



JobOne Fundraising Assessment

Executive Summary

In July of 2015, JobOne contracted with Kevin and Karen Flattery of KLF Development Consulting to conduct a fund development assessment. The purpose of this assessment was to closely examine all of the organization's current fundraising systems and activities. This report is the culmination of that assessment, and includes recommended actions to improve JobOne's ability to diversify and increase its revenue through philanthropy.

The following is a list of work performed as a part of the assessment. Under each action is an abbreviated recommendation. A more detailed report follows this executive summary.

1. A detailed evaluation of all fundraising activities, particularly over the past three years.

JobOne has had minimal fundraising activity over the past three years and, for the most part, has not had a staff person responsible for development activities. It is therefore not surprising that fundraising activities are in their infancy and need to be brought up to a professional level.

- **Recommendation:** JobOne should retain professional fundraising personnel, either hired or on a contractual basis, to address the most basic and critical components of the organization's infrastructure and then develop a long range plan of action to build a first class development program.

2. An assessment of the current status of key philanthropic relationships and stewardship of individual, corporate and foundation donors.

This is another area of weakness because JobOne has not had a designated staff person to court current donors or build relationships with an ever-growing pool of individual, corporate and foundation donor prospects. Stewardship of current and prospective donors is a job that requires time, attention and persistence, but the philanthropic rewards are most often great.

- **Recommendation:** Once a fundraising professional has been engaged, a systematic plan should be developed for stewardship with the current donors who are the major stakeholders. There should be visits and communication to determine the donor's main areas of interest and to share information about JobOne's vision for the future. The goal is to engage the donors and develop a relationship prior to asking for a more significant gift. In addition, a broad range of prospective new donors, (individual, corporate and foundation) should be identified and a plan created to cultivate them for future contributions.

3. An evaluation of the donor database and the staff member(s) responsible for entering data and managing the database to ensure the integrity of donor information and giving history.

It was not possible to adequately evaluate the current donor database for two reasons. First, because the data entry of contributions was ten months behind, and second because the database itself was not set up in such a manner that staff was able to pull the requested reports. Therefore, we are not even able to comment on whether the existing donor software (Gift Works) is the right system for JobOne's fundraising needs long term. (The CEO believes that Gift Works has the capabilities to fulfill the required needs if it is set up properly).

- **Recommendations:** JobOne should contract with a nonprofit database specialist to work with the new fundraising professional to evaluate the current software to determine if it can fulfill all of the donor tracking and reporting needs for JobOne. We further recommend that an experienced (part-time) fundraising data entry person be retained to enter donation data, send thank you letters and other donor acknowledgements and maintain the integrity of the database. The

setup and ongoing integrity of the donor database should be under the direction of the fundraising professional. These steps will result in optimum value to the organization's growing fundraising efforts.

4. *A review of practices related to gift acknowledgement, donor cultivation, appreciation and recognition as well as accountability to donors regarding the utilization of their donations.*

Although there is a written document that details fundraising policies and procedures, they were created by a former development staff member and appear to be “boiler plate” and not specific to JobOne in several respects. There is no one responsible for implementing donor policies and practices and therefore donor acknowledgement, cultivation, appreciation and recognition are not systematic or happening on a consistent basis.

- **Recommendation:** If properly developed, the Fundraising Policies and Procedures should be a roadmap for all staff members to follow from the time a donation is received, throughout all aspects of the follow-up including acknowledgement, reporting, recognition, stewardship, etc. The current policies and procedures should be amended or completely rewritten to be functional and appropriate for JobOne. The fundraising professional will be responsible for design and implementation of this plan and should engage key staff and board members in ensuring that the plan can and will be followed by all.

5. *An evaluation of key board and staff as it relates to fundraising experience, expertise and commitment to expanding the organization's fundraising program.*

Although the CEO has been submitting grant proposals and supporting board efforts to raise funds in the absence of a development professional, it is clear that fundraising is not, and should not be, his primary responsibility. There is no question that the staff leadership (CEO and senior staff) are fully supportive of expanding the fundraising program. The board of directors have varied degrees of experience or interest in fundraising. For the most part, we found that board

members were aware of the need to broaden JobOne’s revenue stream through expanded philanthropy and were open to becoming more involved as individuals and as a board to build a successful fund development program.

- **Recommendation:** The fundraising professional will be responsible for developing a plan that will guide the full board and appropriate staff members in building a “culture of philanthropy.” Specifically, we recommend that there should be a Development Committee of the board who will be trained and supported by the fundraising professional and have overall responsibility for setting up and implementing fundraising activities.

6. The collecting and reviewing of both objective and subjective data by observing and interviewing key individuals.

We were able to personally interview 13 board members, 10 donors or funders as well as 5 key staff members. The confidential information gathered from this diverse group of 28 individuals is the heart of our assessment process. It is worth noting that the donors who were interviewed expressed an appreciation for having been asked to participate and share their opinions.

- **Recommendation:** The board, donors and key staff should have an ongoing opportunity to share their opinions as changes are implemented during the building of a fundraising program. It is also important to maintain communication with the key stakeholders so they will remain engaged in the process and feel a sense of shared ownership in building a “culture of philanthropy”.

7. A review of the agency’s marketing and promotional materials, written reports and website content as to how such information may impact fundraising.

The most current print materials developed for the annual appeal and the “Shining Stars” event are attractive and professional in appearance. We have

recommendations on how they may be more functional for fundraising efforts. With regard to the current website, it is in a state of transition, and the CEO is aware that it is currently not functioning well for search engines or other important purposes such as online giving. It is anticipated that the web host will be transitioned by October and that the newly designed website will be far more effective.

- **Recommendations:** The fundraising professional should work in collaboration with the public relations team to help develop materials that will be more effective for increasing donations and help to encourage donor support. This recommendation would also follow through to the development of professional brochures, newsletters, website, etc. The goal is to revamp the presentation and text with consistency of message and an eye toward a broader range of donors.

8. A written report providing an analysis of the agency's fundraising readiness, including suggested actions and recommendations for launching a professional fund development program, which will include commentary on the possibilities of a capital campaign.

That written report follows. There will be also be an oral presentation to the agency's leadership on findings and recommendations. That presentation is currently scheduled for the September 16th meeting of the board of directors.

Background

- JobOne is an Independence, Missouri based nonprofit organization whose social mission is: "To enhance the lives of adults with disabilities by providing a lifetime of meaningful employment choices."
- JobOne was created from a 2011 merger of two other similar local organizations, Foundation Workshop, Inc. and Independence Blue Springs Industries (IBS Industries), who together had served the areas developmentally disabled for nearly seventy years.

- JobOne currently operates three sheltered workshops sites, a clerical enclave at United Missouri Bank, community based programs: Secured Document Solutions, Recycling Services, JobOne Careers and several Ability One sites throughout the area.
- JobOne has its administrative offices at both its Grandview and Independence campus locations, serves 292 individuals (called employees), with a staff of 37 and an annual operating budget (FY 2015-16) of approximately \$4.8 million.
- JobOne's latest unaudited financials indicate that for FY 2015 the agency ran a budget surplus of \$391,000 and currently has a cash balance of \$315,000; this is largely due to the success of Job One Careers, Ability One sites, its recycling center as well a significant activity in reducing expenses.
- JobOne revenues for 2013 of \$4,890,763 came from four sources; customer sales (59%); Jackson County Levy (eitas) (22%); Missouri Department of Elementary and Secondary Education (17%); and fundraising (2%).
- JobOne 990s for 2011-2013 indicate that fundraising accounted for plus or minus 1% of all its revenue. There is wide acceptance that JobOne is over reliant on public sources for their revenues and that more needs to be done to diversify the organization's revenue base through fundraising and other contractual services.
- JobOne created a strategic plan for fiscal years 2013-2015 which primarily addressed two areas of focus - the future of vocational services for individuals with developmental disabilities and the agency's long-term financial stability.
- As part of the strategic plan, fundraising was identified by JobOne leadership as an important component for increasing the organization's long term financial stability.
- Throughout its history, neither JobOne nor the organizations from which it was founded, has had a full-time fundraising professional, with one exception. For a year and a half in 2013-2014, a staff person was hired to develop the fundraising program. There has been no one responsible for fundraising on staff since that time.
- As part of an overall Master Planning Process, it was determined that fundraising should become a higher priority for present and future financial stability. In July, 2015, JobOne retained the services of Kevin and Karen Flattery of KLF

Development Consulting to conduct a complete review of the organization's internal and external fund development activities. The consultants were charged with making concrete recommendations for JobOne to build a fundraising program with a broader base of support and steadily growing philanthropic revenue.

Materials Reviewed

KLF conducted a series of in-depth meetings with the agency's CEO Aaron Martin, and former Board Chair Mark Simcosky prior to beginning the process. A broad range of materials were requested and gathered for review and discussion. Detailed meeting notes and the following materials were reviewed for purposes of this report:

- 2013-2015 Strategic Plan
- Annual reports from 2013
- JobOne 990s for the years 2011, 2012 and 2013
- Board of Director's Training Manual (Draft)
- Fundraising policies and procedures
- Financial Profit & Loss FY 2014-15; Budget FY 2015-16
- The Board of Directors Self-Assessment Effectiveness Survey
- Promotional business materials including brochures and online newsletters
- Budget Projections 2016-2019
- eitas Strategic Plan 2008-2010 and Needs Assessment 2007
- Organizational charts
- Samples of grant proposals 2014
- A Facilities Master Plan Consultant Report
- Samples of most recent materials created by JobOne's outsourced marketing professional, including solicitation letters, event invitations, programs, etc.
- Website review with a focus on how JobOne's story is conveyed and how online donations are solicited.

Interviews

The heart of the development assessment was the survey interview process with JobOne's key stakeholders. The interviews conducted were completely confidential and were designed to: evaluate the organization's readiness for philanthropic growth; to gather essential information regarding how the organization manages fundraising activities; to measure how leadership is perceived; and to evaluate the board and donor commitment to increasing fundraising efforts to support the mission of JobOne.

Each group was asked a specific standard set of questions and were also encouraged to make confidential comments and suggestions. The results of the two surveys will be discussed in more detail in another section of this report. In addition, the complete survey responses and commentary along with a list of those interviewed is attached.

In addition, confidential one-on-one interviews were also conducted with the CEO and four key staff members. A summary of the staff interviews is also included in this report.

Observations from the Material Review

- The last three years of fundraising indicates that charitable gifts accounted for less than 1% of the agency's total operating budget.
- There was great difficulty getting specific information about fundraising income from various streams as the donor database has not been set up or utilized in this manner. It appears that from 2012-2015, overall philanthropy generated a total of \$310,409 through annual appeals (9%), event income (4%), corporate (27%) and foundation support (13%), and general donations (47%).
- No one has had responsibility for maintaining the donor database in recent years, therefore the information is not current and is likely not totally accurate. The donor data base contains approximately 200 records with current and prospective donors, parents and/or guardians of the employees, and corporate and foundation donors as well as vendors and others on the mailing list.
- Fundraising Policies and Procedures were created by the last development officer and approved by the board of directors in July, 2013. These procedures are essentially boilerplate and have not been implemented or monitored for effectiveness.

- There has never been 100% participation by the board in supporting JobOne fundraising efforts. In 2013, five out of fourteen board members contributed a total of \$13,165. In 2014 (the most recent numbers available) thirteen board members contributed a total of \$8,525. In order to build a “culture of philanthropy”, the entire board must be fully engaged and giving to the best of their capacity.
- The Grandview Parent Booster Club does periodic fundraisers primarily directed toward employee amenities. The Club manages the account of the funds raised estimated to average around \$1,000 a year.
- Currently, the development activities are supervised by the CEO. The Public Affairs Communication (PAC) Committee of the board of directors supports the CEO with these efforts along with assistance from a contracted marketing professional who creates public relations, communications as well as event and annual appeal materials.
- The CEO and staff are involved in special events and helping the Parent Booster Club to raise funds as much as they are able but they wear many hats and their fundraising expertise and time to commit is minimal.
- The involvement by the PAC Committee of the board is just beginning and, although earnest in its intent, is difficult to measure overall effectiveness at this point.
- The Annual Appeal is a direct mail solicitation that has historically been sent out at the end of the year. This year it will be sent around Labor Day. The solicitation is sent to the entire data base. It appears that over the past four fiscal years, the Annual Appeal has generated \$26,520 (9%).
- *Shining Stars* is a special holiday event for employees and their families and has always been considered a “feel good” event as opposed to a fundraiser. Nevertheless, for the 2014 event, more emphasis was placed on soliciting donations to benefit the Employee Assistance Fund. The event generated more than \$8,600 in net proceeds and the intent is to increase fundraising efforts in the future.
- There is very little stewardship of current donors and funders and limited, if any, relationship building with prospective individual, corporate or foundation donors.

The CEO has an organization to run and donor courtship is conducted “as time allows”.

- Although fundraising has been identified as an important component of the Master Planning Process, there is currently no fund development plan in place to assist with organizational growth and stability.
- We were not able to assess the capabilities of the donor database utilized by JobOne. It is believed that “Gift Works” is adequate for tracking donations, fundraising activities, generating reports, etc., however we were not able to gather the fundraising data and statistical information requested because the database was not set up properly from the beginning. In addition, the entry of donations into the data is almost a year behind because no one has the ultimate responsibility for maintaining the database and therefore the integrity of its content is questionable.
- Donor acknowledgments appear to be sent out on a regular basis and messages appear adequate. There is significant room for improvement in the areas of donor acknowledgement, appreciation, recognition and stewardship.
- While there appears to be an eagerness to instill a “culture of philanthropy” among senior staff and the majority of board members, there is currently no mechanism for developing and implementing a process for this to happen in any systematic way.

Interviews Conducted

The Board of Directors Interviews

- All but one of the board members agreed to a one-on-one confidential interview with one or both of the consultants.
- Most of the members joined the board because they were asked (61%) but also have family members being served by JobOne or are touched in some manner by a family member with a disability (23%).
- All board members state that they have a clear understanding of the mission of JobOne, and all members believe they are a valued member of the board. The majority stated that they were actively involved (90%).

- Hands down, the entire board has confidence and an extraordinarily high opinion of the CEO and the senior staff.
- All of the board members believe in the mission and service that JobOne provides, the majority agreed with the statement that they are goodwill ambassadors for the organization (61%). Nevertheless, through commentary, most acknowledged that they could be doing more to promote JobOne to others.
- The board is split in their evaluation with regard to having a clear understanding about their role in fundraising. Just over half agree that they do have an understanding (54%) and the remainder disagree (46%). More than half reported that they have a clear understanding of what their individual responsibilities are regarding fundraising (61%).
- The majority positively agreed that they have been informed about how their donations will be used (69%), while most feel that donations have been appropriately acknowledged and recognized (77%). The majority state that JobOne does not get back to them regarding the impact that their gifts have had (69%).
- The majority identify JobOne as one of their top philanthropic priorities (69%). In addition, most agree that they would increase their gift if the fundraising purpose was one for which they felt strongly (85%).
- When asked to rank the top five areas of importance in need of funding, the top three areas selected were: Facilities (69%), JobOne Careers (61%) followed by Program Development/New Initiatives (54%).
- Most members state that they are currently willing to ask their friends, family and business associates to support JobOne (90%), and most stated that they would get more involved in fundraising if they had more professional training and support in making solicitations (77%).
- There was complete board consensus that now is the right time to bring on a fundraising professional to work with the board and administration.

The Donor Interviews

- It must be noted that there was great difficulty for JobOne to reach ten donors who were willing to participate in the survey process. This is in spite of the fact that an email was sent out the entire database informing them that the Fundraising Assessment was about to take place and asking for their help.
- It was our goal to interview ten unique donors. Ultimately, nine individuals were interviewed to result in ten complete interviews. Two of the interviews were with a husband and wife who had individual responses and one person interviewed was both an individual donor and a representative of a foundation. These were counted as four separate interviews.
- Given that there have been approximately fifty unique donors to JobOne in the past two years, the donor interviews in addition to the board interviews represents a high sampling of 40-50% of the organization's key donor base. Although this was a small and targeted group, it does translate into a high statistically significant sampling.
- Just over half of the donors surveyed are those whose primary reasons for giving is that a family member is being served and that they were asked for their support (55%).
- The vast majority of those interviewed report that they have been supporting JobOne for five or more years (89%)
- A third of those interviewed give once annually (33%), and a higher percentage give more than once a year (44%).
- All of the donors reported having a clear understanding of the mission of JobOne. Their highest priorities for funding were: Program Development/Initiatives (67%); and the JobOne Careers (22%). It was mentioned often that employee amenities and financial assistance were important as well.
- As with the board survey responses, there was overwhelming confidence in the CEO and the management team. The donor confidence in the commitment and leadership of the board was also favorable (67%). However in many cases the donors were not familiar with the board

- members, but believed that for the most part they had hired good professional leadership and were therefore doing a good job.
- All gave a positive response regarding gift acknowledgment and recognition, and a strong majority reported being confident about how their gifts are being utilized (89%). In addition, all expressed confidence that their gifts are making a difference in the lives of the individuals served.
 - A strong majority reported that JobOne is their number one philanthropic priority (89%). Just over half of respondents stated that they would increase their giving if they believed strongly in the fundraising purpose (55%). While commentary indicated that many are giving close to their capacity at this time, all reported that they would encourage others to contribute to JobOne.

The CEO and Staff Interviews

- A significant amount of time was spent with Aaron Martin as we researched and clarified information about the services and organizational structure of JobOne, the industry as a whole, as well as the organization's history and mergers, etc. Most significantly, we were interested in Aaron's personal vision for the future and were impressed with the clear, concise way that he described what he envisioned the organization to look like in three to five years. It is our understanding, and it was stated by many, that Aaron has navigated the organization through some extremely difficult times and has brought stability and confidence in the organization.
- We also had the opportunity to meet individually with four key staff members: Kelly Logan, Delores Buffa, Willa Robinson and Anne Hochstein. Most have been with the organization for many years. It is very apparent that all of them are deeply committed to the employees served by the organization, the mission and the future. There is no question that the CEO has surrounded himself with dedicated, bright and talented professionals who respect his leadership and will do their part and work as a strong team to successfully move the organization forward.

Overall Observations

There are many good things happening at JobOne. The board of directors is coming into its own as they transition out of being a blended family from Foundation Workshop, Inc., IBS and the newer members recruited for the JobOne board. The board fully supports the CEO and the senior staff, but they are not afraid to ask questions and get involved to ensure that they are fulfilling their fiduciary responsibility. There is no question that the organization has bold and dedicated administrative leadership with the desire and talent to move the organization forward during what may be times of uncertainty regarding legislation, regulations and governmental funding. All in staff leadership are aware that changes are coming and they have a “whatever it takes” mentality to ensure the organization’s stability.

JobOne’s financial position has made a remarkable recovery after the deficit created by merger challenges. The board and staff leadership are to be commended for taking the necessary steps to streamline the staff and make the required budget cuts to return the organization to financial stability. As the organization expands fundraising activities, this will be extremely important as savvy donors like to give to organizations that are thriving.

Recommendations

- Hire a Professional Fundraiser: The only way for JobOne to make significant headway in expanding charitable giving is to hire or contract with a professional fundraiser. We recommend that JobOne should hold off on engaging a full time fundraiser, at least for the short term. The initial concentration should be on establishing the necessary infrastructure including goals, objectives and actions necessary for implementing a successful fundraising program. This could be done in a more cost effective manner by contracting with a highly experienced fundraising consulting firm who will be able to hit the ground running.
- Create a Development Plan: The first task would be to establish a solid foundation with a strong developmental plan. This plan would include all the basics for a first class development program including but not limited to workable policies and procedures; a case for support; fundraising actions

- tied to the strategic plan; a viable and appropriate budgeting and reporting system; training and support of the board and CEO; an up-to-date donor database system; and research and coordinated actions for annual appeals, special events, grants and major gift solicitation. This new system would then provide for the routine handling of the myriad of details to permit maximum utilization of personnel, time, resources and talent.
- Other Personnel Required: We further recommend that additional professional services will be necessary, particularly at the beginning, to work in conjunction with the fundraising professional. JobOne should contract with a nonprofit database specialist to work to evaluate the current software to determine if it can fulfill all of the donor tracking and reporting needs. We further recommend that an experienced (part-time) fundraising data entry person be retained to enter donation data, send thank you letters and other donor acknowledgements and maintain the integrity of the database. The setup and ongoing integrity of the donor database should be under the direction of the fundraising professional. Further, we recommend utilizing a grant writer who specializes in the public sector, but who could also assist in applications to the private sector as well. The CEO has indicated that there are many opportunities, particularly with RFPs in the public arena, for which JobOne would be eligible and more competitive with such expertise on hand.
 - Board Development Committee: We recommend the establishment of two new board committees. One would be a Fund Development Committee to be charged with the overall responsibility for fundraising activities. Among other things, this committee would be receiving specialized training and support in the identification, cultivation, solicitation and stewardship of all current and prospective donors. Along with the CEO, this committee would provide oversight of the agency's fundraising goals and objectives clearly stated in the newly created fund developmental plan. The second would be a Board Development Committee (Nominating Committee). This committee would be responsible for recruiting future board members who would provide additional areas of expertise to the current board as well as become potential "door openers" to a broad range of future donors. Often

community members who are not board members are asked to participate in this committee's work to add a broader base of suggestions for possible board members.

- Major Gifts Opportunities: In our assessment, JobOne is not currently in a position to consider a traditional capital campaign or major gifts campaign due to internal deficiencies already mentioned. However, we strongly believe that major gift opportunities do exist in the underwriting of the various business lines. This could include proposals to a group of high net worth individuals and/or foundations to invest in capacity building and formal business plans. These proposals would most likely be for growing lines of business that correspond with existing social entrepreneurial services and provide the best case for *Business Sense with Community Purpose* (i.e.: Secure Document Solutions).

Conclusion

For more than forty years JobOne and its predecessors have relied largely upon a combination of earned income and government funding for their operations. Without question, this overdependence is a major threat to the future of the agency. The common thematic resonating from both the board, administrative leadership and key staff in this assessment is that life in this industry as it has been, is undergoing tremendous change; and that JobOne must continually change with it to be viable.

Doing all that the organization can to diversify and strengthen entrepreneurial and promising revenue streams is the order of the day. JobOne has a great story to tell. From our research there are current donors who would be willing and able to give more if challenged; and many others out there in the world interested in services for the disabled who would give if asked. The fact of the matter is that as long as the public sources were readily available, JobOne, like most other similar organizations, simply have not asked.

Fundraising is a serious business and must be treated as such. Last year more than \$358.38 billion in charitable gifts were made in America; 80% of that from private

individuals. Human services, like JobOne, represented 12% of that total; and in Kansas City in 2012 the total number of dollars given to charities was \$2.15 billion with 16% going to human services.

JobOne is leaving its portion of these dollars on the table. The only thing separating the organization from that revenue is an investment in the development of a professional fundraising program. The organization's leadership and financials are solid. In comparison to many of its competitors, JobOne is in a strong position for future growth. This assessment indicates that the time is right to make the commitment to develop this element of the organization and pursue an ever-growing pool of philanthropic dollars that will benefit countless individuals that the organization is committed to serve.