



PHILANTOPICS

Association of Fundraising Professionals

October 2009

Corporate and Foundation Relations Panel

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hwolbeck@sbcglobal.net

Please join us on October 14th to discover the secrets of effectively working with corporations and foundations to raise money for your organization. A panel of four "insiders" will discuss best practices, expectations, and how grant-making has changed in the current economic climate. Bring your questions!

Benjamin J. Lambert is a Social Responsibility Initiatives Representative at Caterpillar. He has responsibility for domestic **Caterpillar Foundation** activities, recommending and approving philanthropic investments, and providing community involvement guidance to Caterpillar leadership and dealers. Prior to his current role, Ben was a manager within Caterpillar's Information Technology division.

Before joining Caterpillar, Ben

**Ben Lambert
Not Pictured**

was the managing editor for the Peoria-Times Observer newspaper. While there, he earned several prestigious awards including three from the Illinois Press Association recognizing his leadership and journalistic skills.

In addition to his formal duties at Caterpillar, Ben sits on an advisory board for the Heart of Illinois United Way. In this capacity, he advises United Way affiliated organizations on outcomes-based metrics and program improvement strategies. He earned a Bachelor of Science degree from Eastern Illinois University.

Dave Oloffson is a Community Relations Specialist with **State Farm Insurance Companies** in Bloomington, IL. He has worked for State Farm for nearly 11 years, and has been in his current position approximately seven years. He is responsible for the review of all grant applications that are requested from downstate Illinois organizations, organizing company sponsored events and assisting State Farm agents with community affairs.

Before joining State Farm, Dave worked for the Bloomington-Normal Area Convention and Visitors Bureau for three years as their Manager of Sports Marketing and Communications, promoting the community as a destination for sporting events.

Dave has two degrees from Illinois State University, and resides in Normal with his wife and two children. He volunteers his time for the State Farm Holiday Classic basketball tournament, Miller Park Zoo, Special Olympics Illinois, Hearts Softball and Sugar Creek Elementary School.



Dave Oloffson

Sue Yoder is Vice President of Marketing at **CEFCU**, one of the nation's largest and most successful Credit Unions, with assets exceeding \$4 billion. Sue is responsible for directing the Marketing, Community Relations, and Corporate Research Departments at CEFCU. These functions include: marketing promotions and campaigns, corporate image, public relations, market and member research, and corporate giving.

Sue earned a Bachelor's Degree from the University of Illinois at Springfield in 1988 and an MBA from Bradley University in 1991. She is also a graduate of the Peoria Area Chamber of Commerce Community Leadership School and the University of Missouri-Columbia Executive Marketing Institute. With extensive past community service, Sue now serves as a publicly-elected Trustee at Illinois Central College, currently serving as Chair of the Board; Vice Chair of the Easter Seals Board of Directors; and as Vice Chair of the Children's Hospital of Illinois Advisory Board.

Myra Gordon has been Executive Director of the **Illinois Prairie Community Foundation** since mid 2007. Prior to that, she was a member of the board of the Foundation, serving as Vice President and she began as Executive Director doing the work for 5 months as a volunteer. She enjoyed the job so much she applied and was chosen for the permanent position.

Myra, a resident of Normal since 1972, has held a variety of positions in the not-for-profit and business worlds. Her work includes serving as Executive Director of Operation Recycle during the years it became a full-time, full-service community recycling center, a 10 year State Farm career as a Writer/Developer and an Organizational Development Analyst, and earlier work as a Field Advisor and Public Relations Director for the Centrilio Girl Scout Council.

The October 14th program will be held at the YWCA in Bloomington, located at 1201 North Hershey Road in Bloomington. AFP members will receive the **special Recession Buster rate of \$10** and the costs for guests will be \$20. Registration is at 11:30 a.m., lunch is provided at 11:45 a.m., and the presentation will begin at 12:00 p.m.

A reservation form is located on page two.



Sue Yoder



Myra Gordon



Membership Update

Robin L.T. Ballard



On behalf of the AFP Board of Directors we would like to welcome the following new members who joined AFP in August.

Francis R Brolle

Director of Development
 Illinois Valley Community College
 815 N. Orlando Smith Ave.
 Oglesby, IL 61348
 Phone: (815) 224-0524
 fran_brolley@ivcc.edu

Susan Monroe

Foundation Assistant/Alumni Coordinator
 Illinois Valley Community College
 815 N. Orlando Smith Ave
 Oglesby, IL 61348
 Phone: (815) 224-0253
 susan_monroe@ivcc.edu

AFP members – please remember to bring your business card to the chapter meetings so you can enter into the drawing for a cool gift and the **Member Spotlight**.

Corporate and Foundation Relations Panel

Wednesday, October 14 - YWCA, Bloomington, Illinois
Registration: 11:30 a.m. Lunch: 11:45 a.m. Program: 12:00 p.m.

Name _____ Organization _____
 Address _____ City/State/Zip _____
 Phone _____ Email _____

\$10 for AFP members (Recession Buster Rate) \$20 for non-members

To make your reservations, contact Stephanie Pickett at spickett@chail.org and send this form with a check marked "October Meeting" payable to:

Central Illinois AFP, P.O. Box 5323, Peoria, IL 61601

Reservations are due by October 10th.

Directions From Peoria:

Take I-74 E to exit 127 (I-55N). Take exit 167 (Veteran's Parkway). Stay on Veteran's Parkway for 2.7 miles. Turn left at Clearwater Avenue and right at Hershey Road.

***Membership Scholarship Applications
Due October 15th
April Gould, CFRE***



The Central Illinois Chapter AFP is accepting applications for C. Wilson Schroeder Membership Scholarships. The late C. Wilson Schroeder was a devoted fundraiser and one of the founding members of the National Society of Fundraising Executives now called the Association of Fundraising Professionals (AFP). To honor his memory, the Central Illinois AFP Chapter awards membership scholarships through the C. Wilson Schroeder Membership Scholarship program. The chapter will consider applications from fundraisers or executive directors whose organizations budgets are constrained but who would benefit from AFP membership.

Up to four membership scholarships will be awarded each calendar year. The deadline for applications is twice each year: April 15 and October 15.

Applications will be reviewed at the May and November AFP Chapter Board meetings (first Thursday).

For more information or an application, contact April Gould, CFRE, at 655-1653, April_Gould@usc.salvationarmy.org, or visit the chapter website to download an application at www.afpcentralillinois.org under "News."

National Philanthropy Day Update

Please mark Wednesday, November 18 on your calendar and join the Central Illinois Chapter of AFP for our 26th National Philanthropy Day.

The judges are busy reviewing preliminary nominations of deserving individuals and companies for award consideration and winners will be known shortly after Labor Day. Underwriting is going well and member agencies will be receiving a letter asking for support as well- so be on the lookout!. The luncheon event will be held on Wednesday, November 18 at the Embassy Suites in East Peoria.

Interested in underwriting this event? Contact Rich Draeger, NPD Chairman at rich_draeger@usc.salvationarmy.org.



Special thanks to RLI for again providing underwriting support for the event invitations, which will be mailed soon. So mark November 18 on your calendar and join us for the 2009 National Philanthropy Day luncheon at the Embassy Suites!



**Have an idea for a great speaker for one of our monthly programs? Please contact Nicole Campen at nicolep42@comcast.net.
Your input is appreciated!**

The Vicious Cycle of Overhead

As found on www.afpnet.org

As if making the case for overhead for the long-term health of your organization wasn't difficult enough ... now there is additional pressure to cut costs. Nonprofit leaders say it's time to break the cycle of unrealistic expectations for overhead spending.

In the Fall 2009 issue of the *Stanford Social Innovation Review*, authors Ann Goggins Gregory and Don Howard of The Bridgespan Group describe the "nonprofit starvation cycle." They write that a vicious cycle fuels the persistent underfunding of overhead and describe the cycle of inadequate funding in three stages.

The first stage in the cycle is "funders' unrealistic expectations about how much it costs to run a nonprofit." Funders demand extremely low overhead expenditures in proportion to direct program expenditures. At the second stage, "nonprofits feel pressure to conform to funders' unrealistic expectations." Organizations are afraid to lose critical funding, essentially feeling caught between a rock and a hard place. And at the third stage, "nonprofits respond to this pressure in two ways: They spend too little on overhead, and they underreport their expenditures on tax forms and in fundraising materials." This underspending and underreporting in turn perpetuates funders' unrealistic expectations.

Over time, the article says, funders expect grantees to do more and more with less and less—a cycle that slowly starves nonprofits.

If you are feeling the pressure to fund programs at the expense of critical overhead—such as technology systems to work better and more efficiently (and save money!), skills training and fundraising infrastructure—now may be the time to grab the wheel and steer funder and donor expectations back on course. Urge them to focus on the end results—the *impact* of your organization's programs—and not simply overhead to program spending ratios.

Proof Is in the Pudding

Blogger Kate Barr of *Balancing the Mission Checkbook* goes so far as to say that she simply doesn't care about overhead ratios and explains why in her blog post. "I care that they are effective nonprofits that can tell donors what they do and why it matters," she writes. She explains that she is concerned about impact, not ratios, when she donates to charities.

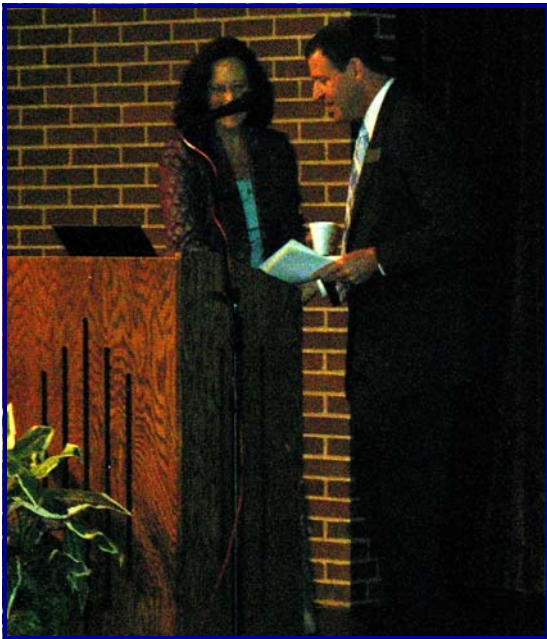
However, steering outside expectations will require a larger movement among nonprofits, say Gregory and Howard. "Although several factors drive the cycle of nonprofit starvation, our research suggests that taking action at the first stage—funders' unrealistic expectations—could be the best way to slow or even stop the cycle," they write. "Changing funders' expectations, however, will require a coordinated, sector-wide effort. At a time when people need nonprofit services more than ever and when government is increasingly turning to nonprofits to solve social problems, this effort is necessary to keep nonprofits healthy and functioning."

Refocusing Attention

"Funders need to refocus their attention on impact by asking 'What are we trying to achieve?' and 'What would define success?'" explain Gregory and Howard. "In so doing, they will signal to their grantees that impact matters more than anything else. Even focusing on approximate or crude indicators (for example, 'Are we getting an A or a C on our impact goals?') is better than looking at cost efficiencies, as focusing on the latter may lead to narrow decisions that undermine program results."

Funders must also clearly communicate their program goals to their grantees, they say. Having established that funders and grantees share the same goals, funders should then insist on honest answers to the question "What will it take to deliver these outcomes consistently, or to deliver these outcomes at an even higher level of quality or quantity?" The answer to this question, in short, is adequately funded infrastructure—otherwise known as overhead!

August Chapter Meeting With Penelope Burk A Huge Success!



Central Illinois AFP President, Mark Roberts, CFRE, introduces Ms. Burk.



Penelope sharing her wisdom.



We had a full house of fundraisers from throughout Central Illinois.

Get involved with the Central Illinois Chapter of AFP!

Among the many ways to share your talents:

Serve on the Board

Join the National Philanthropy Day Committee

Chair BASICS 101

Join the Programming Committee

Assist with Membership (mentoring, etc.)

Please contact April Gould for more information at 309-655-1653 or April_Gould@usc.salvationarmy.org.