

**SOUTH AFRICAN LIBRARY FOR THE BLIND
MARKETING/FUND-RAISING**

**ULVERSCROFT BEST PRACTICE AWARD
REPORT BACK**

**"WHAT WE NEED TO KNOW.....
WHAT WE WANT TO KNOW!!!"**

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Information obtained from the National Library for the Blind (NLB UK), the National British Institute of Fundraising (IOF) and the South African Institute of Fundraising (SAIF)

PREAMBLE

This document is intended as a "Reference Toolkit" in the South African context that addresses basic questions about the work and outcomes of NGO's (non-government organisations), NPO's (non-profit organizations) and Charitable institutions that depend on public funds for their existence - and where possible, comparisons are drawn between the techniques used by the NLB, Blindlib and industry standards.

It highlights the effectiveness of these particular institutions, justifies their fundraising activities, costs and methods - and outlines how donations should be used to further the objectives and aims of these institutions.

ACKNOWLEDGEMENTS

A very special thank you is extended to the Ulverscroft Foundation who believe in the transference of information and best practices between sister organizations especially in developing countries - and who provided the funding to make this possible.

The National Library for the Blind, UK, is acknowledged for being the most wonderful host, and who facilitated the reality of this project. Their amazing External Relations Team, under the leadership of Phil Robertshaw made sure that no possible stone was left unturned or unquestioned - no matter how overwhelming.

My final acknowledgement is to Johan Roos, director of the South African Library for the Blind, who encouraged me to participate in this prestigious award and

ensured that my areas of responsibility were contained in my absence under what were sometimes very trying circumstances.

In retrospect, I truly feel that it was the South African Library for the Blind that was the greatest beneficiary resulting from this endeavor, and I cannot help but feel a little regret in not having been able to have had more to offer to the National Library for the Blind, UK in return..... for this I truly apologise!

GOVERNANCE & BEST PRACTICE

1. REGISTRATION

All institutions that are actively involved in fund-raising activities should either be registered as an NGO/Charity with their relevant national Institute of Fundraising - the SAIF (South African Institute of Fund-raising), the IOF (Institute of Fundraising, UK). This is to ensure over-arching compliance with best practices within an effective accounting and governance structure, and the elimination of mismanagement, fraudulent activities and abuse.

Charities that operate in England and Wales are regulated by the Charity Commission - with which they are required to register by law. This Commission is responsible for establishing charity status and secures compliance with charity law. Registration details are required to be printed on all materials. The British Data Protection Act requires that permission must be obtained from donors and potential donors prior to them being contacted about services that may be relevant to them.

Blindlib is classified as a Schedule 3a National Public Entity in the South African Public Finance Management Act (PFMA) and thus has its own enabling legislation - South African Library for the Blind Act 91 of 1998. Blindlib is therefore subject to the controls and oversight measures of the PFMA, the three sets of Treasury Regulations issued (for departments, public entities; and payroll deductions respectively), the division of Revenue Act of 2000, and, the Public Service Regulations. These legislations are primarily concerned with financial accountability and expenditure control, and give effect to six sections of the Constitution of the Republic of South Africa Act 108 of 1996. These sections enable the establishment of a National Treasury to impose fiscal discipline and budget integrity and accountability in terms of output, by:-

- Introducing generally recognized accounting practices
- Introducing uniform treasury norms and standards
- Prescribing measures to ensure transparency and expenditure control in all spheres of government

- Setting operational procedures for borrowing, guarantees, procurement and oversight measures of the various National and Provincial Revenue Funds.

2. GOVERNING DOCUMENT

This document sets out the institution's objectives and core mandate, and how it should be administered. This can be in the form of a Trust Deed, Constitution, Memorandum of Agreement/Association, Legislative Act of Government or Charter.

3. BOARD OF TRUSTEES

The trustee body must be constituted in accordance with the governing document. Each trustee should be a volunteer who under the institutions governing document, is responsible for the overall control of the institution ensuring good management.

Duties of trustees include the following points (notwithstanding the provisions contained within the South African Public Finance Management Act and Treasury Regulations):-

- Ensuring the proper maintaining of books and records
- Preparation and presentation of audited Annual Financial Statements (AFS), and publishing of an Annual Report (AR)
- Formal and documented approval of the AFS and AR
- Summary of all core activities
- That all expenditure is expended in accordance to the Strategic Plan and is subject to Trustee approval

4. STAFF, VOLUNTEERS and BOARD OF TRUSTEES

Institutions like the NLB and Blindlib employ excellent people to provide an excellent service. We operate by employing full-time employees and by securing the services of volunteers. The South African board of trustees is appointed by the Minister of Arts and Culture and collectively provide a wide range of specialist expertise within the core mandate of Blindlibs activities.

- Blindlib acknowledges that public funding means that we need to provide an excellent service to all blind and print disabled South Africans. To do this, we undertake outstanding recruitment and training programs which are carried out within the requirements of the ETDP (Education, Training and Development Practices) Seta. Other forms of training include attendance at relevant conferences, workshops and in-house mentoring.
- Full time staff and volunteers are recruited to specific identified roles through internal and external advertisements and recruiting agencies, where the required skills and experience are identified. We employ people in terms of a performance contract with set targets and key performance indicators, which are subjected to

regular performance appraisals.

- All volunteers are managed by paid employees who answer to the CEO who reports to the board of trustees - the South African board of trustees in themselves are governed by the relevant governing legislation and report to the Minister of Arts and Culture.
- Although the trustees are not paid, they do not take their activities lightly. Trustees are appointed according to their experience and to the specific skills they can contribute to the effective running of their institution - they contribute business experience, finance, marketing/fund-raising, librarianship, social services, special education and most importantly - leadership skills.

5. INCOME AND EXPENDITURE

The NLB and Blindlib employ staff who use their experience and expertise to assess information and circumstances to help the board of trustees decide on institutional objectives. Plans are then formulated and strategised, that are geared to ensuring that our beneficiaries are served according to our key objectives. These plans and strategies are formally approved by the board of trustees who take ultimate responsibility for ensuring the sound dispensation of the institutions mandate.

All Blindlib financial activities are monitored and governed by internal auditors and an audit committee is established which reports directly to the board of the trustees. Management reports are drawn up on a monthly basis, quarterly reports which report financial and operational performance are submitted to the Minister of Arts and Culture. Annual financial statements are audited by the Auditor General and are published in the Annual Report for public scrutiny.

All Blindlib income and expenditure activities are governed in strict accordance with the provisions of the Public Finance Management Act and Treasury Regulations.

6. ACTIVITIES THAT HAVE MADE A DIFFERENCE OVER THE PAST 12 MONTHS

- Service Delivery to our Beneficiaries
- Advocated Change
- Co-operation and Partnerships - National and International
- Targets realised
- Awards won
- Raised awareness

7. MONEY RECEIVED FROM GOVERNMENT

The NLB does not receive any form of government subsidization, however both NLB and Blindlib have a distinctive function in meeting a specific social need -

and carry out their mandate on behalf of government's social and cultural obligation. As experts in our fields, we make use of public money to achieve value-for-money improvement in the lives of all our respective blind and print-disabled citizens.

Blindlib believes that :-

- Government exists to fulfill society's needs - and Blindlib exists to fulfill a specific social need - the cross over is complimentary.
- The social need faced by Blindlib far exceeds the total resources available to Blindlib. Blindlib has a very long history of expert innovation in meeting the needs of blind and print-disabled South Africans - and Government recognizes and supports this acquiescence.
- When Blindlib's good practice is taken up by government - the tax payer gets better value for money through an essential service that is tried and tested. The donor has the satisfaction of knowing that their donation is a statement which demonstrates their sound commitment to the social well being of blind and print-disabled South Africans.
- Blindlib does not believe that their independence has been lost by taking government money. Besides, the percentage of our work funded by government is not enough to sustain the full extent of Blindlib's work.
- The Board of Trustees are bound to ensure that Blindlib works towards the best interests of all blind and print-disabled beneficiaries - and ensures that all activities remain in line with government objectives in this regard.

8. SHOULD ALL INSTITUTIONS SERVING THE SAME BENEFICIARIES MERGE?

Blindlib is conscious of the need to consider any duplication of effort, however, it must be remembered that Blindlib's statute was set up to serve a very particular need in the lives of blind and print-disabled South Africans.

- As with any other non profit institution, many of the problems faced by these institutions are complex and very specific - and approaches are formulated to address the best solutions to ensure that the service remains relevant and responsive to this need.
- Non profit institutions with a similar beneficiary base should work together by adopting methods to avoid duplication of effort, and, consider information sharing and joint campaigning on particular issues.
- Although Mergers may seem to be a cost efficient way of addressing similar issues - the effectiveness of the specialised service delivery could be compromised, and the impact of this compromise could result in a diluted non-specific service.

9. THE COST OF FUNDRAISING - IS MONEY WELL SPENT?

We are the considered experts as far as the needs and wants of our beneficiaries are concerned. The NLB, in many instances have found that the role of private companies has shown that specific expertise in areas of marketing, direct mail

marketing and national campaigning does make the difference in areas where levels of expertise are concentrated - thereby minimizing risk.

This consideration seems to be the most inhibited and unavailable field of specialized expertise in the South African fund-raising industry - and is where the most significant differences between the two countries were observed.

- Diversion of resources can reduce the risk of loss of opportunities, and in many instances is cheaper than employing full time staff to do the same work.
- Recruiting volunteers can be seen as an opportunity, and has been successful in many areas especially when training and mentorship roles are in place.
- Asking for money is a talent, and not everyone is prepared to do this. Skills, commitment and passion are the key issues.
- Private companies are generally better suited to assist an institution as their resources are more focused and skilled allowing for more concentration on key activities.
- Statistics show that when private companies are used - bigger ROI (return on investments) are recognized.
- The appointment of private companies should be seen as a business decision. It may be a crucial business decision to invest in professional expertise so that our communications have the best chance of attracting a response.
- All appointed private companies have set targets to meet - against which their effectiveness is measured.
- Mailings are the most cost effective and efficient way for non-profits to get donations from a large number of supporters. If they don't raise the required money, they still raise public awareness - a precious resource!
- Target marketing is not an exact science, but has shown to be a more effective way of ensuring that each mail-shot is as closely matched to the market that has been targeted.
- Gimmicks (like give away pens) are carefully costed to increase the level of awareness. These gimmicks are used as a prompt to raise the level of awareness which far outweighs the cost of the gimmick. Gimmicks of this nature should be carefully assessed in terms of each endemic target market. Observations in the UK showed that UK markets were not generally interested in hand-outs- although South African markets are seen to be far more attracted to gimmicks of this nature.

10. WHY DO REGULAR GIFTS MAKE THE DIFFERENCE?

Long-term regular donors are ultimately a crucial source of cost effective donations that enable charities and non-profit's to plan for the future and ensure that money is provided where it is needed most.

- Predictable income means better planning. Regular gifts ensure that charities and non profits have a consistent, predictable income to regularize planning and budgeting - more efficiently and effectively.

- Regular gifts give long-term security and enable short-term response. They give the charity/non-profit the security and confidence to continue with their work regardless of the profile (or lack therefore) given by the media.
- Regular gifts also help towards reducing financial support and bank charges, which enables more money being expended on the crucial core work of the institution.
- All fundraising activities cost money, and these costs need to be recouped over time.

11. FUNDRAISING METHODS

For years fundraising methods have been tried and tested. In today's multi-channel world where people get information in all sorts of ways, it is important that all people are reached in the most efficient and cost effective way possible.

- Press advertising is not always the most cost effective method to raise funds as not everyone can be reached using this medium.
- Fundraising can be intrusive on some individuals, so every effort is made to ensure that negative impacts are minimized on potential donors. Often an institutions concern for positive social change takes priority over what may be seen as a minor inconvenience to people who always have the opportunity to say "No".
- The role of fundraising is continuously undergoing change in an effort to keep up with an ever-changing external environment. New ways to raising more money are always being researched.
- Complaints received should always be treated with dignity, and recognition given that various fundraising methods do not always suit certain people.
- Fundraisers should always work to the code of conduct they should have adopted as registered members of their relevant institutions of fundraising. Any departure from this code of conduct should be reported to the relevant authority.

12. JUDGING THE EFFECTIVENESS OF FUNDRAISING

Each NPO/Charity has its own methods for judging its effectiveness in their different forms of fundraising. The NLB UK has a fairly extensive procedure in place for statistical reporting that mainly concentrates on Return on Investment (ROI) over time.

- Statistical records are an important way of evaluating the effectiveness of the overall fundraising programs. These records can also assist management in deciding how to spread the risk among a number of different fundraising methods in order to ensure the institutions overall sustainability.
- The impact of these statistics can become distorted when certain fundraising programs run over a financial period, and no ROI is realized in the short-term.
- Statistical reporting also has the historic tendency of becoming a science in itself. This requires many data input and analysis hours that can detract from the crucial fundraising function. It is generally an expensive process, and income is not generated from this predominantly administrative driven task.

13. THE EFFECTIVENESS OF EMOTION IN THE ASK

Charities in the United Kingdom tend to use real case studies that reflect the reality of the lives of their beneficiaries. This is possibly due to the many charities competing for the same limited funds - and stating facts can be emotional, and can ensure that a particular message does stand out.

South African fundraising uses case studies to a lesser degree - and concentrates more on people's constitutional rights, human rights and government initiatives.

- It is crucial that appeals make an impact on both existing and potential donors, where the passion we have for our respective causes are clearly demonstrated.
- Different cultures respond differently to different stimuli, but results do indicate that worldwide, human nature does respond to human disaster.
- It is important to maintain human dignity when using case studies, and that facts are never sensationalized.

14. PROMPTING FOR SPECIFIC AMOUNTS OF MONEY

It is believed that prompts actually make the decision easier. They also clarify the "difference" that a certain amount of money can make - however the final choice should always be left to the donor.

- Many supporters prefer to be given guidance as to the level of their donation and the impact it will have.
- The biggest difficulty for a charity or NPO, is the setting of the prompt level. No matter what a particular service costs the institution - there should always be a serious consideration made to the average disposable income of each target group. Asking for too much can tend to make the potential donor feel worthless. Asking for too little can have the reverse effect and make the potential donor feel as if they are wasting their time - and push them to support some other "good" cause that they feel has more impact.
- Prompts are usually calculated on the estimated average donation that can be expected from a particular target market. An "Other" amount should always be included so supporters can have the choice of giving a different amount if they wish. Prompts should not be designed to put pressure on people.

15. HOW DO DONATIONS PAY FOR POSITIVE CHANGE?

Every non-profit/charity - like any business, makes its own decisions based on its own needs and circumstances. They all operate in different environments and perform different activities. The level of support costs should be appropriate to these circumstances, and often vary accordingly. Each institution should have a clear vision on what percentage of fund-raising income is required to sustain their institutions existence and effectiveness.

- It is necessary to spend money on communicating your institutions need for

funds. Support costs spent on IT, HR, finance, planning and project management are essential to ensure that the institutions infrastructure supports its particular service delivery - effectively and efficiently.

- There are no hard and fast rules about what constitutes a maximum or minimum expenditure of support costs. But all NPO's/charities should understand the relationship between keeping their support costs as low as possible without compromising their own efficiency or effectiveness.
- Both the NLB and Blindlib have a serious obligation to their beneficiaries to provide the services and expertise of professional staff like librarians, Braille specialists, audio specialists, financial specialists, etc. An effective institution needs the services of paid professional staff, to ensure that the best possible service is provided to our beneficiaries and supporters.
- Volunteers play a vital role by contributing their time and expertise free - which greatly reduces the overall overheads.
- Our board of trustees are probably our greatest source of professional volunteerism, as they are ultimately responsible for delivering the institutions objectives.
- In almost all cases (both in the UK and South Africa), staff employed in the voluntary sector earn less than their peers in the private sector. These staff in turn need high-calibre directors who are committed to lead the institution.

16. DOMICILE

The choice of domicile of the institution (amongst other reasons) is always a compromise between costs, skills base and the need to be in the most influential position.

- Office costs in larger cities are usually very high - all non-profits and charities need to constantly review their location and associated costs.
- Any organization is only as good as the people it can recruit. There should always be a consideration to balance the cost of location with the need for a strong skill base that covers the range of specialist professional requirements.

17. LONG-TERM SECURITY

Reserves keep non-profit and charitable institutions afloat. Besides covering administration costs and other support costs without which the institution could not function - maintaining reserves helps to avoid the necessity of realizing fixed assets held for the institution's use, and serves to maintain solvency.

Reserves provide funds that can be designated to specific projects that can be long-term or undertaken at short notice (especially in the event of an emergency).

- Both the NLB and Blindlib are required by law to have a reserves policy which outlines the need for the reserves - and how these reserves are invested.
- This policy is also required to be regularly reviewed to ensure that the reserves

are optimally maintained and that a healthy ROI is realized.

CONCLUSION

It finally dawns - the daunting position the fundraiser finds themselves in - picture yourself right in the middle of the page, with arrows shooting off in all directions demonstrating all the people and organizations you have to report to and maintain some semblance of satisfaction.... **SIMULTANEOUSLY**..... Trustees, the CEO, the Government, Director of Finance, Director of Communications, the Project Managers with their Advisory Committees, the Institute of Fundraising, the Donors, Volunteers, Campaigners, the Agencies, the Printers, the Artists, Librarians, more Librarians, and even more Librarians.....all the while praying for a divine miracle showing you how to turn the 80/20 ratio into the 20/80 solution!!!

A truly inspirational speaker at one of the IOF sessions in London promised the desired solution. He said it was simple.....

"Have a dream - break it down - grind it out - feel great - and get rid of the 'suckers'!!!!"

Actually, this is the true formula:-

- Seek Clarity - by keeping it simple and taking time out
- Identify your Mantra - by digging deep and not giving up
- Place your Hero on a pedestal - keep reminding yourself where you are going
- Remain Positive - and recall who your hero is
- Don't be 2-D - because 3-D is inspirational ...Dream, Design and Deliver!!

Charities need Guerrilla's - they Watch, Borrow, and Improve on others ideas!
...they also need Sangoma's (Wizards) - who have keen Eyes, can channel Power, and have an amazing Imagination....

But the true Fundraiser is a Gladiator - who is Fearless, Highly Skilled, a Survivor, a Leader, and a Hero(ine)!!