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A DONOR-FOCUSED FUNDRAISING MODEL: AN ESSENTIAL TOOL IN COMMUNITY COLLEGE FOUNDATIONS' TOOLKIT

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The increased focus on private fundraising poses challenges for community colleges (Jackson & Glass, 2000). A challenge is a lack of fundraising experience within community colleges and their foundations. There now exists a donor-focused fundraising model for community colleges to use to enhance their fundraising initiatives and increase the amount of funds raised. The model is based on the outcome approach logic model, which is a road map of how organizations do their work and achieve their goals. First introduced by the W.K. Kellogg Foundation, the outcome approach logic model consists of inputs, activities, outputs, outcomes, and impacts (W.K. Kellogg Foundation, 2004). The model illustrates that no single input or activity contributes to the outputs, outcomes, and impacts. Instead, all of the inputs and activities are necessary for the outputs, outcomes, and impacts to occur. Existing literature and a recent study on the philanthropic motivations of community college donors (Carter & Duggan, 2011) were used to develop the model.

Dwindling support from state legislatures (Evelyn, 2004; Kelderman, 2010, Sheldon, 2003; Sullivan, 2001) and burgeoning student enrollment with no increase in funding or space capacity (Evelyn, 2004; Hebel, 2003; Phillippe & Sullivan, 2005) threaten the future and viability of community colleges. These colleges, which used to receive almost all of their funding from their states, are now operating with decreased state funding and minimal local funding (Bass, 2003;

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Hearn, 2003; Kelderman, 2010; Phillippe & Sullivan, 2005). These types of budget cuts present serious challenges for community colleges.

With community colleges educating almost half of the nation's undergraduates, these institutions can no longer afford to do more with less (American Association of Community Colleges, n.d.; Hebel, 2003). Therefore, the traditional forms of community college funding are no longer sufficient. Instead, community colleges must tap into private funding sources to maintain basic services and programs and institute new ones (Hearn, 2003). Contributions from donors may allow community colleges to fund programs and services that could help the institutions serve more students. Also, these contributions could provide assistance for unfunded projects that support community colleges' missions.

This renewed direction and focus must include key partners such as the community college president, chief development officer, various college employees, and foundation board members. This article proposes a donor-focused fundraising model to assist community colleges' foundations in achieving, and possibly exceeding, their fundraising goals.

THE RISE OF THE COMMUNITY COLLEGE FOUNDATION

Historically, community colleges have not focused significant time, money, or human resources on private fundraising because state funding, student tuition and fees, and local funding met their budgetary needs (Anderson, 2005; Keener, 1982; Miller, 1994). To address the reduction of traditional sources of funding, community colleges first established foundations to raise private funds (Glass & Jackson, 1998; Robison, 1982) when the American Association of Community and Junior Colleges (now called the American Association of Community Colleges) encouraged community colleges in the 1970s to develop fundraising initiatives (Glass & Jackson, 1998). Furthermore, the IRS's tax benefits related to charitable contributions also spurred the creation of community college foundations in the 1970s, 1980s, and 1990s, with 496 community college foundations being established between 1971 and 1987 (Angel & Gares, 1989; Luck & Tolle, 1978). The impact of these events was most evident between 1987 and 1997, when almost 90% of the nation's community colleges had instituted foundations (Phillippe & Eblinger, 1998).

While some community colleges thrive in fundraising, most of them still lag behind four-year institutions in the amount of money

raised. No community college appeared on the Voluntary Support of Education Report for Fiscal Year 2006 top 20 list (Council for Aid to Education, 2007). On the report list that included institutions' self-reported 2006 fundraising totals, only 122 community and technical colleges throughout the United States appeared. This number is minimal considering there are more than 1,100 community colleges in the country (American Association of Community Colleges, n.d.). The fundraising totals of these 122 community and technical colleges ranged from \$89,980 raised by Northwest Iowa Community College in Iowa to \$15.2 million raised by Indian River Community College in Florida (Council for Aid to Education, 2007).

THE DONOR-FOCUSED FUNDRAISING MODEL FOR COMMUNITY COLLEGES

The Donor-Focused Fundraising Model for Community Colleges (see Figure 1) is designed to enhance fundraising programs. Although many community colleges have made great fundraising progress in the 21st century (Council for Aid to Education, 2007), the continuing reductions of traditional funding sources necessitate an even greater reliance upon private fundraising for the future. Because the community college mission of providing affordable, flexible, and accessible higher education is just as compelling as that of other non-profit organizations, the fundraising potential of community colleges is unlimited. Once community colleges gain the necessary tools to secure additional private funding from donors, including information about donor motivation, they will achieve even more fundraising success. The donor-focused fundraising model could be an essential tool in other community college foundations' toolkits.

The logic model, which is a road map of how organizations do their work and achieve their goals, was used to develop this fundraising model. First introduced by the W.K. Kellogg Foundation in 1998, the outcome approach logic model concept consists of inputs (what is needed to accomplish the activities), activities (what needs to occur to address the problem), outputs (what will result from the activities), outcomes (the changes that will occur as a result of the program), and impacts (the long-lasting changes that will occur as a result of the program) (W.K. Kellogg Foundation, 2004). The model illustrates that no single input or activity contributes to the outputs, outcomes, and impacts. Instead, all of the inputs and activities are necessary for the outputs, outcomes, and impacts to occur. An explanation of each of the model's components follows.

Inputs

Community college foundations traditionally raise private funds for public community colleges in the United States. To implement their fundraising activities, foundations need inputs. The inputs include dedicated and well-trained board members; a database comprised of donor information, including names, mailing addresses, and the dates and amounts of charitable contributions made to the foundation; and print files that include more comprehensive information about the donors, including copies of correspondence that has been sent to donors. Without these inputs, which are fundamental to non-profit organizations, community college foundations will be ill-prepared to achieve their fundraising goals.

Nonprofit Status

To be considered nonprofit organizations and authorized to accept charitable contributions, foundations must have 501(c)(3) status from the Internal Revenue Service. Nonprofit organizations with this status are exempt from paying taxes, and their donors receive tax benefits as a result of contributing. In addition, the nonprofit status protects charities from personal liability (Mancuso, 2009).

College President

College presidents are typically some of the most important people in donor relationships as reflected in the increasing importance of fundraising in their professional responsibilities (American Association of Community Colleges, n.d.). In fact, in most instances, the community college presidents are the chief fundraising officers for the community college foundations (Moore, 2001). The presidents must be flexible, progressive, supportive of the community college foundation goals, and actively engaged in fundraising activities.

Employees

Qualified and competent employees must be hired to achieve the goals of the foundations. Due to the changing demographics, needs, and expectations of donors, today's community college foundation employees must have characteristics that were not necessarily expected of past fundraising professionals. They must be entrepreneurial, possess analytical skills, and be able to relate to and communicate with individuals from different cultures (Hall, 2010).

Foundation Board Members

Dedicated and well-trained board members are needed to help the president and employees identify, cultivate, solicit, and steward donors. The board members should have experience serving on other

nonprofit organizations' boards, have skills that complement the needs of the community college foundations, and have access to individuals who can contribute to the community college foundation (Smith, 1994).

Operating Budgets

Foundations need separate operating budgets to cover expenses such as office supplies, publications, mileage reimbursements for donor visits, and handouts for board members. Funding for these expenses is typically not available from the community colleges due to dwindling monies from traditional sources of revenue (Bass, 2003; Hearn, 2003; Phillippe & Sullivan, 2005).

Donor Files

Community college foundations need comprehensive donor records that include data in electronic and print formats. Donor databases should be comprised of donor information, including names, mailing addresses, and the dates and amounts of charitable contributions made to the foundation. Donor print files should include more comprehensive information about the donors, including copies of correspondence sent to donors.

Activities

Foundations need to complete a variety of activities to increase the amount of private funds received. These activities are not in any particular order, and they should be accomplished based on the needs and financial resources of the community colleges and their foundations.

Hire a Vice President of College Advancement and/or Foundation Executive director

Hiring a vice president of college advancement and/or executive director to serve as the chief executive officer of the foundation is one of the first activities a community college should undertake. The executives will need to be extremely skilled in matching donors' interests with nonprofit organizations' projects, developing entrepreneurial projects, developing relationships with people with diverse backgrounds, and using online tools in new and creative ways (Hall, 2010).

Develop and Implement a Board Recruitment, Retention, Training, and Evaluation Plan

Another activity is to develop and implement a plan to recruit, retain, train, and evaluate foundation board members. In addition to a

college president and vice president of college advancement, these individuals will play essential roles in the achievement of the fundraising goals.

Design and Implement a Development Plan

A development plan is the document that will guide the fundraising efforts of the community college foundation. The plan should begin with an assessment of the organization and include goals, objectives, strategies, tactics, deadlines, the persons responsible for each action in the plan, and the budget (Lysakowski, 2007). The plan should also include an evaluation component to determine how the plan can be enhanced (Lysakowski, 2007).

Develop and Implement a Marketing Plan

The marketing plan is essential because most community college foundations are fairly new (Angel & Gares, 1981) and, thus, may not be as well-known as other community organizations. The marketing plan should include goals, objectives, strategies, tactics, deadlines, the persons responsible for each action in the plan, and the budget.

Compile Data about Major Gifts, Current, Lapsed, and Nondonors

Staff members should survey, meet with, and conduct focus groups with, as appropriate, current, lapsed, and major gift donors to learn more about them and what motivates them to contribute.

Maintain Accurate Financial Records

Because the aforementioned activities may result in greater public awareness and scrutiny, the foundations will need to maintain complete financial records to ensure transparency, completeness, and accuracy (Dropkin & Halpin, 2005).

Review Donor Files Regularly

In addition, foundations should review and purge printed donor files, being sure to shred information that no longer needs to be retained. Information that is not reflected in donors' print files should be added in a systematic way, focusing on updating the files of current and major gift donors first. The foundation should also ensure that confidential print and electronic information about donors is secured, protected, and accessible to only authorized individuals (Hogan, 2008).

Develop Policies, Procedures, and Processes

Nonprofit organizations are increasingly being scrutinized by the federal government, making policies, procedures, and processes more important now than ever before (Michaels, 2007). The checks-and-balances offered by the policies, procedures, and processes will allow

nonprofit organizations to better monitor their financial and donor record keeping and better leverage their limited financial and human resources.

Evaluate Board, Development, and Marketing Plans

While developing board, development, and marketing plans is important, evaluating the plans for effectiveness is equally important. Community college foundations should evaluate their fundraising initiatives and the aforementioned plans, share the results with their internal and external stakeholders, use the results to make enhancements to programs and future plans, and use the assessment to distribute financial and human resources to initiatives (Mattessich, 2003).

Outputs

The aforementioned activities include the evaluation of the board plan, development plan, and marketing plan. The results of the evaluation, along with the data received from surveying the donors, should provide ample information for the community college foundations to determine the activities' effectiveness. If the activities are effective, many outputs may occur. Along with the number of charitable contributions, the number of donors may increase. In addition, more donors may be retained, thus, decreasing the number of lapsed donors. Also, the quality of foundation board members may improve.

Outcomes

Over a one- to six-year period, if deemed to be effective, the activities may lead to an increase in charitable contributions and, thus, an increase in the number of initiatives funded by donors. Finally, the cumulative and collective impact of the inputs and activities may lead to long-term enhancements.

Impacts

The impacts, changes that may occur over a seven- to 10-year period, may include an increase in the amount of permanent endowments; an increase in the number of buildings renovated and built; an increase in the number of sources of funding on which community colleges could depend; and less reliance on government funding. These impacts could be substantial, positively altering the financial landscape of community colleges for years to come and allowing them

to serve more students, including those from underrepresented populations.

FUNDRAISING POTENTIAL OF COMMUNITY COLLEGES

Because the community college mission of providing affordable, flexible, and accessible higher education is just as compelling as that of other nonprofit organizations, the fundraising potential of community colleges is unlimited. Once community colleges gain the necessary tools to secure additional private funding from donors, they will achieve even more fundraising success.

Nonprofit organizations in the United States have enjoyed a remarkable level of support from philanthropists, who have contributed record amounts of money (“Giving USA 2006,” 2006). There is no reason that, with the appropriate level of resources and donor knowledge, community colleges cannot experience the same level of fundraising success and gain a greater percentage of these contributions. In 2009 alone, \$27.85 billion was contributed to institutions of higher education (Council for Aid to Education, 2010).

Experts expect this level of charitable giving to continue. In 1993, researchers at Cornell University indicated that older generations would transfer more than \$10 trillion in wealth to younger generations during a 55-year period (“Brief history of philanthropy,” n.d.; Nicklin, 1995; Tempel, 2003). In 1999, researchers at Boston College conducted a study and countered that the transfer of wealth would be much greater than what was originally predicted. In fact, they revealed that between \$41 trillion and \$136 trillion may be transferred from older to young generations between 1998 and 2052 (Ciconte & Jacob, 2005; Schervish & Havens, 2001; Strom, 2002; Tempel, 2003), providing nonprofit organizations unique opportunities to secure a significant portion of this wealth. Nonprofit organizations, including community colleges, that encourage and allow for greater involvement by donors, will be more likely to benefit from the considerable transfer of wealth (Strom, 2002).

IMPLICATIONS FOR PRACTICE

Community colleges should consider using the donor-focused fundraising model to enhance their fundraising programs. The model includes elements from which all types of community college foundations, from those that are underdeveloped to those that are well-run, could benefit. Researchers have found that with traditional sources of

funding continuing to dwindle for institutions of higher education (Bass, 2003; Hearn, 2003; Phillippe & Sullivan, 2005), many institutions have had to shift their focus to include private fundraising (Anderson, 2005; Cohen & Brawer, 2003; Hearn, 2003). As a result, many institutions have made great fundraising progress in the 21st century (Council for Aid to Education, 2007). Because the community college mission of providing affordable, flexible, and accessible higher education is just as compelling as that of other nonprofit organizations, the fundraising potential of community colleges is unlimited. Once community colleges gain the necessary tools to secure additional private funding from donors, including information about what motivates donors to give, they will achieve even more fundraising success. The donor-focused fundraising model could be an essential tool in other community college foundations' toolkits.

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