COURSE SYLLABUS – Spring 2017

UST 651 Fundraising and Revenue Generation

Description

Economic sustainability and effective pursuit of social missions are two of the principal challenges facing contemporary nonprofit leadership. Addressing these challenges requires leaders and managers to be knowledgeable and adept at securing adequate and appropriate sources of income for their organizations. Nonprofit organizations support themselves through many different sources including charitable gifts and grants, government grants and contracts, earned income from fees, memberships and sponsorships, returns on investments, volunteer labor, gifts-in-kind and other sources. They also mix these sources of income in many different ways. This course is intended to illuminate the theoretical rationales and practical considerations involved in developing and utilizing particular sources of income and in selecting appropriate combinations or portfolios, so that nonprofit organizations can effectively advance their particular missions, sustain the infrastructure of their organizations, remain financially healthy, and manage risk, change and growth.

Instructor

Dennis R. Young
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Room UR 128
Office Hours: 1 hour before class or by appointment
Phone : 216 687 9221

Time and Location: Wednesdays, 6pm to 9:50 pm, UR 27

Course Requirements

Students are required to attend every class, complete the reading assignments prior to each class session, contribute to class discussions, complete all written assignments, and participate fully in designated team projects. If it is necessary to miss a class, the student should notify the instructor in advance and should make up all missed readings and assignments and obtain notes for the missed class

Students will be assigned at least two case studies to analyze during the semester. These assignments will entail individually written papers of approximately 5 pages in length, submitted for grading. Students will also be asked to work in teams of approximately 5 students each on a term assignment to analyze the income strategy or new income
initiative of a selected nonprofit organization and make recommendations for its future
development. These projects will be undertaken in active cooperation with nonprofit
organizations based in Cleveland.

The following organizations have agreed to be clients for the course:

Jewish Big Brother Big Sister Association
Campus District
United Way of Greater Cleveland
Nonprofit Academic Centers Council

A dropbox on BlackBoard will be set up for each project. Project teams are expected to
access all key available data sources such as the 990 tax returns available through
Guidestar and annual reports available on the internet, as well as information solicited
directly from the client organization through interviews and correspondence. Student
team members are expected to develop close working relationships with their client organizations,
producing useful results while facilitating their own learning.

Grades will be based on class participation, written analyses of case studies, and oral and
written presentations of the team projects:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Final Team Project Report</td>
<td>40%</td>
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<tr>
<td>Written Assignments</td>
<td>40%</td>
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<tr>
<td>Class Participation</td>
<td>20%</td>
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Prerequisites:

Course Objectives:

- To provide students with an appreciation of the full range of sources for
  financing of nonprofit organizations and how these sources are currently
  utilized
- To provide students with an understanding of the theoretical (micro-economic
  and other) underpinnings for supporting alternative nonprofit missions and
  services from different sources of income
- To provide students with an understanding of the particular challenges and
  issues associated with nonprofit dependence on alternative sources of
  operating income at different stages of organizational development and in
  different fields of activity
- To provide students with an understanding of the capital needs of nonprofit
  organizations and how they may be best addressed through different source of
  financing
- To provide students with an understanding of how nonprofit organizations can
  manage risk and maintain financial health through development of
  appropriately diversified income portfolios, the building of endowments and
  other means
Content and Sequence of Topics

How are nonprofit organizations financed? An overview including a review of current financing patterns by sub-sector, in the U.S. and other countries

Theory and practical issues underlying the financing of nonprofit organizations from alternative sources:
- charitable giving by individuals
- institutional philanthropy including foundations and corporate support
- government funding, including grants, contracts and demand-side subsidies
- fee income and commercial ventures
- membership income
- income from investments
- barter and gifts in kind
- volunteer labor

Sustainability, risk and nonprofit financial health
- capital structure, business models and alternative financial strategies
- the role of endowment
- borrowing and debt
- development of appropriate income and asset portfolios
- measuring nonprofit financial health

Synthesis
- matching benefits to sources of income
- adjusting to change over time

Required Texts:


Dennis R. Young (2017), Financing Nonprofits and Other Social Enterprises: A Benefits Approach, Edward Elgar Publishers (forthcoming; draft chapters will be made accessible as they become available)

Recommended Additional Texts:

Alex Nicolls, Rob Paton and Jed Emerson (2015), *Social Finance*, Oxford: Oxford University Press,

**Other Helpful References:**


**Useful Websites:**

National Center for Charitable Statistics, The Urban Institute; [www.nccs.urban.org/](http://www.nccs.urban.org/)

National Center on Nonprofit Enterprise, [www.nationalcne.org](http://www.nationalcne.org)

National Council of Nonprofits, [www.councilofnonprofits.org](http://www.councilofnonprofits.org)

Nonprofit Finance Fund, [www.nonprofitfinancefund.org](http://www.nonprofitfinancefund.org)

**Week by Week Sequence:**

**January**

18th: Introduction and Overview of Financing Patterns of Nonprofit Organizations
Readings: Chapters 1 and 2 in Young (2017), Chapter 3 in Salamon, (2012), Chapters 3 and 4 in Powell and Steinberg (2006),

25th: A Conceptual Framework for Nonprofit Finance:
Readings: Chapters 1 and 15 in Young (2007); Chapters 3 and 4 in Young (2017); Chapter3 in Nicolls, Paton and Emerson (2015)
February

1st: Discussions with executive officers of Cleveland-based nonprofit organizations that will work with student teams on term projects. Organization of team projects.

8th: Theory and Practice in Fee and Commercial Income
Readings: Chapters 5 and 6 in Young (2007); Chapter 5 in Young (2017); Chapter 10 in Seaman and Young (2010); case study of Famicos Foundation

15th: Theory and Practice in In-Kind Support
Readings: Chapters 8, 9 and 10 in Young (2007); Chapter 6 in Young (2017)

22nd: Theory and Practice in Fund Raising, Individual Giving and Institutional Philanthropy - guest speaker: Augie Napoli, CEO, United Way of Cleveland
Readings: Chapters 2 and 3 in Young (2007); Chapter 6 in Young (2017); Chapters 4, 7 and 16 in Nicolls, Paton and Emerson (2015); Chapter 3 in Seaman and Young (2010); case study of Lakeview Cemetery Foundation

March

1st: Theory and Practice in Government Funding – guest speakers: John Anoliefo, CEO and John Deal, CFO, Famicos Foundation
Readings: Chapter 4 in Young (2007); Chapter 7 in Young (2017); Chapter 22 in Seaman and Young (2010); Chapters 12 and 13 in Nicolls, Paton and Emerson (2015); case study of Centers for Families and Children

8th: Case Studies Exercise 1: Nonprofits coping with Economic Downturn:
New York Botanical Garden; Wang/Citi Performing Arts Center; Salvation Army, Shriners Hospitals; National D-Day Memorial; New York City Opera; Hull House; Cooper Union; Cleveland Orchestra

15th: Spring Break, no class

22nd: Investment Income and the Role of Endowment – guest speaker: Russ Klimczuk, Chief Development Officer, Cleveland Museum of Art
Readings: Chapters 7 and 12 in Young (2007); Chapter 8 in Young (2017); Chapter 3 and 8 in Bowman (2011); Chapter 10 in Nicolls, Paton and Emerson (2015); case study of the Cleveland Museum of Art

29th: Analyzing and Synthesizing Nonprofit Income Portfolios
Readings: Chapters 13 and 15 in Young (2007); Chapters 9 and 11 in Young (2017); Chapter 10 in Bowman (2011); Chapter 1 in Seaman and Young (2010)

April

5th: Capital Needs and Sources of Capital for Nonprofit Organizations – guest speakers: Alan Gross, VP and Hedy Milgram, Chief Development Officer, Jewish Federation of Cleveland
Readings: Chapter 11 in Young (2007); Chapter 10 in Young (2017); Chapter 4 in Seaman and Young (2010); Chapters 7, 12 and 16 in Nicolls, Paton and Emerson (2015)

12th: Case Studies Exercise 2 - Nonprofit Capital and Income Portfolio Development: Steppenwolf Theater; The New-York Historical Society

Readings: Chapters 4, 5 and 14 in Young (2007); Chapter 11 in Seaman and Young (2010)

26th: Term Project work session

May

3rd: Last class; presentation of term projects; client nonprofit organization leaders invited to attend. Final reports due.

This course syllabus provides a general plan for the course; adjustments may be necessary during the semester.

Policies

Students with disabilities. Any student who feels he or she may need an accommodation based on the impact of a disability should contact the Office of Disability Services at (216) 687-2015. Students with special needs or those who require special accommodations when taking exams, completing projects, or meeting the class requirements should identify themselves immediately to the instructor so that appropriate arrangements may be made. Accommodations need to be requested in advance and will not be granted retroactively.
Withdrawal and grading policies. Refer to the CSU Catalog for drop/add dates, withdrawal procedures, S/U or incomplete grading such as an I or X. The late date to withdraw from this course is April 1st.

Academic Dishonesty. Academic misconduct: Plagiarism or cheating will result in an F for the assignment and possibly an F in the course. Plagiarism, according to the CSU Student Handbook, is defined as the stealing and/or using the ideas of another in a paper, exam, or report and claiming it as your own. This includes, but is not limited to the use, by paraphrase or direct quotations, of the work of another person without full and clear acknowledgement (CSU Handbook, 2008). This includes the work of another student. See Academic Regulations http://www.csuohio.edu/studentlife/StudentCodeofConduct.pdf

Writing Center. The CSU Writing Center is available to help you develop writing skills and learn how to avoid the problem of plagiarism. The Writing Center offers workshops and it is available on an individualized basis to assist you. Be certain to give yourself enough time for the Writing Center to review your material and suggest changes before the due date.
The Writing Center can be reached at www.csuohio.edu/academic/writingcenter/index.html

APA Style. All written assignments must follow American Psychological Association (APA) style. Each APA citation has two parts: the in-text citation and the reference page. You must have both an in-text citation and an entry on the reference page for every external source you use. Use the following link for more information regarding APA compliance:
http://owl.english.purdue.edu/handouts/research/r_apa.html

BlackBoard. Check the BlackBoard site for access to journal articles, announcements, and other course-related information.

General Policies. Make-up of assignments is at the discretion of the instructor and requires valid written documentation (such as a doctor’s note).

There is to be no eating in class unless food is provided for everyone. Beverages with lids are allowed. There will be a break during class in which you may eat.

Laptops and tablets are permitted for note-taking only. The use of a cell-phone or computer for email and/or texting is prohibited while class is in session. Cell phones should be turned off or set to vibrate during the class session.

CSU will notify all students when classes must be cancelled due to inclement weather. CSU will contact you through email, text, or telephone. Check CampusNet for additional information on campus closings due to weather. Should a class be cancelled and there is a homework assignment due on that date, you may email the homework to me.
CSU uses the Viking email system. Students should be checking the vikes.csuohio.edu email address given to every student at registration.

All written work must be submitted in APA style. Grading will take into account spelling and grammar as well as substance. Your written assignments should reflect your standards as a professional.

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