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RSM – THIRD SECTOR REPORT

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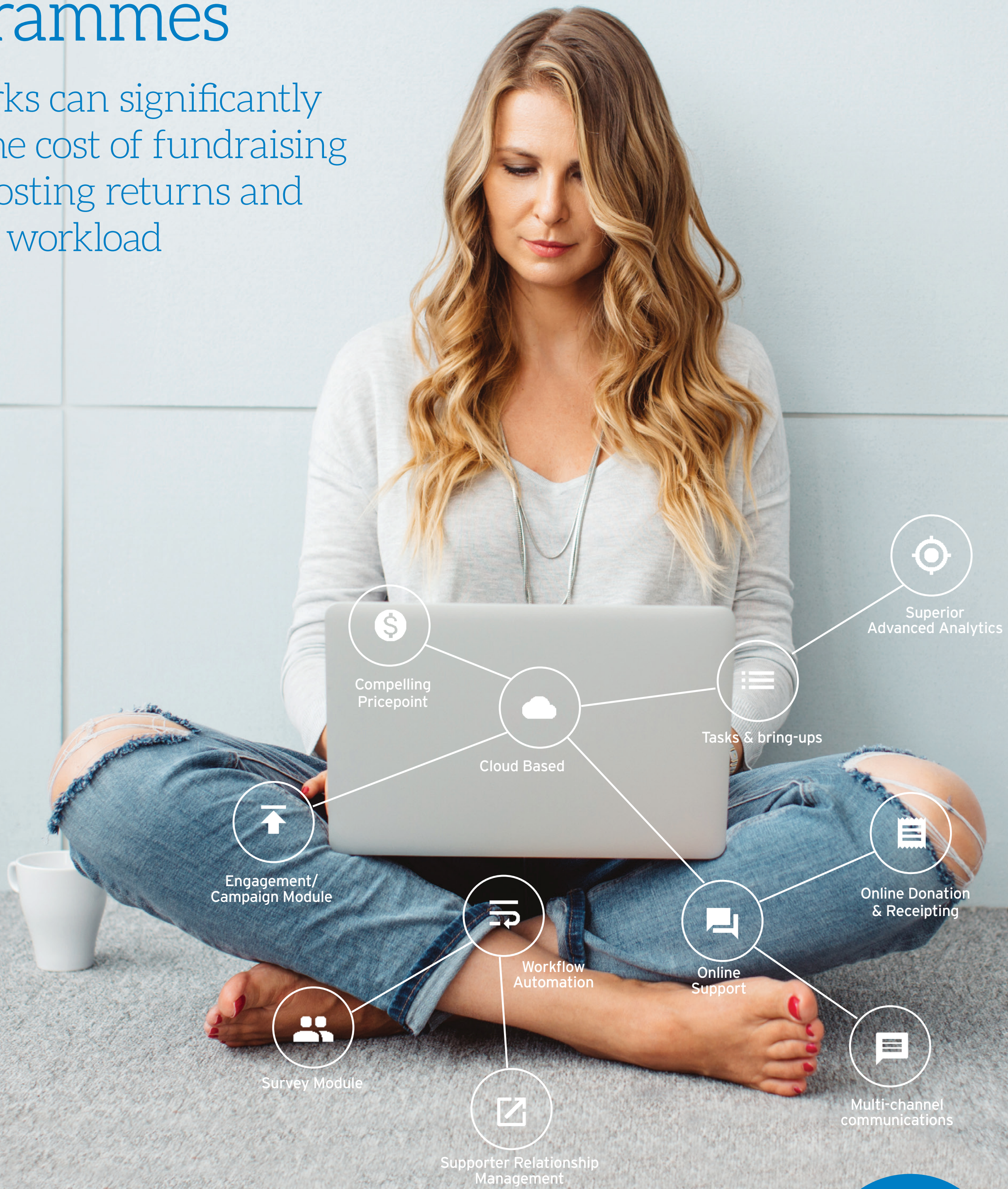

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Contributions in the form of articles, letters to the editor, snippets of information about things fundraising, and leads to bigger things that are happening in fundraising in New Zealand are welcomed by this publication. Contact *Fundraising New Zealand* at PO Box 1666 Paraparaumu, tony@tpassoc.co.nz or 04 904 3747.

guest editorial

by geoff warne *(see people gifts grants and sponsorships on page 14)*

In March, JB Were published its *New Zealand case report: the shape of the charity sector.* In a feature article in this month's *Fundraising New Zealand*, the author, John McLeod, has provided an excellent summary. Much of the information has been drawn from data made publicly available by Charities Services, and there are some useful comparisons with Australia. I highly recommend the full report. Whether we agree with the assessments and predictions or not, it's a fascinating read.

Here are seven findings that I found especially thought-provoking.

Too many charities?

There are 115,000 not for profits including more than 27,000 registered charities. We may be familiar with those numbers, but it's the figure per head of population that is really striking. New Zealand has one registered charity per 168 people (the figure for Australia is 422, UK is 393). Compared with Australia, that's more than twice the demand for people on governing boards, for a start. And charities here are smaller: on average, we have 4 staff per charity whereas in Australia it's 19. That suggests a fragmented sector. The report sums up the consequences: 'duplication of energies, ideas, incomes and assets, and the lack of shared knowledge, and potential public confusion, and then inaction'. There's no point wringing our hands over that: the question is, who or what will drive the mergers or other combinations needed to avoid those consequences?

Too much property?

$25 billion of charity assets are in property. That's 45% of total assets. What could be done if money was not tied up this way? The sector is largely starved of cash. Lack of cash means lack of risk capital. Lack of risk capital limits innovation. Boards and leaders need to ask bluntly: how exactly are our asset holdings propelling our mission? What could we do better if we invested that money in program improvement, or social enterprises, or even if we shared the property resources with other charities? Even those charities whose programs have traditionally needed premises could ask themselves 'will it still look like this in 30 years' time?' which leads to the question 'is there an alternative?'

More social enterprise?

Charity income has been rising at 5.7% a year over the last ten years, but fundraising is up only 3.8%. If charities cannot rely on donations to fund growth, it's not surprising that they turn to social enterprise or impact investment. The report predicts that 'business with a cause focus' will be a large part of the future of the sector. That includes not only charities undertaking business activity but also corporates delivering social services. Some in the sector may be uncomfortable with that, especially if we find corporates delivering services more efficiently than charities do. Business activity is outside the 'zone of competence' of many charities, and boards need to cast a sceptical eye on proposals that paint social enterprise as the funding solution: it may well be the opposite.

No new donors?

Yes, donations are increasing 3.8% a year but here's an interesting statistic: while gift size is increasing, the proportion of the NZ population that give to charities is actually falling. That's based on the slow drop in the number of people who claim a donation tax credit – now only 10% of the population. The report notes the success of new tax initiatives encouraging philanthropy in Australia. I agree with JB Were that we need a concerted campaign to increase participation in charitable giving in New Zealand. Who will coordinate the lobbying for that?

Next generation volunteers?

Volunteers make up around a third of the charity workforce and their time is estimated at 2.5% of GDP in New Zealand – higher than almost anywhere else. The report doubts that today's approach will attract the next generation of volunteers. Charities will need to make a better 'offer' than they have done in the past, with more focus on skills development and on participation. Volunteering could be a major component of new, closer partnerships with corporates, too. Success will lead to a smaller but better skilled, more engaged and mutually useful volunteer workforce. Failure will lead to a steady erosion in volunteer numbers.

Not enough profit?

Over the last ten years, charity expenditure has increased faster than charity income. That cannot continue. What's more, the biggest increase in funding is from Government contracts, which typically don't factor in the social value which charities produce but simply allow for cost recovery (if that). The report comments that newer forms of payment by results' are starting to be offered but are rare and small. Compounding this issue is the underlying ethos, familiar at many board tables, that equates a surplus with failing to meet the needs of beneficiaries. That knee-jerk attitude has to change. To remain viable, and able to better support future beneficiaries, not for profits can and should make a profit.

Same old, same old?

On average, 40% of charity costs are staff. That's hardly surprising given the nature of the work many charities do, but this percentage hasn't changed in a decade. Operating processes seem to continue year on year with little innovation or imagination. Not only that. The list of the 40 biggest charities is much the same as 50 years ago, suggesting that (unlike the corporate sector) there's not the money for 'upstart' charities to challenge the status quo. Of course, there are benefits in stability, but the report suggests that the sector is ripe for creative disruption. How will that come about? Mergers, new service delivery models, use of new technologies, donors willing to fund risky entrepreneurial developments … but it will not happen unless boards and leaders are prepared to challenge the signs of complacency and to question the status quo. ■

note from the editor

Many readers will have noticed over the last two or three years that *Fundraising New Zealand* has included slightly more content that whilst very relevant to fundraisers, is also of interest to its wider readership within the Third Sector (also referred to as the 'voluntary' or 'community' or 'not-for-profit' sector by many in New Zealand).

This wider group has included many Third Sector CEO's, CFO's, and other Senior Managers, and has also included many Board Members of organisations within the sector. Since day one *Fundraising New Zealand* has had CEO subscribers, and increasingly we are aware of the circulation of the magazine to other Leaders and Board members by Fundraiser subscribers.

The inclusion of monthly contributions from Craig Fisher and his team at RSM including this month's major article - **PBE accounting standards adoption –the good, the bad, and the ugly** and the excellent - **Is Your Board Fully 'Sighted'** by Graeme Nahkies 27/1 March 2017, are examples of how general Third Sector information is directly relevant to fundraisers as well as others within the sector. Currently there is much discussion within the sector about the qualification of individuals to be Board members of New Zealand Third Sector organisations and the quality of those appointed (and the often short term they serve on the Board). Of course there is no prerequisite qualification to be such a Board member, but readership of *Fundraising New Zealand* is often mentioned as an excellent education and information tool for Board members and many others.

Fundraising New Zealand *also continues to receive very positive feedback related to the detail and depth of its articles,* especially by comparison to the somewhat often superficial and brief articles of other fundraising orientated publications. Our commitment is to provide quality, almost exclusively New Zealand expertise and experience, in the magazine and to ensure it's relevant to what is being expected from the sector.

For those who would like to provide a quality hardcopy of *Fundraising New Zealand* to others within your organisation, multiple copies can be purchased for minimal additional cost – e.g. up to ten copies of each monthly magazine can be sent to you for a total Series price of just $115 plus GST (as against $95 plus GST for one copy). ■

pbe accounting standards adoption – the good, the bad, and the ugly

by craig fisher, audit partner and chairman, and alexa bayes, manager of technical team, at rsm

New Zealand is now two years into our new accounting framework for Public Benefit Entities being applicable. So how has it gone? What has the experience been to date? What can we learn from the adoption so far?

1 April 2015 was a revolutionary date in New Zealand as that was when our new PBE Accounting Standards took effect. For periods beginning on or after 1 April 2015 all entities that were required by law to follow them (being registered charities and a few others at this stage) had to adopt these new accounting standards.

But First; Some Fundamentals

Q: *What's the point of financial statements?*

A: These are primarily a financial communication tool. The aim is so that those involved with the entity and other interested stakeholders can ascertain the financial position of the entity at a point in time, as well as its financial performance for a period (usually 12 months). This information assists the users in making decisions about the entity.

Q: *Why do we need accounting standards?*

A: In order for financial information to be useful it needs to be prepared on a basis that ensures it is consistent, comparable, and generally understandable. This need becomes even greater when the users or stakeholders are remote from the entity preparing the information.

Q: *Do we have to do this?*

A: If the law says you have to follow the standards then you do. This is now the case for all registered charities in New Zealand. Hence, as much as you may wish to complain about compliance this is now **"tickets to the game"** of being a recognised charitable entity with all the benefits of the public trust and confidence that comes with that, as well as the exemption from paying income tax.

Q. *Do these new financial statements make sense for the sector?*

A: Yes. The new accounting standards now required to be adopted by public benefit entities have been developed by the External Reporting Board, our Government appointed standard setter. For the larger Tiers these are based on an international standard suite prescribed by a board that specialises in the setting of accounting standards that do not focus on for-profit entities. That is, they recognise and appreciate the different features of entities that aren't set up purely to make a profit for shareholders. These standards have been adjusted where necessary to ensure that they are in compliance with New Zealand specific legislation. They have also been tailored to respond appropriately to the types of transactions experienced in the public-sector and not-for-profit environment.

Hence if you are involved in a Public Benefit Entity this new financial framework provides you with a platform from which you can tell your story. However, whether your story actually makes sense is equally dependent on the accurate application of the new accounting standards relative to the specific circumstances of your entity, as well as your story-telling capabilities. Or put another way; if you just follow the accounting standards slavishly without being specific to your particular organisation you are likely to end up with some bland information that doesn't really tell your story.

How are you doing?

Considering the effort that you have put into your first set of financial statements under the new accounting standards you may be quite content with the result. But how do you know how your financial statements stack up to those that are good, or those that need some help? In this article, we look to provide some context from some of what we have seen.

the good

- ### General awareness and compliance with requirements

There has been a strong uptake of the standards by Tier 1 entities. No great surprises there. These are large entities with more than $30m in operating expenditure annually. As you would expect for entities dealing with that amount of funds flowing through their annual operations they are generally well served in terms of their accounting capability and resource, either internally or externally, or both. At present, there are also only around 70 of these entities in New Zealand, albeit that number may quite likely increase once all entities correctly follow the standards regarding consolidation of controlled entities.

We have seen some mixed reactions in the Tier 2 and Tier 3 space, but with a general willingness to comply with the requirements. As one moves to smaller entities the level of experienced and qualified accounting resource tends to diminish and hence one expects more challenges with coping with change.

As a general observation, many entities changing from Old GAAP (generally accepted accounting practice) or special purpose reporting to Tier 3 have found the move not that challenging. This is due to the straightforward nature of the Tier 3 PBE Simple Format Reporting – Accrual standard. It was designed to provide good consistent, comparable, and hopefully common sense, accounting but with a policy over-ride that cost should not outweigh the benefit. As a result, the entire Tier 3 standard and all appendices is under 60 pages in total.

In contrast, many entities required to adopt the Tier 2 PBE Accounting Standards Reduced Disclosure Regime (RDR) have had quite a step up in requirements from what they were previously used to. This has meant for many this transition experience has been quite challenging. The main reason for this is that the standards for the Tier 1 & 2 PBEs are based on a comprehensive international standard set designed to cover many complex variations that are found in larger entities. Adopting this international standard set as a base allows us in New Zealand to be globally consistent for our large entities and adopt international best practice, rather than having to reinvent the wheel.

To provide some context to the possible extra complexity for the larger charities, the standards appear to be more than 1,000 pages when you consider all 40+ PBE standards. However, it is also not as bad as it sounds as many of those standards will not be applicable to many PBEs. That is, if they don't have the transaction type then the standard can be ignored in its entirety.

Whether the change has been difficult or easy, the good news from all of this is that for many the transition is largely a one-off pain. Next year will just be a refinement of the same accounting treatment and hopefully quickly be consigned to **"business as usual"**. Hence, now that we are essentially over the **"first-time adoption hump",** we expect to see some tweaking and refining of the disclosures going forward, rather than the radical change that was the initial transition.

The overhaul of the financial reporting framework has provided an opportunity for entities to have a good look at the structure of their funding arrangements, the structure of their operations including the group in which they operate, and the appropriateness of their judgements and estimates.

- ### Group structures and capital maintenance

We have generally seen good identification of group structures. For many entities, this is the first time that they have consolidated for financial reporting purposes entities that they control. For other entities, this was an eye-opening experience as they might never have considered that they control certain entities that they are now required to consolidate. Likewise, this new concept of control for financial reporting purposes caused some consternation from some entities who did not consider themselves to be under the control of anyone else. A few of these controlled entities were consolidated due to the fact that these controlled entities were originated as **"autopilots"** – an entity whose policies have been irreversibly predetermined and are unable to be modified.

For some entities, consolidation meant that their financial statements looked impressive. Perhaps the reserves or cash in bank became a material figure. However, the reality was that most of those reserves were set aside for predetermined uses according to a funding contract.

In order to clearly present financial statements which show the true state of affairs to potential funders, some entities have utilised their statement of changes in net asset/reserves in such a way as to present an accurate picture of how and where the entity will benefit from further funding. The accounting standards allow movement within reserves, and the following from The Auckland Philharmonia Trust is a good example of this situation:

Statement of changes in net assets / equity

	Notes	Accumulated surplus			Total equity
		Sustainable capital reserve	*Special reserve*	*Operating reserves*	
		$	$		$
Group					
As at 1 January 2015		-	-	2,033,965	2,033,965
Adjustment for changes in accounting policies due to initial application of PBE Standards RDR	20	5,940,086	13,721	817,144	6,770,951
Restated total equity as at 1 January 2015 (Restated)		5,940,086	13,721	2,851,109	8,804,916
Transfers		149,438	(4,000)	(145,438)	-
Total comprehensive revenue and expense for the period		-	-	296,173	296,173
Balance as at 31 December 2015		6,089,524	9,721	3,001,844	9,101,089
Transfers		417,662	(4,000)	(413,662)	-
Total comprehensive revenue and expense for the period		-	-	208,237	208,237
Balance as at 31 December 2016		6,507,186	5,721	2,796,419	9,309,326

• Key management personnel information

Despite the sensitivity of some of the key management personnel information, there has been reasonably good compliance with this accounting requirement. In some instances, charities find themselves in a perceived pickle, as they have only one or two key management personnel members. This means confidentiality could be seen to be somewhat compromised. The reason for the general acceptance of this requirement and an important fact to remember, is that when operating in the charitable/not-for-profit space there is a sense of selflessness as the main objective is benefitting the public. It is for this reason that transparency is so much more important in this sector.

This privacy principle issue was also carefully considered by the standard setters in their drafting of the requirements. It was cleared with the relevant authorities to ensure that the disclosure of personal information for Key Management Personnel purposes is not a breach of the Privacy Act 1993.

the bad

- ## Group structures

Group structures have possibly caused the most challenge with the transition to the new reporting framework. Some entities appear to refuse to believe that this applies to them, or that they can't just do what they used to before they were required by law to follow mandatory accounting standards. There have been entities apparently 'opinion shopping', looking for someone to give them a **"technical answer"** that suits their former world view, rather than accept the common interpretation of the relevant accounting standards. We respectfully suggest that this issue is not over yet and it may take a couple of years before there is consistent application of the controlled entity requirements.

Also notwithstanding our praise above of the good identification of group structures, oftentimes that identification does not translate to great disclosure.

The applicable standard states that a list of significant controlled entities as well as a list of controlled entities where the controlling entity holds 50% or less is required to be disclosed. This could be disclosed in the basis of consolidation note, or as part of the related party relationships disclosure.

- ## Poor explanation of basis of preparation

It is quite common that entities miss the basics of what needs to be disclosed in the basis of preparation and information on the reporting entity. We've not shown an example here as by definition of the problem there is no point! However in contrast, below is a good example from Mental Health Foundation of New Zealand of disclosures as required by the accounting standards on presentation, followed by the requirements:

1. REPORTING ENTITY

Mental Health Foundation of New Zealand is a Charitable Trust incorporated pursuant to the provisions of the Charitable Trusts Act 1957. The Foundation is a health promotion organisation involved in education, training, policy, advocacy and information dissemination concerning mental health. Mental Health Foundation of New Zealand (the "Foundation") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

The financial statements and the accompanying notes summarise the financial results of activities carried out by the Foundation.

2. BASIS OF PREPARATION

a) Statement of compliance
The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Foundation is to provide goods or services for community and social benefit, rather than for making a financial return, and the fact that the Foundation is a registered charity, the Foundation is a public benefit entity for the purpose of financial reporting. The financial statements comply with Public Benefit Entity ("PBE") Standards. For the purposes of complying with NZ GAAP, the Foundation is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. All reduced disclosure regime exemptions have been adopted.

Requirements as per PBE IPSAS 1 *Presentation of Financial Statements:*

- ✔ The statutory base under which the financial statements are prepared;
- ✔ The fact that, for the purposes of financial reporting, it is a public benefit entity;
- ✔ That it has reported in accordance with Tier 1 PBE Standards, or elected to report in accordance with Tier 2 PBE Standards and applied disclosure concessions;
- ✔ If reporting under Tier 2 concessions the entity shall disclose the criteria that establish the entity as eligible to report in accordance with Tier 2 PBE Standards;
- ✔ An explicit and unreserved statement of compliance with PBE Standards.

- ## Opting up to Tier 2

Many Tier 3 not-for-profit entities choose either to opt up to Tier 2 in its entirety, or to opt up to a certain standard in Tier 2 such as the financial instruments standard to fair value property, plant and equipment.

For entities whose expenses are approaching the Tier 2 threshold, opting up to Tier 2 on transition can be a wise decision as it could save valuable time down the road. However, some small Tier 3 entities have chosen to opt up to Tier 2, but since they are quite small their financial statements look incomplete as they are so simple. For these smaller entities, we respectfully suggest it is wiser to stick to the Tier which best reflects your expenditure as the costs of applying the Tier 2 standard can far outweigh the benefits.

When opting up to a certain standard in Tier 2, keep in mind that you will have to apply the standard in its entirety, and for all transactions of that type. Thus, you cannot opt up to PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* to fair value your investments, and ignore the disclosure requirements for financial instruments within PBE IPSAS 30 *Financial Instruments: Disclosure.* You will also have to fair value all investments of that type in accordance with the Tier 2 standard.

We are also aware of some entities that have chosen to opt up from Tier 3 to Tier 2 specifically to avoid having to prepare a statement of service performance (SSP). While this standard is not yet required for Tier 2 entities, it is coming and hence this seems a somewhat strange decision to take. In our view, the additional work effort from correctly applying Tier 2 standards over Tier 3 would likely far outweigh the effort of providing a SSP for a Tier 3 entity. This is also just putting off the inevitable and hence entities that have opted up will then have to choose in future when SSPs are mandatory for Tiers 1 & 2 whether they remain at the higher more complex level of compliance of Tier 2 or switch back down to Tier 3 representing another change.

the ugly

- **Boilerplate accounting policies**

An area where we see many boilerplate policies is the financial instruments note. Far from stating the facts specific to the entity, many entities are bogged down by a misunderstanding of the different categories of financial assets. From what we have seen they seem to borrow disclosures from other more complex entities or a set of illustrative financial statements designed to cover every possible eventuality. This results in financial instrument policies spanning two or three pages and probably being less intelligible to the reader as a result. Let's save a tree here folks!

The standard on disclosures for financial instruments specifically lists the policies that are required to be disclosed. Any more than this should be for no other reason but an enhancement of the user's understanding.

- **Revenue policies**

The revenue policies must be clearly defined in order for a user to understand the point at which revenue is recognised. In the same breath, these policies also need to comply with the accounting standard applicable to that type of revenue. The following is an example of a policy that not only contradicts itself, but is also not in line with the revenue recognition requirements of the applicable standard:

Revenue from non-exchange transactions:

Revenue from non-exchange transactions are recognised when the group obtains control of the transferred asset, it is probable that the economic benefits will flow to the Group and can be measured reliably and the transfer is free from conditions that require the asset to be refunded or returned to the funder where the conditions are not fulfilled.

Research and development funding

There are no conditions attached to this funding. The entity recognises the funding at the commencement of the specified funding period, as the agreement states that the funding is intended for that period.

The first paragraph is correct, however in the second paragraph it appears as though the accounting principles from the first have been ignored. The second paragraph should state that revenue has been recognised on receipt of the funding in the absence of conditions placed on the funds.

- ## Other comprehensive revenue and expense

We've noted some confusion over which items are disclosed under the "other comprehensive revenue and expense" section of the statement of comprehensive revenue and expense. Below is an example of a charity making this mistake:

	Notes	2016	2015
Operating surplus		92,000	87,500
Non-operating items:			
Donation		(1,200)	(450)
Gain on sale of property, plant and equipment	10	4,223	0
Remeasurement of available-for-sale financial asset	12	750	80
Total other comprehensive revenue and expense		**3,773**	**(370)**
Total comprehensive revenue and expense		**95,773**	**87,130**

It appears as though the charity was trying to use the other comprehensive revenue and expense section for non-operational items. Only the remeasurement of available-for-sale financial asset belongs in this section, and the other items should be moved to surplus and deficit.

Other comprehensive revenue and expense is a term defined in the accounting standards as items of revenue and expense (including reclassification adjustments) that are not recognised in surplus or deficit as required or permitted by other PBE Standards. This means that the items that are found in other comprehensive revenue and expense are required to be presented as such and are not permitted to be presented as part of the surplus or deficit.

Some of these items are:

- Revaluation gains on property, plant and equipment;
- Gains and losses on available-for-sale financial assets (that are not impairment losses);
- Foreign currency translations on foreign operations;
- Remeasurements on defined benefit pension plans

This list is not exhaustive.

- ## Fair value of property, plant and equipment

Some Tier 2 entities were previously applying special purpose financial reporting, and were using the revaluation model for their property, plant and equipment. The valuations they had relied upon in the past had been based on values such as insurance or rateable value, as they considered it was too expensive to involve a professional valuer.

They received some bad news when they were advised that this value is not appropriate any longer in accordance with the Tier 2 PBE Standards.

Some entities are aware of the ongoing costs involved in keeping the revaluation model for their property, plant and equipment and have hence chosen to revert to the cost model on transition. This is because the standard states that a revaluation is required with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at reporting date. The fair value is also usually the asset's market value determined by independent appraisal. For some entities based in areas where property prices were steadily on the rise, this exercise could prove costly. Adopting the cost model is also often strategically more sensible for entities that don't or are not allowed to sell their PP&E, or have no need to leverage their balance sheet and hence are not as concerned about the most up to date fair value.

The costs involved in using the revaluation model are not relevant to a Tier 3 entity opting up to Tier 2, as the Tier 3 standard allows the Tier 3 entity to use rateable or government valuation when opting up to Tier 2 in order to revalue property, plant and equipment.

Summary

This has been the biggest single change in financial reporting in this sector ever. Hence, it should come as no great surprise that not everyone has got there perfectly first time. Some are still fighting the change.

However, this is the new environment for registered charities in New Zealand and their financial reporting. As such there is only one long term choice for them to make.

It is great to see how many PBEs have got quickly on board and made a reasonable attempt or better of their transition financial statements. Overall clearer, more consistent and more comparable financial reporting will be the result which will ultimately benefit all in the PBE sector. And even better news, is that they have done the hard work and next year will be a refining process rather than another revolution like this initial period.

Onwards and upwards! ■

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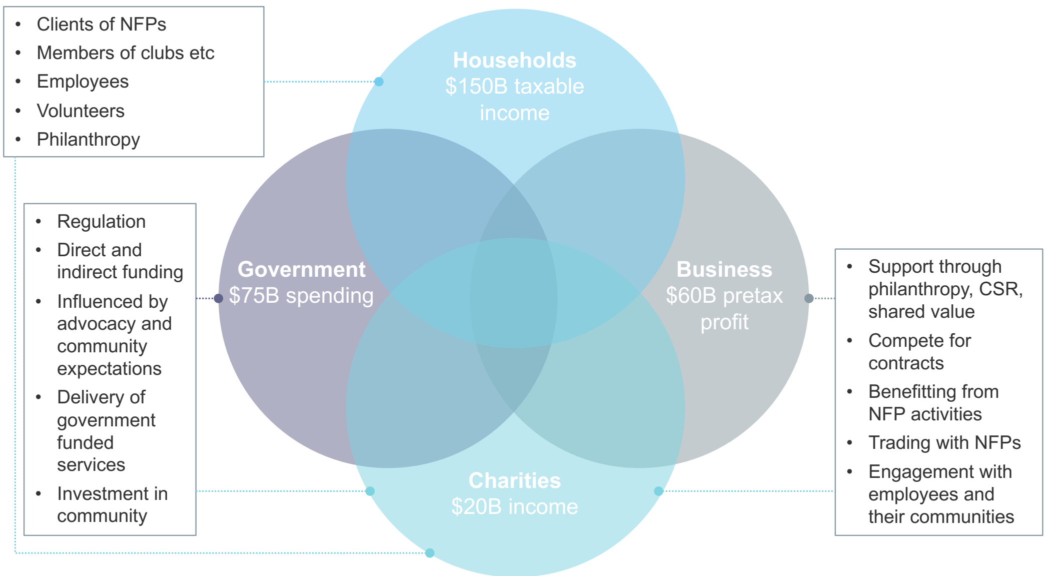
jbwere new zealand cause report

by john mcleod, jbwere, australia

JBWere have published a groundbreaking report on the New Zealand Charity Sector. It covers changes over the past decade, the current shape of the sector and predictions for the future of this vital part of New Zealand's overall society. It also provides a close look at the individual charity subsectors, made possible by the data collected and published by Charities Services from annual returns from the charities themselves.

One of the most important aspects of the report is to demonstrate how important the not for profit (NFP) sector is to New Zealand society. Not only is its scale significant in relation to the other 3 sectors of Government, business and households, but its interaction to those sectors is underestimated by many. The NFP sector is intimately connected to each of the others in that they are the funders of it, purchasers of its products, beneficiaries of its services and very significant employees and volunteers in its organisations. The sector is the glue which holds much of New Zealand society together and allows it to function and prosper. Despite this, it has only been in recent years that the scale and breadth of the sector has begun to be measured and still, these values don't capture most of the social returns being achieved and certainly don't put a financial value on them. It argues that there needs to be greater recognition that society works better with a strong and sustainable NFP sector.

The place of the charity sector



Source: JBWere Philanthropic Services

In choosing the title "The New Zealand Cause Report", JBWere wanted to move away from the currently used terms which often impose boundaries and perpetuate some myths about the sector. In this fast evolving sector, one of the only constants is that each organisation is seeking to enhance a particular cause by maximising the social return they can achieve.

The increase in information available on the sector means both an increase in transparency and an increase in the opportunity for broader learning, innovation and efficiency gains, each of which will produce positive impacts but will also see some organisations benefit at the expense of others. In addition, the NFP sector is often analysed as a homogenous group when there is a great diversity in the way individual causes operate and many lessons can be learnt across sectors.

The following observations are some of those based on the analysis in the report:

- The number of charities has grown substantially over time with New Zealand now having one organisation for every 170 people. This is substantially lower than any of Australia, Canada, United Kingdom or USA. Considering the governance requirements from Board members and the number of them required, this may also create a burden on an increasing number of supporters. Since 2010 there have been 2.5 new charities commence each business day.

- Funding growth for the sector has been reasonably strong, averaging 5.7% pa since 2004.

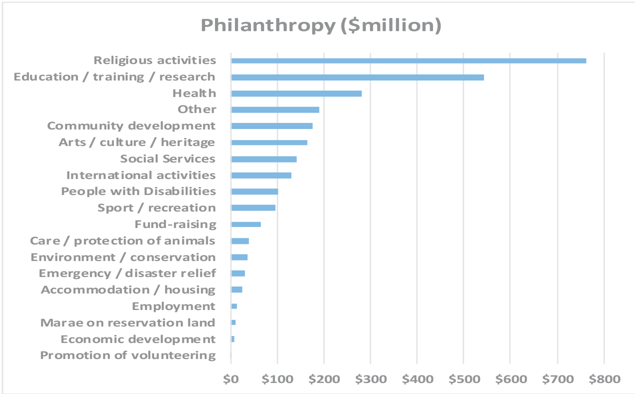
- The mix of this funding has seen a shift with Government (grants plus contracts) rising faster at 7.4% pa to 31% of the total with philanthropy rising more slowly at 3.8% pa. A significant part of this change has been a result of Government outsourcing to NFP organisations which can then have a limiting effect on profit margins.

- Although philanthropy has been reasonably flat at around 15% of sector income, it is within a growing total. The shape of the philanthropic pie sees around half of the donations coming from individuals, and another 15% through family trusts and bequests, similar to Australia. The differences are in the large proportion coming from statutory trusts in New Zealand while corporate philanthropy is relatively low, the reverse seen in Australia. Many of the trends within individual philanthropy are similar in both countries with the proportion donating flat but for those who do, their donations rising well above inflation rates.

- The use of NFP funding has remained constant over this period with employee expenses consistently making up almost 40% of total spending. The rate of growth in total expenses has been 6.0% pa since 2004, a little above the growth in revenue, keeping margins tight.

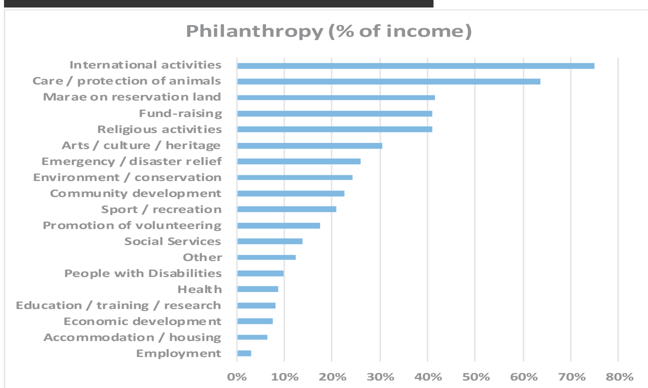
- Within individual sectors, a number of observations are made including the causes attracting most philanthropy which sees religion leading education and health.

Different causes see different $



- A more important observation is the importance of philanthropy for funding for different causes which sees International activity relying even more heavily philanthropy for around 70% of its income and arts, culture and heritage at around double the proportion seen across the charity sector.

And it is more important for some



predictions for the future of the sector

The report saw large growth in almost every measure for the sector over the last decade and many of the significant changes. The temptation then is to just 'fill right" on the excel sheet into the future. This can't and won't happen as the trend in the current mix of sector funding is unsustainable. The report looks at some trends that will need to emerge to ensure the sector is able to continue to increase its impact.

Finding new ways of operating

Although the pace of change in income, expenditure and organisation numbers has been big, the growth in innovation, radical ideas and collaborative partnerships hasn't yet reached this level. New operating methods and delivery models, greater and more imaginative use of IT, better ability to inform others of both success and particularly failure, to allow quicker and wider knowledge sharing are all examples of the potential to alter the status quo.

Unlocking risk capital

To achieve some of these changes, funders also need to recognise the value of failure along the way to improving impact. Access to risk capital is slowly improving but greater knowledge around the potential uses of the good levels of philanthropy including the pool of philanthropic capital in trusts and foundations, could be dramatically improved.

Coping with increased transparency

The level of transparency for the sector has increased enormously in a very short time period. The JBWere New Zealand Cause Report itself is a good example of the type of information that can be gained and how organisations, sub-sectors and the full cohort of NFPs can now be benchmarked. This can be either an opportunity or a threat for individual groups and the first movers to embrace that light will win support. Relations with media will become more important for all, but particularly for organisation heads and sector leaders to drive and inform the conversation.

Aligning endowments and investments with social mission

The value of endowments and investments (excluding cash) has also grown to almost $20Billion. We see an accelerating trend in ensuring this is being managed in line with the organisations ethics and with an increased governance framework.

Mergers and acquisitions

We and others have discussed the rapid increase in organisation numbers. While there is unlikely to be any requirement for individual groups to close or merge, the financial incentives of doing so are being recognised and with more success stories being told, the current trickle is likely to grow, even at the very large end of the sector. As these benefits are seen, related sector organisations will see the benefits and understand the risks and pitfalls giving them more confidence to act.

Better corporate partnerships

The growth in shared value discussions and analysis inside for profit organisations will naturally lead to more meaningful relationships with NFP organisations. This will start to see corporate support both grow and shift from largely sponsorship to partnership. To overcome the potential power imbalance, NFPs need to better value the knowledge they bring to the relationship and develop an understanding of how they are helping the for profit, while also enhancing their own mission.

Improving volunteering

A part of this corporate relationship but part of a much bigger issue for NFPs, is the use of skilled volunteering. Knowledge gained in this area, could help them improve their overall offering to volunteers and could assist with the real issue of attracting the next generation of supporters as the current volunteer workforce ages. This is as true for their Boards (volunteers also) as it is for their much larger teams and may result in having a potentially smaller but more engaged and mutually useful volunteer workforce. Given the heavy reliance of the New Zealand sector on volunteering, this will be one of the more critical issues going forward.

Growing philanthropy

Finally, philanthropy. The first issue is recognising where the growth is and preparing organisations to benefit. The second issue is using this precious source of income in the best way. Each charity sector relies to a different extent on philanthropy and each has a different share of the various pieces of the philanthropic pie. Some of those pieces are growing faster than others. This presents three challenges for charities, recognize which areas are growing in New Zealand and ensure you have the skills to gain support, assist a broader discussion to improve those that aren't growing and then use the philanthropic dollar well. If we are going to improve the level of individual giving we need to improve public understanding, trust and support for the sector. There should also be more recognition that the philanthropic dollar is more valuable and different to the Government or self-earned dollar. A greater promotion of its value as potential risk capital or its ability to do things that other dollars can't, can further highlight its worth and convince the public of its value. ■

John McLeod

John McLeod co-founded JBWere's Philanthropic Services team in 2001 after 16 years as a leading equity analyst. He analyzes trends in the charity and philanthropic sector; interpreting the findings to provide valuable insights for clients; and forging relationships between the philanthropic and the not-for-profit sector. John serves on multiple Boards, including the Philanthropy Australia Council and is also the author of The Cause Report - 20 years of (r)evolution in the not for profit sector (Australia) and co-author of IMPACT – Australia: Investment for social and economic benefit.

people, gifts, grants and sponsorships

PEOPLE:

New Zealand Red Cross has appointed a new **Secretary General. Niamh Lawless** is currently chief executive of Scouts New Zealand and has held a variety of leadership roles in both not-for-profit and government organisations within New Zealand and internationally. Lawless takes up her new role at Red Cross in mid-June 2017. **Appointment via peopleandco.nz**

PEOPLE:

After recent stints with Ministry of Youth Development, Age Concern New Zealand, and ten years as Executive Director of Philanthropy New Zealand, **Robyn Scott** has been appointed **Executive Director** of the **JR McKenzie Trust.** Robyn will take up this new role on the 01 May 2017. Outgoing Executive Director Iain Hines will continue working with the Trust on specific projects. **Appointment via nicherecruitment.co.nz**

PEOPLE:

Mercy Hospice Auckland has appointed **Paul Couper** as their new **Chief Executive Officer.** Couper was previously **Director of Philips NZ** and **General Manager for Philips Healthcare,** and has worked in the healthcare industry for twenty years, successfully leading with strong business skills and acumen. Couper's appointment came into effect on 1 February, 2017. **Appointment via hobsonleavy.com**

Paul Couper

PEOPLE:

Emily Pavey has been appointed to the position of **Relationships Fundraising Manager** at Variety – the Children's Charity. Before Variety, Emily has held a similar position at Oxfam New Zealand and prior to that a stint at the Blind Foundation as Development Fundraiser. **Appointment via execucare.co.nz**

SPONSORSHIP:

Coastguard Part One – Last month the **Waihi Beach Coastguard** officially embraced their newest vessel, the $197,000 purpose-built **AVOCO Rescue**, to their fleet. The purpose-built vessel is a result of a partnership between **AVOCO, TECT, The Lion Foundation, First Sovereign Trust, Valder Ohinemuri Trust** and the **Western Bay of Plenty Coastguard** unit.

The AVOCO Rescue was commissioned to replace *Search Two*, a 5.5m long vessel, which since being launched in 2003 clocked up more than 1000 hours on the water, and joins Coastguard's primary vessel **Gallagher Rescue**, a 9.5m Naiad powered by twin 250hp Yamaha four stroke outboards. AVOCO have pledged an additional annual sponsorship contribution of $20,000 for three years which will go towards Coastguard's yearly operational costs as well as the running costs of AVOCO Rescue. **Western Bay of Plenty Mayor Garry Webber** says while the Western Bay covers predominantly rural areas and the surrounds of Tauranga city, ensuring the safety of residents and visitors at the region's popular coastal locations is a core priority for council. "Sadly, there are times when people get into trouble and need the help of Coastguard to rescue them, which is why council unanimously agreed to support Coastguard's $20,000 funding application toward a building extension at its headquarters to house the new vessel.

Coastguard Part two – Thames Coastguard are well on the way to completing the final funding for their new $420,000 **Naiad 7.3m boat**, which will replace their current boat, a 6.8m Naiad, which is now 16-years-old and no longer cutting it in the rough Firth of Thames waters. Thames based **Richardsons Real Estate** have captured naming rights sponsor with a gift of **$40,000**. Other funds secured include $200,000 from **Lotteries Grants Board**, $20,000 each from **Lion Foundation** and **NZCT**, $10,000 from the **Grassroots Trust**, $5000 from **Fonterra**, $4000 from the **Waikato Community Trust**, and $41,000 from **local businesses**.

PEOPLE:

Geoff Warne has recently returned to New Zealand after ten years in London as **CEO of The Leprosy Mission International**. Prior to that, Geoff was CFO at the **Blind Foundation** and was active in the sector, especially in earlier work on accounting standards for charities. He is now rebuilding networks in the NFP sector in New Zealand. While open to ongoing leadership positions, he has a particular interest in advisory services to CEOs and boards, and in interim CEO roles. Contact Geoff at **goeffwarne@gmail.com**

PEOPLE & GIFTS

Exactly one year following her sudden death, the **SPCA** centre on Mt Victoria, Wellington has recently been renamed the **Margaret Doucas Animal Hospital** in honour of lifelong **Wellington SPCA volunteer, generous benefactor, lawyer, patent attorney, and humanitarian Margaret Doucas.** The only daughter of a Greek immigrant family, Margaret couldn't speak a word of English when she started school but found good company with the animals at the Newtown centre, for whom she developed an affinity and empathy that would last her lifetime. Wellington SPCA board chairwoman and long-time friend **Theresa Gattung** says, "Her contribution is unparalleled in scope, breadth and longevity." Margaret's generous bequest has enabled Wellington SPCA to pay off the outstanding loan taken to complete the refurbishment of their new animal centre. This has left Wellington SPCA debt-free, enabling them to focus on raising the $4.5m it takes yearly to help animals in need across the Greater Wellington Region.

Margaret Doucas

GRANTS:

'Hot off the press' notification of grants from the **Lion Foundation** include a **$500,000** package for the town of **Edgecumbe** devastated in the recent storms – the grant will be applied to rebuild their community infrastructure. A **$100,000** grant has been provided to **Project LiteFoot Trust** to make clubs more environmentally and financially sustainable – In their short existence Project LiteFoot Trust has visited 968 sports clubs across New Zealand and through environmental initiatives eliminated over 5775 tonnes of CO2 and saved $5.7m. The Lion Foundation will also get behind the **Wellington Lux Festival** with a **$50,000** grant – Wellington is well known for its ability to host great events and the Lux Festival is no exception. The free festival runs over 10 days and will attract over 85,000 attendees.

These grants (and others) wrap up the Lion Foundation 2016/17 financial year, where Lion Foundation received more than 3500 applications and returned in excess of $35m in community funding.

PEOPLE:

Emma Pirie has joined **Cancer Society – Auckland** as Direct Marketing Officer. Emma has most recently spent nearly three years as Fundraising and Communications Coordinator at Sweet Louise. Appointment via **execucare.co.nz**

PEOPLE

Auckland lawyer **Martin Wiseman** has taken the role of **Chair** of the **Starship Foundation,** succeeding Bryan Mogridge who was a driving force at the Starship Foundation since its inception. Martin is the **New Zealand Country Managing Partner** of global law firm **DLA Piper**. He is an experienced corporate, commercial and insolvency lawyer who has advised some of New Zealand's largest and best-known businesses on complex transactions and on their day to day legal needs. As the DLA Piper client relationship manager for the Starship Foundation, Martin and his team have provided pro bono legal advice since the Foundation's inception. He has been a Trustee of the Starship Foundation Board for four years.

Martin Wiseman

If your organisation has appointed a new CEO, Board member or Fundraiser, has received a glorious philanthropic gift, a generous or important grant, has negotiated a corporate gift or sponsorship; and you want to tell the world (well maybe New Zealand) about it, then let us know here at Fundraising New Zealand.

if charities can't inspire loyalty, 'caring capitalism' will take over

by max du bois, executive director, spencer du bois, london uk

Companies focus on passion and ethics while the voluntary sector strives to sound more business-like. It's time to fight back – here's how

It's been a punishing year for charities as public trust hit record lows, but they now face their biggest threat yet: a corporate takeover.

While charities are striving to sound more business-like in their bid to reclaim trust and credibility after a slew of scandals, companies have started adopting a 'caring capitalism' attitude that focuses on passion, heart and the responsibilities of citizenship. So while the corporate sector is focusing on the value of doing good to attract customers and investors, charities are aiming to be seen as more professional, talking about impact, returns and investment.

By losing this focus on their values, however, charities are eroding their unique position in society. They are letting the corporate sector steal a march on them.

In the UK, 88% of people think corporations have the resources and influence to make change at international, national and local levels; and 78% think they should do it. Meanwhile, research shows that 83%

of households use a service provided by a charity but a quarter of them don't actually realise this. Charities are not getting credit where it's due and its showing.

So how can charities turn this around? The answer is value statements.

Values are crucial. They help tell a unique story, engage and connect with people, and motivate them to be part of a movement. That is how charities inspire loyalty.

> "Charities are not getting credit where it's due . . ."

Most charity value statements have become generic and bland. Setting their sights on efficiency and professionalism may appear to be the safest route, yet in reality it is the most damaging. As the sector is transformed by technology, competition and changing donor behaviour, charities need to get in front of the right people for the right reasons. Here are some of the best ways to do so:

Have a clear statement of your values

In our recent analysis of 50 of the top 100 UK charities, 28% didn't explicitly talk about their values at all.

Remember, in a crowded market, people will listen to you – and give you time and money – when they care about your cause and share your values.

Don't waste the opportunity to use value statements to say something really engaging and different. Your values are about why you do what you do. When emotional engagement is the goal, lead with the 'why' rather than the 'what' or 'how'.

Generic values are those that are shared across the sector. They are expected and assumed by all but are often considered 'things that we should probably say'. The main problem with using them is that it states the obvious.

Some of the worst offenders are words like honest (10% of charities researched), passionate (25%) and committed (25%). These values are almost universal in the third sector; it's like claiming to be altruistic. Don't waste everyone's time by simply telling them what type of organisation they can expect to find in the charity sector.

Know the difference between values and behaviours

Almost 35% of the charities we looked at confused values and behaviours. The key difference is that behaviours are the standards you operate to and values are the principles behind your actions. Values are external communications tools. Behaviours are internal management tools, but often have a similar-sounding, positive vocabulary, like respect (28%) and effective (16%). When they get confused a crucial opportunity to engage with the public is lost.

The simple rule is this: don't tell me you're funny; make me laugh! In other words, demonstrate you are professional, inclusive, transparent and so on, and use the values statement for something really engaging.

In the worst examples we found values statements that read like the internal strategy documents from which they were probably copied and pasted.

Be bold and be different

Charities need to be bold, ambitious and different. Drawing your individual values out and sharing them will go a long way to achieving this.

Tell people who you are and why it matters that you exist. If you don't take a stand for something, you may as well not stand for anything. By trying to please everyone and playing it safe, you risk not getting through to anyone.

Stand for something, cause a reaction, get past the obvious, remember who you represent and find something genuine – then people will rally to your cause, give you the funds you need and make your charity the change-maker you were set up to be. ■

When asked 'what do you do' ***Spencer du Bois*** *responded with – 'Brand positioning, key messaging, brand architecture, employee brand engagement, research, naming, identities, campaigns, visual systems, digital communications, literature, tone of voice…' For over twenty years* ***Spencer du Bois*** *has been assisting many UK charities 'helping good people do great things'. This article originally appeared in theguardian.com in April 2017.*

Q&A 12

NAME: Anne Wright **POSITION:** Mercy Hospice Auckland – Planned Giving

1 FNZ: What 'one liner' would best describe you?
Anne: A fun-loving people-person who is always on the look out for a new fundraising idea.

2 FNZ: How long have you been in fundraising and who have you worked for?
Anne: I have been a professional fundraiser for over 20 years, spending most of my career raising funds for hospice. The first 16 years were with St Luke's Hospice in Cape Town where my focus was mainly on Individual Giving. When I arrived in New Zealand eight years ago I joined the National Foundation for the Deaf and then spent a few years with the Mental Health Foundation. The last three years have been with Mercy Hospice Auckland.

3 FNZ: What work did you do before fundraising?
Anne: I started off with Nursing Training and when I realized that nursing was not my 'calling' I spent several years in the corporate sector in junior administration and secretarial roles. In my late twenties when I returned from my OE, I joined the Community Chest as Manager of their annual car competition raffle. This organisation funded several community services and my involvement with the beneficiaries of the Community Chest made me realise that I wanted to do something that would enable me to make a difference to other people's lives. This passion led me to a career in fundraising.

4 FNZ: What five people (famous or otherwise, dead or alive, and including one other fundraiser) would you invite to a dinner party, and why?
Anne: Nelson Mandela for his huge capacity for forgiveness and his humble wisdom;
The legendary fundraising guru Terry Murray for all that he taught me about fundraising.
Bryce Courtenay for Tandia and The Power of One;
David Bowie for his innovative music talents and Meryl Streep for her versatile acting skills;
I bow to these amazing people for their incredible qualities and talents. Wow, what interesting conversation there would be!

5 FNZ: What has been your greatest success in fundraising?
Anne: My greatest success so far has been developing the Individual Giving Programme at St Luke's Hospice. Under the guidance of fundraising consultants Downes Murray International we developed a strategic direct mail programme. This included acquisition mailings and emotive appeals giving active donors the opportunity to increase their levels of giving with the option of joining a Monthly Giving programme. Another success I would like to share is that after all these years I am still enjoying fundraising. I put this down to my being mindful about a good work-life balance, which has prevented me from 'burning out' and having to leave a very rewarding career.

6 FNZ: What do you do to relax away from fundraising?
Anne: I am always up for a BBQ with family and friends and enjoy weekends away spending time in nature. I also like to make the most of natural hot water springs during winter months.

7 FNZ: Who has influenced you the most in your development as a fundraiser?
Anne: I was fortunate in the early days of my fundraising career to be introduced to the team of fundraising consultants from Downes Murray International. The late Terry Murray taught me about the importance of 'asking' and building loyalty through direct mail. Jenni McLeod, also from Downes Murray, gave me an excellent grounding in setting up a Bequest Programme that enabled me not only to measure my success by bequest income but also by my progress with identifying new bequest prospects. There are a number of fundraising gurus that I follow, such as Mal Warwick on donor communications, Tom Ahern on donor-centric copy and Adrian Sargeant for relationship building.

8 FNZ: What fundraising experience or related training has had the greatest influence on your development as a fundraiser?
Anne: Some years ago I attended the IFC Resource Alliance Conference in Amsterdam and was very impressed by the knowledge and passion of speakers and the generous sharing of ideas and networking opportunities. This experience inspired me to become one of them.

Me with the Mercy Hospice Events Team at '10' A Celebration of Tastes.

More recently I completed the FINZ Certificate in Fundraising which consolidated my knowledge and introduced me to Hank Rosso's 'Achieving Excellence in Fundraising' a must have book for all fundraisers.

9 **FNZ:** Do you have a favourite fundraising quote? I have a few;
Anne: Hank Rosso's "Fundraising is the gentle art of teaching the joy of giving"
"Don't judge each day by the harvest you reap but the seed you plant" by Robert Louis Stevenson is a good reminder that best practice will result in long term financial rewards. And lastly, at a FINZ Breakfast a few years ago John Bergen asked the question, "Have you earned the right to ask?" I love this question as it fits so well with the ethics of fundraising.

10 **FNZ:** What do you particularly like about your current job – and what do you dislike?
Anne: As my passion has always been Individual Giving, I am enjoying developing two key areas of raising funds from individuals, namely Regular Giving and Bequests. I thrive on being part of a hardworking, supportive and successful team and I feel proud to be with an organisation that has values that I relate to. Perhaps the greatest satisfaction is meeting our donors and experiencing their joy of giving to such a good cause.

11 **FNZ:** Do you have a fundraising horror moment – that you can laugh about now?
Anne: One fine day many years ago, I was sitting happily on top of a mountain enjoying the magnificent view when I realized that I should have been at a luncheon for our special donors. This was before mobile phones, so there was no way of me contacting the host and it would have taken me at least two hours to climb down the mountain.
Oh dear – what a horror moment that was.

12 **FNZ:** Where do you want to be/what do you want to be doing in five years?
Anne: I would like to remain with the Mercy Hospice team, doing what I can to make a difference to the lives of our patients and their families. Perhaps reducing my hours a little to provide me with more time for hobbies and weekends away. I am also interested in fundraising training and sharing my knowledge and skills with other fundraisers to help ensure that best practice is used in the fundraising sector in New Zealand. ■

My hubby Malcolm and I having some fun on the slopes in Queenstown.

use the **5/5/3 rule** to guarantee great donor relationships at your not-for-profit

by joe garecht

Building great relationships is the essence of good fundraising. Your job as a not-for-profit is to find as many people as you can who are passionate about your work, and then work hard to build strong relationships with them. Donors need to feel like part of your team and know just how integral they are to your success.

Better donor relationships will lead to amazing results for your not-for-profit, including reduced donor attrition, larger gifts, and more referrals to new donors. Here's a simple, no-nonsense strategy for guaranteeing that you are building great relationships with your donors… I call it the **'5/5/3 Rule'**.

Make 5 Fundraising Phone Calls per Day

When it comes to raising more money, nothing can compete with in-person meetings and personal phone calls. E-mails, direct mail, newsletters and other mass communications have an important role to play in not-for-profit development, but having direct conversations with donors on a regular basis is what will have the most impact on your fundraising revenue.

The not-for-profits that have the most success with individual and major giving are those organizations that spend the most time building personal relationships with their donors and prospects. If you really want to supercharge your not-for-profit's fundraising, make 5 calls per day, and ask everyone on your fundraising team to do the same.

Most of these calls will not (and should not) be 'ask' calls. The vast majority of these calls will be cultivation calls… short calls to check in with donors and prospects, to give updates, to ask for advice, to connect donors with other donors who might be able to help them, etc. These cultivation calls are extremely important for building strong relationships with your donors and prospects.

Here's another suggestion… once you have your fundraising team making 5 donor calls per day, ask your management team to do the same. Have the Executive Director, and any other appropriate managers making calls as well. If they can't do 5 calls per day, ask them to do 5 per week (1 per day). Donors love to hear what's going on in the trenches, and they love to hear from 'the boss'.

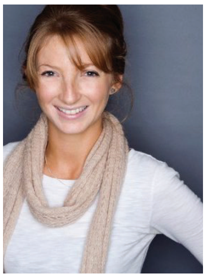
Hold 5 Out-of-the Office Meetings Each Week

One of the surest ways to determine the strength of a fundraising programme is to ask the question, 'What percentage of the time are the fundraising team members out of the office vs. in the office?' If fundraisers aren't out doing fundraising meetings, then they aren't building the strong donor relationships that they should be.

To be the best fundraiser you can possibly be, start trying to arrange 5 out-of-the-office meetings each and every week. Have everyone on the fundraising team do the same. Remember that most of your fundraising meetings will not be 'ask' meetings. Instead, you'll be meeting with donors and prospects to cultivate them and move them towards the (eventual) ask or upgrade. While the ratio will vary at every not-for-profit, most successful fundraisers do 3-4 cultivation meetings for every 1 ask meeting.

Non-fundraising executives (like the Executive Director) aren't off the hook when it comes to meetings, either. Supporting the fundraising programme is everybody's responsibility. This means that non-fundraising executives at the not-for-profit also need to be out doing fundraising meetings, either on their own or with a member of the fundraising team.

the fundraising ferret


Sophie Mowday

KidsCan Charitable Trust has in-house promoted **Sophie Mowday** to the position of **General Manager of Fundraising and Marketing.**

After an eight-year career in advertising with two of the most creatively acclaimed advertising agencies in New Zealand and arguably the world (account manager at DDB for five and a half years and then Colenso BBDO for two and a half years) Sophie developed an interest and passion for creating positive change for those in need, so spent three months volunteering for an NGO in Kenya called So They Can whose mission is to 'empower through education to break the poverty cycle'.

Sophie says, "When I returned to New Zealand I made the conscious decision to use my skills and expertise for good starting with a short contract at The Leprosy Mission New Zealand where I gained some valuable insights before starting with KidsCan."
In her new role at KidsCan, Sophie will be driving fundraising strategies and overseeing all marketing and fundraising activities including corporate partnerships, individual giving and events and campaigns.

"I am committed to KidsCan and our mission to meet the material needs of all New Zealand children living in hardship; and timing is right to step up and be involved in driving the business and fundraising strategies. I enjoy leading a team and lucky for me we have some clever and passionate people to help achieve this mission and ultimately improve educational opportunities for disadvantaged Kiwi kids." ■


Margie Carter

Margie Carter has been appointed to the position of **Supporter Relations Advisor** with **Presbyterian Support Central** replacing Jo Prestwood who has moved to AFS.

Says Margie, "I have previously worked at World Vision New Zealand, working with Major Donors in the Lower North Island. The role was based around acquisition as well as retention – donor relations. Prior to that, I worked with mid-tier donors for World Vision, again looking after our faithful donors, and looking at acquisition as well. Prior to World Vision, I did fundraising for my children's play-centre, kindergarten, toy library, and that was when I realized I had a real passion for fundraising for causes I believed in. Prior to having children, I worked in Business Development."
Margie works in the External Relations team of four people and also manages a field worker who is responsible to for donor visits and church engagement. "I am really excited to be working for an organisation, which supports children, young people, adults and families, as well as the elderly in our community. Unfortunately there is such a need in New Zealand, and I feel privileged to be able to fundraise for such a worthy organisation. I feel there is huge potential in this role, and am excited about the prospect of looking into a bequest programme, as well as major giving, as well as so much else. Every day is a learning curve, there is certainly never a dull moment!" via **www.execucare.co.nz** ■

Ask 3 Donors for Advice Each Week

Donors like to feel like they are part of your not-for-profit's 'team'. Being part of your team makes donors want to give more, to refer more people to your organization, and to get more actively involved in volunteer efforts for your cause. Nothing makes donors feel like part of your team more than asking them for their advice and counsel.

Put a reminder in your calendar to call 3 different donors each week to ask them for their advice, even if you don't need it. Remember – you don't have to take their advice; you simply need to ask for it, listen to it, and thank your donors for their input. Then, it's up to you and your team whether or not you want to follow that advice.

If you have a donor who works in advertising, call her to ask for some ideas on getting more exposure for your organization. If you have a donor who always attends your events, call him to ask for his thoughts on how to make your events more appealing. Call 3 donors for advice each week, and spend 10 minutes on the phone with each donor hearing them out. It will be 30 minutes well spent.

Implement the 5/5/3 Rule and Watch Your Fundraising Skyrocket

I have successfully used the 5/5/3 rule at not-for-profits large and small, both as a staff member and as a consultant, and it has always (100% of the time) led to positive results for the organization. It may be a game changer for your not-for-profit (particularly if you are currently struggling with donor cultivation) or it could just help around the edges. Either way, it will build better bonds between you and your donors, guaranteed. ■

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