What is Development Services
and Why Should You Care?

AFP International Conference

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Robert Weiner
Robert L. Weiner Consulting
robert@rlweiner.com www.rlweiner.com 415.643.8955

Agenda

- History of Development Services as a profession
- Mission
- Areas of responsibility
- Resources
- Panel case studies
- Questions

What's in a Name?

- At nonprofits:
  - Development Services, Development Administration, or Development Operations.

- At universities:
  - Development Services or Advancement Services.

    "Advancement" includes functions beyond fundraising, such as Alumni Relations, Public Relations, Governmental Relations.

A Brief History of Development Services as a Profession

- January 1990: First (known) conference track, presented by the Council for the Advancement and Support of Education (CASE).
- May 1990: First (known) standalone conference presented by CASE.
- 1999: CASE publishes *Advancement Services: Research and Technology Support for Fund Raising*. (New edition due out in 2006.)
- 2000: Chapter on Advancement Services included in CASE's *Handbook of Institutional Advancement.*

The Mission of Development Services

- To facilitate fundraising, gift processing, fund management, and stewardship.
- To provide the backbone of the fundraising enterprise.
- To make the development officers look good.
- To keep management out of trouble.
- To understand, and explain, all regulations governing fundraising and gift processing.

— John Taylor

The Mission of Development Services

- To support your organization's fundraising efforts.

  — Anita Lawson

At Its Simplest, DS…

- Processes gifts.
- Creates and updates biographical records.
- Generates receipts and produces reports.
- Ensures compliance with regulations.
- Protects the privacy and security of donor data.

But DS Might Also Include…

- Prospect Research
- Staff Training
- Donor Relations
- Endowment Stewardship
- Campaign Accounting
- Special Events
- Information Technology
- Facilities Management
- Human Resources

Why Should You Care?

- A totally satisfied customer contributes 2.6 times as much revenue as a somewhat satisfied customer.
- A totally satisfied customer contributes 14 times as much revenue as a somewhat dissatisfied customer.
- A totally dissatisfied customer actually decreases revenue at a rate equal to 1.8 times what a totally satisfied customer contributes.

Source: InfoQuest study of 20,000 customer satisfaction surveys.
www.infoquestcrm.co.uk/pdfs/survey.pdf

Why Should You Care?

- 50% of people who encounter a problem don't complain.
- Twice as many people are told about a bad experience as are told about a good one.
- One unhappy customer will tell nine others.
- 13% will tell at least 20 other people.

  Source: TARP Research: www.tarp.com/

- Cost to acquire a new direct mail donor: $1.00 to $1.25 per dollar raised.
- Cost to renew a direct mail donor: $.20 per dollar raised.

  Source: Jim Greenfield, "Fund-Raising: Evaluating and Managing the Fund Development Process" (1999)

Why Should You Care?

Many donors are governed by Sarbanes Oxley and expect you to behave as if you are as well.

The U.S. federal government, including Congress, the Treasury Department and the Internal Revenue Service are all paying close attention to certain types of charitable deductions they believe donors are taking advantage of.

U.S. Internal Revenue Code 6701 provides for civil penalties of $1,000 per incident per tax period against any person or entity that assists in the creation of a document that they know would result in an understatement of tax liability.

RESOURCES

Books and Articles:

CASE Advancement Services Bibliography (includes links to *Advancement Services* and *Donor Relations* books)

www.case.org/container.cfm?CONTAINERID=175

Listserves:

FUNDSVCS (Development Services):

http://listserv.fundsvcs.org/cgi-in/wa?SUBED1=fundsvcs&A=1

PRSPCT-L (Prospect Research):

http://charitychannel.com/archives/PRSPCT-L.html

Association of Donor Relations Professionals (ADRP):

www.adrp.net/stewlist/

The listserve for your donor database.

RESOURCES

Organizations:

CASE: www.case.org

AFP: www.afpnet.org

Assn of Prospect Researcher for Advancement: www.aprahome.org

ADRP: www.adrp.net

Web Sites:

AFP's Nonprofit Technology Blog: www.afprc11.blogspot.com

FUNDSVCS download site (sample policies, legal documents, etc.)
www.fundsvcs.org/modules/wfdownloads/

Guidestar's Guide to Fundraising Laws:
www.guidestar.org/news/features/fundraising_laws.jsp

Milano Information Exchange: www.lcmmix.org/

The Nonprofit FAQ: www.nonprofits.org/npofaq

RESOURCES

More Web Sites:

Nonprofit Good Practice Guide: www.npgoodpractice.org/

R I Arlington: www.riarlington.com/advancem.html

Supporting Advancement (a wide variety of resources):
www.supportingadvancement.com

Technology Literacy Benchmarks for Nonprofits:
www.benton.org/publibrary/stratcom/techlit.pdf

Robert Weiner's Resources page: www.rlweiner.com/resources.html

Presentations:

John Taylor's Presentations (IRS, Advancement Svcs, etc).
www.fundsvcs.org/modules/wfdownloads/viewcat.php?cid=31

Robert Weiner's Presentations (donor databases, etc.)
www.rlweiner.com/presentations2.html

RESOURCES

IRS Publications:

Determining the Value of Donated Property – IRS Pub. 561
www.irs.gov/pub/irs-pdf/p561.pdf

Charitable Contributions – IRS Pub. 526
www.irs.gov/pub/irs-pdf/p526.pdf

Charitable Contribution – IRS Pub. 1771
www.irs.gov/pub/irs-pdf/p1771.pdf

Substantiation Requirements – IRS Pub. 8623
www.irs.gov/pub/irs-regs/td8623.txt

Charity's Guide to Donations – IRS Pub. 4302
www.irs.gov/pub/irs-tege/pub4302.pdf

Donors Guide to Donations – IRS Pub. 4303
www.irs.gov/pub/irs-tege/pub4303.pdf

Updates on Disclosure and Substantiation Rules
www.irs.ustreas.gov/pub/irs-tege/topic-g.pdf

RESOURCES

Canadian Resources:

Gifts in kind to Charity and Others –IT 297R2:

www.cra-arc.gc.ca/E/pub/tp/it297r2/it297r2-e.html

Gifts and official donations receipt – IT 110R3:

www.cra-arc.gc.ca/E/pub/tp/it110r3/it110r3-e.html

Who is the Donor? CPC – 010:

www.cra-arc.gc.ca/tax/charities/policy/cpc/cpc-010-e.html

Proposed Guidelines on Split-Receipting - IT News # 26:

www.cra-arc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.html

Tax advantages of donating to Charity – CES 009:

www.cra-arc.gc.ca/tax/charities/policy/ces/ces-009-e.html

Updates on Disclosure and Substantiation Rules – IT Newsletter:

www.cra-arc.gc.ca/tax/charities/newsletters-e.html

RESOURCES

Conferences:

CASE Advancement Services Conferences:

www.case.org/Events/ListEvents.cfm?CONTAINERID=79&CRUMB=2&NAVID=63#Advancement%20Services

Includes:

- Summer Institute in Advancement Services (an introduction to the field)
- Annual Conference for Senior Advancement Services Professionals
- Database Selection and Conversion Workshop
- Annual Conference for Donor Relations Officers
- Gift Processing Workshops

Advancement Service Case Study: American Red Cross Headquarters Jon Thorsen

Case Study: ARC

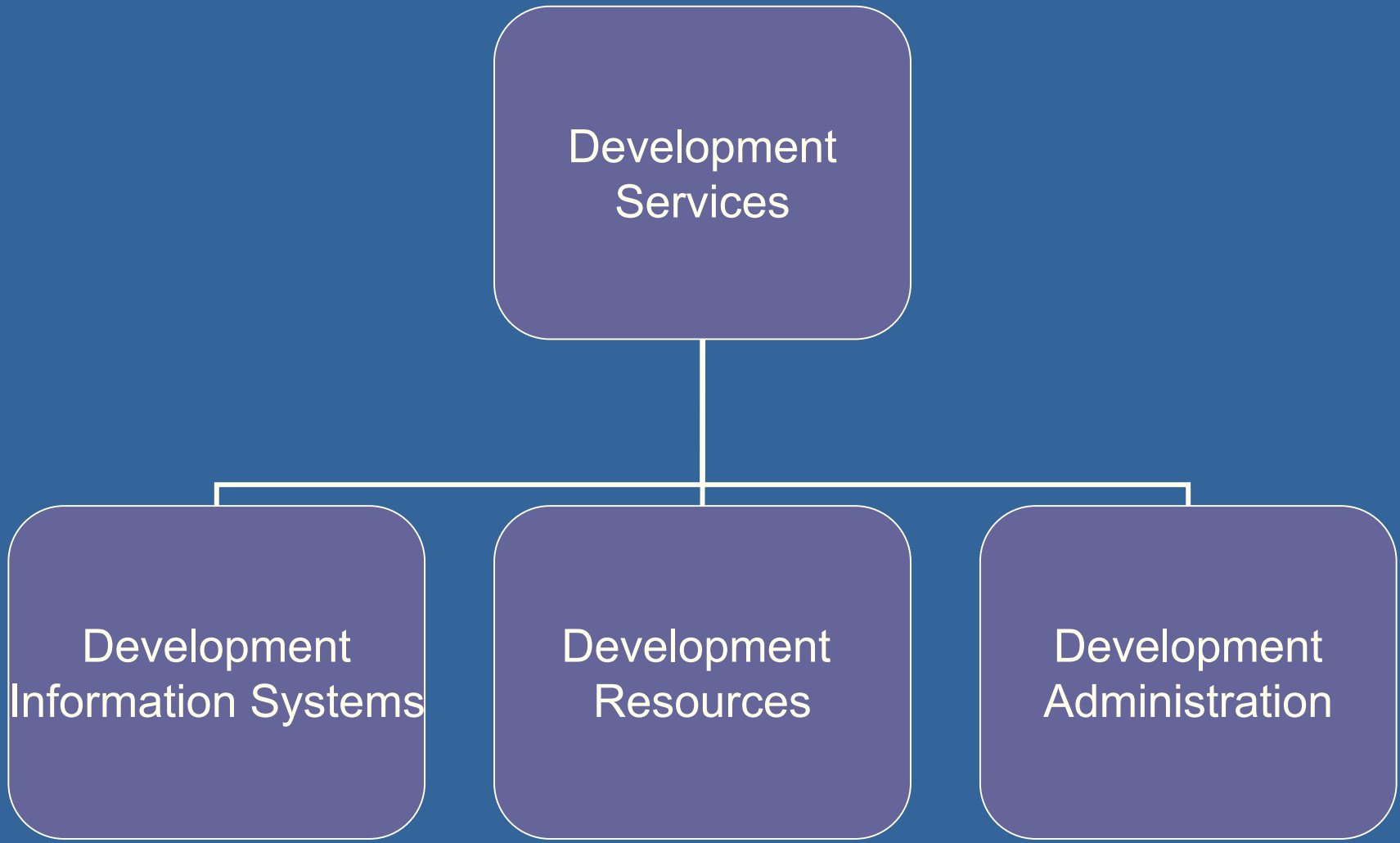
- The Challenge:
  - Create the infrastructure and systems to support major gift fundraising
  - Move beyond episodic, event-driven model
  - Increase revenues in a predictable manner
  - Collect, maintain, analyze and manage core donor data

Case Study: ARC

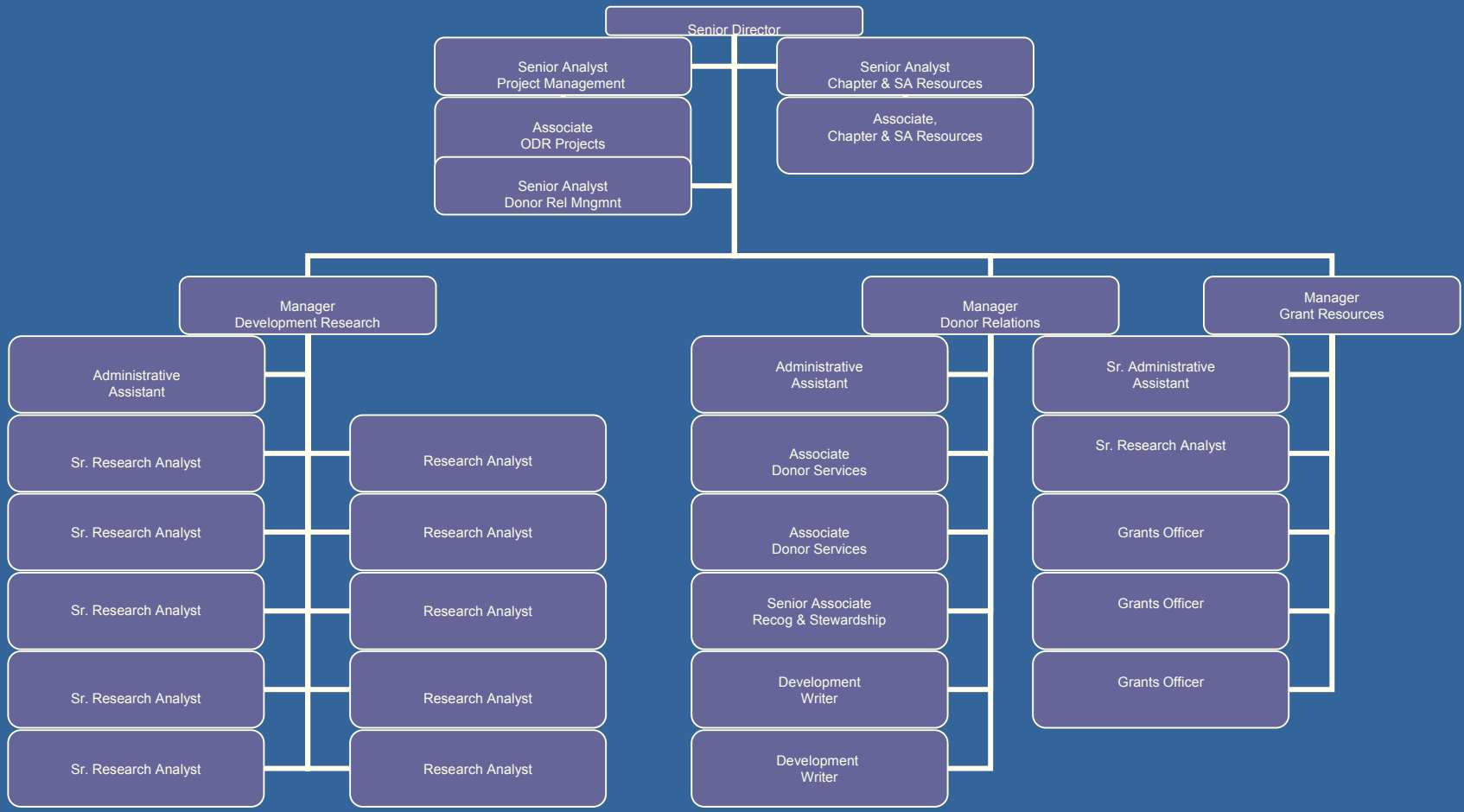
- The Model:
  - Create departments to manage the solicitation cycle
  1. Development Research
  2. Development Information Systems
  3. Donor Relationship Management
  4. Donor Relations
  5. Grants Management

Case Study: ARC

- The Model:
  - Create additional functional areas to remove administrative tasks from front-line staff
  1. Development writing
  2. Project management
  3. Process improvement
  4. Staff training and development
  5. Development administration


Development Services
Development Information Systems
Development Resources
Development Administration

Development Resources



Defining a Range of Services

- Components in relation to the use and management of information and systems
  - Donor relations – recognition and stewardship
  - Gift processing/acknowledgement
  - Database management
  - Biographical records
  - Development research
  - Relationship management

Defining a Range of Services

- Additional areas that require attention and expertise:
  - Grants management
  - Events management
  - Project Management
- Liaison roles with other institutional departments:
  - Finance
  - Human Relations
  - Central IT

Defining the "Service" Approach

- Understand that "service" is not a dirty word
  - Provide support
  - Apply expertise
  - Add value
  - Streamline and innovate
  - Take a leadership position

Defining the "Service" Approach

- Develop your philosophy
- Communicate your vision
- Fulfill your mission

Defining the "Service" Approach

- Understand the context of services
  - Identify the clients
  - Identify the means of providing services
  - Identify the range of services to provide
  - Identify core purposes

Integrating the Internal Operation

- Take a horizontal approach
  - Operations
  - Staffing
  - Skills
  - System Support

Integrating the Internal Operation

- Identify common features - information!
  - Gathering
  - Responding
  - Evaluating
  - Planning
  - Generating
  - Producing/Reporting

Making New Mistakes

- Sometimes when we try to climb higher, we stumble
- We can focus on the climb, or we can focus on the fall
- But we can *always* learn from both