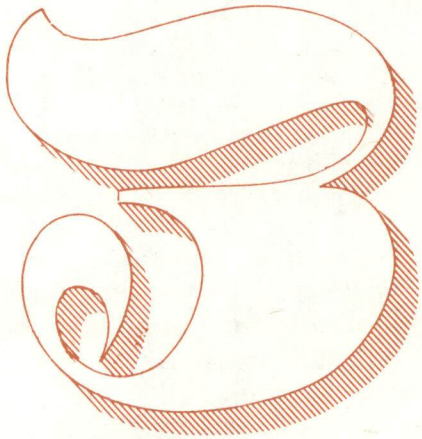
This is an art in itself. Carefully establish the need for the program, state very specifically your objective, and then indicate the methods you'll use, how the program will be evaluated and what the time frame will be. Prepare an itemized budget. (A word of caution: be careful not to make your budget too itemized. You might end up with an argument over a small budgetary item in the midst of your presentation that could upset the entire apple cart.) If your program will be ongoing, note your plans for future funding. Show your organization's fiscal responsibility by offering to carry out the accounting, if necessary. *Show who in your community, besides the arts constituency, will benefit from this program.* Prepare back-up material on the need for the project, the persons who will undertake it and the support you have already garnered for it. Put all of this into a formal proposal packet for each official. *Provide a concise one-page summary of your proposal.* You should spend a great amount of time on developing this summary since it will often be the only thing an official will have time to read.

Prepare your verbal presentation and hold on to it for awhile.
You should also try to do this with your written proposal — you need time to reflect on the adequacy of your description of the project.

Start trying out your project.
Go to your mayor or your city manager. Find out what they generally feel about it. Then take it to key administrative officials who might be able to add valuable suggestions to make it more salable. Find out their views. For example, the director of our Borough Planning Department immediately liked the idea for the study but he knew he did not have the staff to help with it and was fearful that, if funded, it would wind up in his department's budget. This was something that was an important factor to counteract if we could. Take it to the advisory commissions of your local government that would have an affinity for the project. Get their support. After all, they are appointed to advise the administration. After you have developed a sense of how the administration feels about the project, take it to your elected officials *one by one*. There is no substitute for this. Each official is different with different concerns and constituencies. Insight at this stage is invaluable. You can also pick up any "negative vibrations" now. Try to think of a way to overcome them.

Lining up your votes before you go in is crucial.
You must develop a feeling for the strengths and weaknesses of your proposal from the politicians viewpoint before you ever make your public appearance. Very often, if you have an official who is in favor of your proposal, he or she will help you anticipate the objections that might be raised by someone in opposition to it.

If you have the need, revise your verbal presentation now that you know your audience better.
Try to be prepared for any and all possible questions that might be thrown at you.



ACTUAL PRESENTATION

This is the easiest part of the process if you have done all of your homework.

Schedule your appearance and provide the proposal packets to the officials through the clerk's office or leave them with the official's secretary.
I stress this because of the many requests I have witnessed which were never funded because a packet of material was tossed in front of the officials on the night of the actual presentation. If I were on the other side of the table, I would feel a bit put upon to digest a proposal while the supplicant was also speaking to the issue. I doubt that I could make a decisive judgment on the spur of the moment.

Dress appropriately.
The city council chambers is not the place to show up in your casual clothes. I think the visual effect of a professional who talks and looks like a professional has a favorable effect on your presentation.

Take a couple of your board members with you for support. Be sure to have your president introduce you.
Your president might not have been involved at all in this project up to this point but his or her presence will indicate that your entire organization is solidly behind the project.

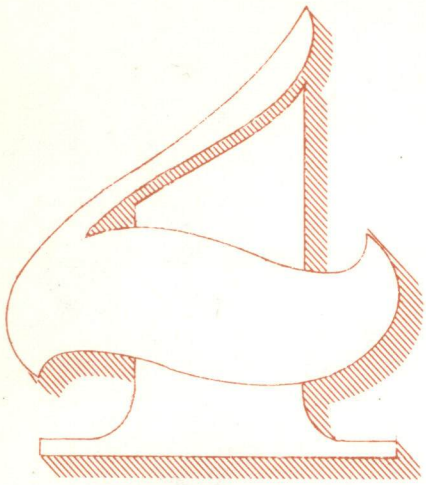
Make your presentation to the best of your ability.
Make it succinct but be sure to display your *utmost commitment and belief in the project.* Be enthusiastic. Show them that you are excited over the possibilities of working together. And never falter in your commitment.

Ask for questions.
This can be tricky but it must be done. *Never circumvent the question, or lie.* You can also say, "I'm not sure now, but I could certainly provide you with that information before you make your final decision." Then provide it.

Never show hostility or a negative reaction when you are asking for money.
Remain flexible in your thinking. If you bite the hand that you are asking to feed you, what have you gained?

Be sure to thank them for their consideration.
You have taken up their time and have added another concern to their workload.

(One sidelight here: When we appeared before the borough assembly to request close to $25,000 for our study project, I was anticipating a lot of questions. It was a lot of money for them to contribute to the arts; they had a tight budget to deal with; it was the first time we had approached them; and we wanted to use an out-of-state consulting firm for the project. When they did not ask me any questions, I realized that I would have actually preferred the "grilling" I expected. I thought the dreadful silence indicated total defeat. Later I found out that they simply didn't have any questions.)



LOBBYING PERIOD

This is the period of time immediately following your appearance and prior to their actual decision on your proposal. It varies from city to city and this is probably the area where you will develop your own highly individualized method.

Make a few discreet calls to key people to find out what the informal reaction was.

Feel out any problems. Spotlight some officials that did not like the project or who are ambivalent toward it. *Call on some of your board members to help you now.* A dinner party conversation, a lunch date, a phone call or two. Maybe you need to provide more information.

An example of a particular method that helped in our case: We had an elected official that had a reputation for voting in favor of the type of project we were proposing. We went to lunch prior to my appearance to discuss the matter and I detected a misgiving on his part about the project. He never told me what it was but it was obvious that he was ambivalent. We went to lunch after my appearance and I still detected the same noncommittal awkwardness in our conversation. As we got closer to the deadline for the vote, I decided to go and see him at his place of business. We got to talking but never once brought up the proposal. I realized then that he felt awkward and out of place talking about the arts over lunch. Talking casually in his own comfortable surroundings did more for our credibility than anything else.

Keep a mental vote tally going.



FINAL APPEARANCE

This is the night that they actually vote on your proposal. If you think it is necessary, make a brief appearance to reiterate your belief in the project. If it looks bad, take a couple of important civic leaders with you to say some supportive words. Remember, they are there to vote that night, so don't take up a lot of their time. Thank them again for their consideration and cross your fingers.

(Continued)

Other Information Sources

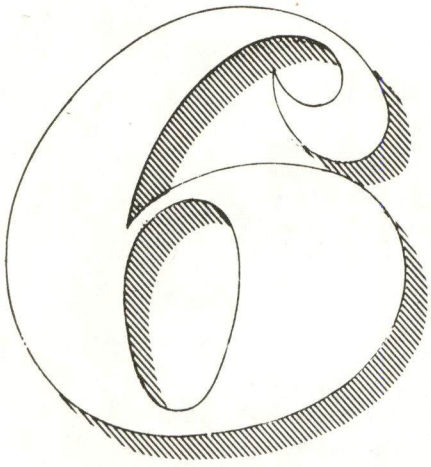
The Budget Process from the Bureaucrat's Side of the Desk by Philip Dearborn. Available from the League of Women Voters Educational Fund, 1730 M St., N.W., Washington, D.C. 20036 (35 cents).

Municipal Budgeting: A Primer for Elected Officials by Jesse Burckhead and Paul Bringewatt. Available from the Joint Center for Political Studies, 1426 H St., N.W., Washington, D.C. 20005 ($3).

City Budgets. Available from the Council on Municipal Performance, 84 5th Ave., New York, N.Y. 10011.

The Politics of Budget Decisions: The New York City Budget Process. Available from the Community Service Society, 105 East 22nd St., New York, N.Y. 10010.

General Revenue Sharing: Influencing Local Budgets — A Citizen's Action Guide. Available from the Center for Community Change, 100 Wisconsin Ave., N.W., Washington, D.C. 20007.



IF APPROVED

(In our case, they approved the project 10-1 and even vied to introduce it!)

Show your glee.
And believe me — that's what you feel.

Write heartfelt letters of appreciation the next day to everyone involved.

Start moving on your project immediately.
Sign contracts. Prepare to move as soon as they release the money to you. Arrange accounting and other matters with appropriate department heads.

Get a press release out quickly.
Or work with their public information officer so that the community knows about the appropriation as soon as possible.

Stay on top of the project constantly to catch problems as they crop up.
You are using local public trust monies and you better be sure that you use them well if you want any more.

Pat yourself on the back and then try to catch up with all the other things you left behind.

Be Careful . . .

Now that you've been down the garden path, let me give you a few words of caution so that you don't inadvertently turn it into a maze.

Be sure to get your signals straight with the municipal government regarding press releases.
Sometimes it would be politically unwise for the agency to publicize the appropriation you obtained. A few examples would be an arts-in-the-prisons program that was funded in the face of strong public opposition — or perhaps a terribly expensive renovation program for an auditorium when the public is screaming "back to basics."

Make sure that you are never a scapegoat for a municipal bungle.
When our auditorium was being renovated, the costs kept escalating and additional monies had to be sought several times from the City Council. We always maintained that the cost estimates that were projected were too low. At one point, when the situation was politically embarrassing for some administration officials, a conversation with them took the sudden turn that this was "my problem" and "our" (the Art Council's) cost estimates. After hearing them out, I replied that until we had the deed to the property and structure, the monies were in our coffers, and we were granted the authority and responsibility for making cost estimates for municipal governments, I was sure that it was not "our" problem. The point was made and we continued in our advocacy position and helped them come up with a solution that was not embarrassing to anyone.

Another meeting on the same subject required a very special technique. After some additional monies had been appropriated, there was a difference of opinion between our Council and the administrative officials in charge of the project as to how those monies were to be used. At the suggestion of a very astute member of our board, we asked to hear the taped portion of the City Council's meeting at which this additional appropriation was voted upon. I transcribed the pertinent portions and we attended a meeting with eight officials, all of whom were in agreement that we were wrong. After we went around the room one by one reconstructing this meeting, I pulled out the transcript and read verbatim what the City Council had voted upon. The situation was corrected at that meeting.

Never point your finger at an individual official.
You might have a difference of opinion or a downright dislike of the person (s) you may be dealing with, but I haven't met a department head yet who will respect you any more for criticizing personally one of his co-workers. You represent a citizen group and you are not responsible for the personnel your municipal governments hire. You will always get more with sugar than with vinegar! You might even find that the longer you work together the more you like the person (s). That has been my experience.

You have to be tough but not cynical in the political arena.
There will be times that you will be torn to shreds at a hearing. That's part of the game. If you allow yourself to be personally hurt or to become the eternal pessimist, you are not suited for this type of work. In the long run, you will hurt your own efforts.

You can pit departments and governments against each other to achieve a competitive effect, but watch out.
They *do* talk to each other and you can get caught in the middle.

Use your political base wisely.
When you are absolutely stymied, you can always hint at calling your constituency — people you provide services for, people in your community who believe in the type of work you are doing, other organizations with an interest in your program area. Don't use this power unless you have to. Subtlety is still the best method of negotiation.

You are privy to some inside information at times and be sure that you learn to keep your mouth shut!
Your credibility will quickly diminish if you become known as a gossip. I consider the relationship I have with our agency officials as a privileged one much like a lawyer-client relationship and I have had no problems in this area yet.

If your appropriation is part of a bond issue or surrounded by controversy, be prepared to offer all the help you can to the governmental agency.
There is no one better qualified to push your project to the public than you. If you are committed, you will see to it that you and your organization are involved in every step.

Don't just appear when you want money — or have a complaint.
You will be marked as a "problem" person. Go to your officials when you want to praise them or simply inform them of your progress. Keep your communications steady. How many of us would like to hear nice things said about us instead of just complaints?

Never assume that because you've had some successes that it will always be that way.
Always prepare as if you have a huge battle in front of you each time. One year you're in and one year you're out.

A Final Note

In conclusion, there is only one other thing that I can add from our experiences. If you are intimidated by politics or elected officials, or you are not comfortable in the role of a lobbyist, don't do it yourself. Find someone else who is good at this type of effort — someone who literally thrives on it. But above all, you must, as a professional arts administrator or educated Board member, recognize the need!



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NEWS

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