

Approaching Non-profits: Get Ready!!!

Monday conf call 8/15/11

Special Leadership Call: Monday at 11 AM CST 888-450-5996 Participant code 817 807#

New All-star packs receive a free bag of Phytoburst now through BP 11

Mannaquest – Sept 2-4 ... it is not too late to register

Tuesday Night Live – 7:30 Pm CST Ray Robbins at Mannatech Corp offices or www.mannatechlive.com

Osolean Summer special extend to Sept 2nd

New Tearsheet: “How Real is your vitamin” in Mannatech Resource Library

1. Why should you do this?
 - a. Non-profits need money and need it now
See attached article.
 - b. We have like hearts: hearts to serve, hearts to make a difference, cause oriented approach to life
 - c. When we focus on others, we clearly excel
 - d. What is coming up at Mannaquest...new application form/sign up just for Not for Profits

2. How to lay the foundation (TO DO Pre-Mannaquest)
 - a. Just like all possible prospects, focus on them
 - 1) research each non-profit you are planning on approaching
 - 2) find their mission statement, how they raise money, how big they are, who are the movers and shakers, what kind of donors they have, size of their organization
 - 3) Learn their language
 - b. Find a local person in the community who does fundraising
 - 1) Learn how fundraising is done
 - 2) Interview them on best approaches
 - c. Locate foundations in your area
 - 1) Google for those in your locale
 - 2) Go to local grant offices where much info is accumulated on foundations
 - 3) To start, isolate to causes that are consistent with your cause: children, nutrition, health
 - 4) Yellow pages might also provide with additional leads

3. How to Approach

- a. Understand who you are...a fundraiser versus a network marketer
- b. Business cards should be non-network marketing
- c. Your research should already have located the fundraiser but if not, that is the person you want to meet with first. This is not a one meeting and you are done deal.

If you are not willing to spend the time, do not start.

d. Languageing: here are some samples

1) "What kind of fundraising programs have you done in the past? Could I have 30 minutes of your time to show you a unique fundraising program that could create a substantial amount of on-going funding for your organization?" (Wendy Kremer language)

2) "If there was a way to fundraise whereby each dollar you raised for your organization also went towards saving a child from malnutrition, might you be interested?"

4. First Appointment

a. Be Prepared; know it is first of many meetings so go with a real discovery heart...be open to understand and build a program that meets their needs.

b. Outline your objectives:

Who is Mannatech?

What are our products all about?

What is Give for Real?

What is our Fundraising Plan for you?

5. Strategy

a. Who should they market to?

Donors?

They protect their donors like they are gold.

How about list of those who never donated...every foundation has a list of "no"s just like we do.

b. Fundraising letter: example of content

In this time of economic downturn, it truly makes sense to raise funds under new criteria:

1) rid the duplication of efforts by utilizing multi-purpose fundraising

2) Reward donors by making it a WIN WIN so

incentivize them to take action for their own benefit.

3) Establish a program to create repetitive income receipts without additional work

See also Wendy Kremer materials (www.realteamsupport.net)

- c. Flyer to describe the program
- d. Offer Website link to Mannapage for them

CITY LIMITS

NEWS

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As Money Disappears: What Nonprofits Can Do

Experts from around the sector proffer practical survival tools from an optimist's toolbox.

By Chris Narducci

Monday, Oct 20, 2008

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“We’re in a deep hole and it looks like it’s not going to get better for a long time.”

The grim forecast of Michael Clark, executive director of the Nonprofit Coordinating Committee of New York, echoes the alarm of many a news headline over the last few weeks, predicting lean times in the wake of the financial meltdown. But to some experienced hands, the rickety condition of the financial services system – and slimmer municipal budgets – don’t have to mean a death sentence for nonprofit organizations.

News Topics

The Economy

Health and Environment

That’s a good thing, because even as both public and private funding for nonprofits is drying up, leaders in the sector recognize that a weaker economy leads to increased demand for social services. The problem is magnified in New York, where nonprofits have received much support from the charitable arms of now-failing Wall Street institutions. Recent cuts to city and state budgets further threaten the future of the many organizations serving the city’s neediest. The New York Nonprofit Press counts at least 3,200 human services nonprofits in the five boroughs, part of a \$12 billion industry in the metro region.

“There is a grave concern ... that people won’t be able to get the aid that they need,” said Allison Sesso, deputy director of the Human Services Council, a local umbrella organization for nonprofit human services providers. “Many nonprofits may be forced to close their doors, and people knocking on them will be turned away.”

Despite the possibility that a strained economy could disrupt or even end the operations of groups that provide vital services, the situation is not hopeless. And nonprofits don’t have to let the outside climate solely determine their fates – at least not according to several nonprofit business consultants familiar with the New York City scene. In fact, they say, nonprofits can take steps to weather the economic storm. Following are several of the most commonly mentioned tactics:

• Think – and act – like a competitive business

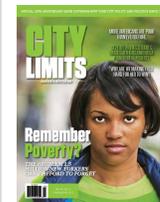
According to Clark, who served as president of the Citizens Committee for New York City for 19 years prior to joining NPCC, “the ones that survive” will be the ones that pay attention to business operations in addition to providing services. Business smarts can mean the difference between carrying on and closing up shop. In better times, service organization leaders may have dismissed such a perspective, but less so in today’s more competitive nonprofit world. A drought of outside funding due to a plummeting market will only energize this approach.

“Revenues should exceed the cost of operations,” Clark says. “A lot of nonprofits don’t plan on making a surplus, yet in these times, if they want to survive, they need to have reserve funds.”

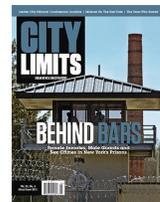
According to Randall Quan, managing director at Community Resource Exchange, a nonprofit consulting firm, nonprofits are going to feel the brunt of the economic downturn, but they have a number of ways to insulate themselves. “The most resilient nonprofits will have a range of strategies in their toolbox that includes business tactics,”

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Quan said.

• **Brainstorm new ways of generating income**

Most nonprofits rely on outside funding in order to meet their mission goals, but increasing numbers are pursuing capital ventures as a means of sustainability. They are updating the way they think of finances and the methods they use to get support.

As an AIDS advocacy organization that operates popular thrift stores, a bookstore and a catering business in order to support its core mission, Housing Works is a model of social enterprise. Bookstore executive director Susie Lupert is likely to point out the quality of her shop's products before even mentioning that it provides housing assistance to AIDS patients.

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NONPROFIT
WITH EARNED
INCOME

A 501(c)(3) nonprofit can still generate earned income. And plenty do. The National Center for Charitable Statistics estimates that nearly 70 percent of the \$1.4 trillion generated by nonprofits in 2008 came from the sale of goods and services.

THE CLASSIC EXAMPLE

The Girl Scouts of the USA is synonymous with cookies—thanks to a troop in Oklahoma that began selling cookies in 1917 to raise funds. The Girl Scouts was founded in 1912, with the goal of teaching girls practical life skills. The cookie business did just that, while giving the organization a financial boost as well. Now the Girl Scouts, which has 3.3 million members, generates more than \$700 million in annual revenue from the cookie program.



THE MODEL WORKS BEST WHEN

- *The nonprofit has a valuable product or expertise.* An education nonprofit, for instance, could sell tutoring services. As long as the product or service is directly related to the mission, the income remains tax exempt.
- *The user has some ability to pay.*
- *The nonprofit's mission is job training or skill building.* According to IRS regulations, organizations that help certain classes of individuals—refugees or homeless people, for example—find jobs are permitted to become employers themselves.

THE ADVANTAGES

Generating income frees an organization from total dependence on philanthropic dollars. At the very least, the income is a safety net; it also means more money to invest in the mission. Unlike many grants, earned income is unrestricted and can be used however the organization chooses. Finally, nonprofits with earned income retain all the advantages of pure nonprofits—including tax exemptions, ability to receive tax-deductible donations, and eligibility for nonprofit-exclusive grants from major foundations.

THE CHALLENGES

Nonprofits with substantial earned income usually have two staffs: one to work on philanthropic goals; the other to handle tasks like sales, marketing, and customer service for the business side. This makes them more costly to run and poses the risk of conflict of interest. All 501(c)(3) organizations must give priority to the nonprofit's stated mission. That can often make it difficult for income-generating arms to pursue opportunities.

THE TAX IMPLICATIONS

If the IRS decides that a nonprofit's business efforts are not "substantially related" to its mission, the earned income is subject to taxes. The nonprofit's 501(c)(3) status is jeopardized, too. To qualify as substantially related, the business has to specifically accomplish the nonprofit's goals. Say a women's shelter opened a bakery to supplement grants and donations. That would likely be considered unrelated to the organization's mission—unless it was staffed by women from the shelter. The question is so subjective, though, that nonprofits have found themselves tied up in legal squabbles with the Feds for years.

THE NEWCOMERS

Emancipet

Founded in 1999, this Austin nonprofit offers low-cost spay and neuter services. It generates more than \$1.7 million a year, performing about 1,400 surgeries a month—which gives Emancipet enough money to offer free spay and neuter services to 60 percent of its clients.

Living Goods

Taking a cue from Avon's direct selling structure, San Francisco-based Living Goods employs rural Ugandans to sell health products, like deworming pills, at a fraction of the market cost. The so-called health promoters pay Living Goods for the products and sell them at a profit—a model known as microfranchising.

Digital Divide Data

Digital Divide Data trains poor Cambodians and Laotians in basic computer skills—and then hires them to perform tech services for major U.S. corporations, universities, and government agencies. Income from these contracts now amounts to \$2.7 million, double the New York City-based group's charitable funding.