

IMPACT

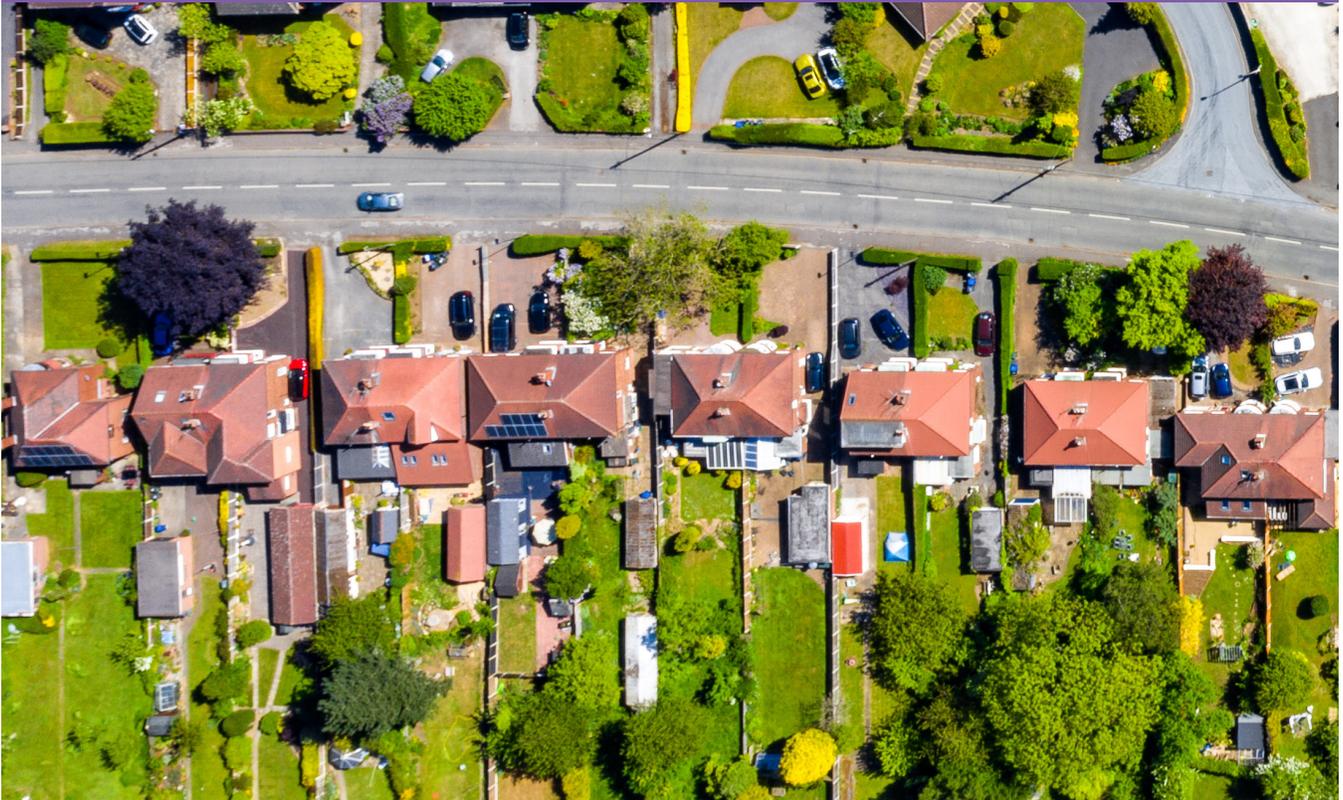
**VOLUME THREE
2021**

Helping Endowments
& Foundations Succeed





Building stronger communities starts with a plan.





NICHOLAS CINTINEO

SENIOR INVESTMENT CONSULTANT,
ADVISORY SERVICES

“It is our priority to be a continued resource to our clients and provide a level of support that extends beyond investment management.”

Non-profits stepped up more than ever last year as they tackled the pandemic’s challenges head on. Organizations showed they could be flexible, quick-thinking, and innovative as they carried on with their missions. While the day-to-day has changed for so many, the end goal of serving their communities and helping a cause remains the same.

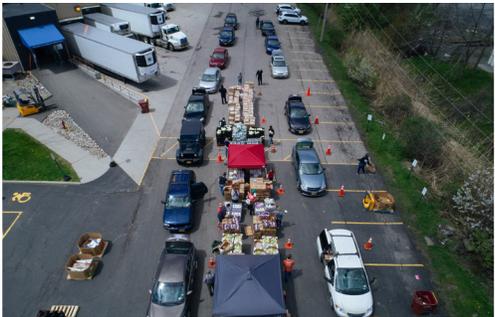
As in our previous editions of *Impact*, this issue covers areas that are important and relevant to most non-profit organizations. We hope you find this publication useful as you navigate today’s fast-changing world. To stay up to date on topics such as fundraising, planning, investing, and more, you can subscribe to our Insights for Non-Profits blog.

It is our priority to be a continued resource to our clients and provide a level of support that extends beyond investment management. This publication is just one example of the many ways we strive to help our clients . On behalf of our Endowment and Foundation team, we look forward to working with you to help you achieve your organization’s goals.



DOWN TO THE CORE

How a 40-year-old organization used core values and strategic planning to drive success during a challenging time.



“Foodlink is an organization that has been addressing both the symptoms and root causes of food insecurity in the Rochester, New York community for 40 years.”

When the COVID-19 pandemic struck last March, it laid bare the chronic issue of food insecurity. The immediate closure of schools showed us how many children relied on the healthy meals that were provided to them each day, and as unemployment levels soared, we saw the basic need for food become greater across all generations.



Julia Tedesco
President & CEO

Food banks throughout the world were tasked with finding a way to meet this growing demand. They also had to do so at a time when staff and volunteers were adapting to new safety protocols, as well as with donors facing financial hardships of their own.



Julie Burke
Director of Development

Foodlink is an organization that has been addressing both the symptoms and root causes of food insecurity in the Rochester, New York community for 40 years. Alleviating food insecurity during the height of the pandemic required a staggering 150% increase in food supplies. Rising to the challenge, Foodlink leveraged a 128% boost in public support, an over 200% increase in non-government grants, and 4,400 new donors in the first four months of the pandemic.



Meg Demment
Chief Impact Officer

Foodlink is an organization that lives and breathes its core values. We caught up with members of the Foodlink team to find out how they leveraged core values and strategic planning to drive success during this challenging time.

Your organization has never been challenged to the extent it was during the COVID-19 pandemic. How did Foodlink's core values guide your organization throughout this unprecedented time?



At Foodlink, our mission is our North Star. It guides what we do. But our values are really about how we approach our work, make decisions, and prioritize. The past year was certainly unexpected, our disaster preparedness plan did not include a global pandemic!

Our values very naturally came to serve as a roadmap for how Foodlink responded to the crisis. To ensure individuals most impacted by the crisis had food—including school-aged children and homebound seniors—we had to pivot quickly and implement new partnerships and mechanisms for connecting people with food. This was all guided by our values of innovation, agility, and collaboration.

This required our staff to take on new roles. For the first few months of the pandemic, it was not uncommon to find one of our nutrition educators sorting food for hours in our warehouse, or one of our fundraisers loading cars in the freezing cold at a community distribution. All of our staff became living examples of our value of compassion, taking on this challenging and unexpected work as an opportunity to serve the community with love and respect.

What was the process you used to establish your core values? Who is involved in the development and implementation? How did your organization decide what was most important to include?



We incorporated our 'organizational values identification' into our last strategic planning process, which began in 2017. Prior to that, we had a laundry list of values that were good values but didn't feel authentic to Foodlink.

Our goal was to identify the values that already existed in our organization, as evidenced by how we carried out our work on a daily basis. With the help of Causewave Community Partners, we engaged dozens of staff members representing every facet of Foodlink in an honest conversation about who we are at our core, and what we value.

A lot of important conversations were had, but in the end, five values emerged that truly represented Foodlink. It was validating to see – three years later – those same values guiding our response to an unprecedented crisis.

How do you communicate to donors the way your organization utilizes core values? Did this communication play a role in your fundraising success this year?



An important part of our donor communication has always been to share Foodlink's story and the critical role our supporters play. We do this through mail appeals, e-newsletters, thank you notes, impact pieces, personal stories, and more.

Last year, while reflecting on the first few months of our COVID-19 Response, it became clear that our values were present every step of the way. They informed how



we executed our crisis response and how we cared for one another. Foodlink is very fortunate to be a part of a community that shares many of these values, most notably, compassion and collaboration.

From the minute it was known that our region would be impacted, Foodlink was flooded with offers of support, inquiries about what we needed, and notes of gratitude. In those challenging, initial moments, we were comforted by the fact that our supporters understood how we live out our values each day and trusted us to do whatever it takes to feed our community. We saw our long-time supporters step up in big ways, and we also welcomed thousands of first-time donors to the Foodlink family. Since our values are a part of how we tell our story, they are most definitely a part of our fundraising success this year.

Why was constructing a strategic plan important to Foodlink? Can you tell us about the process?



Strategic planning gives us an opportunity to step back from the urgency of our work. We reflect and evaluate what we need to do as an organization to ensure we serve our community in the most efficient, equitable, and impactful ways.

We are currently working on our next 2-year strategic plan. With so much unknown about what lies ahead, our goal is to create a strategic 'framework' rather than a strategic plan. We want to identify key priorities for the next two years and ensure our staff and partners have the resources to accomplish those goals. The framework will include the flexibility to adapt how we implement our objectives based on what we learn and how the environment changes.

Our process is participatory and follows an ideation framework. We start big and cast a wide net. Through facilitated conversations, we work with each department, across staff levels, and our board to reflect on what we have learned over the last year, as well as project what success looks like in two years. We are now in the refinement stage, where we will settle on key ideas and present that back to our staff, board, and community for input and further refinement.

What advice do you have for other organizations that haven't established their own core values or strategic plan?



Strategic planning is many things and not all of them are about building 'strategy.' One of the most valuable aspects for us has been to reaffirm our mission, vision, and values and build a collective short-term vision for our staff, partners, community members, and board.

When things are so rapidly changing and the need is great, this helps us center our work. Strategic planning provides us with the opportunity to keep the end in mind and gives us the right tools to do it well.

5 TIPS AND TRICKS FOR KEEPING BOARD MEMBERS ENGAGED

Behind every successful non-profit organization is a strong board of directors. In order to find and maintain such a dedicated board, it is critical to keep members engaged. The COVID-19 pandemic has made board engagement even more challenging since in-person contact is few and far between. Below are some tips and tricks to keep board members connected to your organization, pandemic or no pandemic.

1

Leverage Your Strengths

Take a look at your board members on an individual level. What is each member good at? What skills are they bringing to the table from previous experiences? And most importantly, what do they like to do? For example, a board member with a strong marketing background could serve as a great resource to help your organization boost its social media presence. If you task individuals with projects that align with current interests, they are much more likely to engage and make a positive impact on your organization.

2

Get Personal

You've taken the time to get to know the strengths and interests of your board members, now it's time to get to know them personally. Did a board member mention his son had a championship basketball game that weekend? Make note of it and follow up to ask how it went. By showing that you're interested in their lives outside of the work they are doing for you, they will feel even more valued. Another great way to develop deeper relationships with board members is to host events that can involve the whole family. Getting to know family members will help build a stronger connection to your board members and can potentially develop multi-generational relationships with younger family members, possibly securing them as future donors, volunteers, or even board members themselves.



3

Communicate Often

COVID-19 has brought most in-person meetings to a halt, but that does not mean that communication should waiver. In fact, it should increase. Zoom, text, email, and social media are all great avenues to stay in touch with your board. This pandemic has forced organizations to be flexible and make adaptations to day-to-day operations, events, and fundraising efforts. It is critical to utilize all methods of communication to continually stay in touch with your board, so they are engaged and aware of any organizational updates that occur.

4

Say Thanks

Thanking your board members is something you're likely already accustomed to. Think about upping the frequency of your appreciation. Don't just thank them for helping to meet a fundraising goal or after participating in a big event for your organization. Thank them for the little things. Thank them for bringing a great idea to the table or for connecting a new donor to your organization. A handwritten card or email expressing your appreciation will mean a lot to your board members and will inspire them to keep doing great things. Social media shoutouts are another great way to say thank you. Consider implementing a campaign that spotlights a new board member every week or two.

5

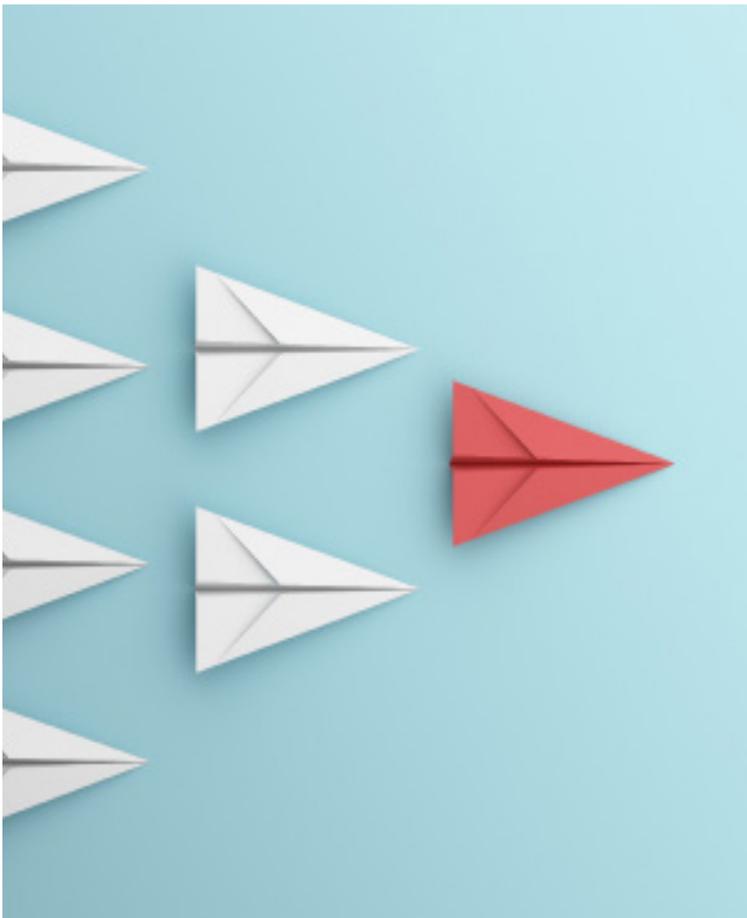
Offer Continuing Education

Each board member will come into your organization with individual expertise from their past work and philanthropic experiences, but they likely won't be proficient in every area their role requires. By offering continuing education on topics like fundraising training, investing and spending policies, fiduciary responsibilities, and legislation, you can help fill some of the gaps and give your board members the confidence to perform their various duties.

We are here to help! To ensure that you are getting the best from your board members, we offer complimentary education services on a variety of topics.

3 OVERLOOKED ADVANTAGES OF NON-PROFITS

Built-In Benefits in an Uncertain Market



The mission of every non-profit is different, and so are their investment objectives. Usually, nonprofits are looking for their own personal blend of goals: Generate income growth without too much risk or volatility. Sounds simple enough, right?

What it really means is, deliver inflation-adjusted growth, capital preservation, volatility mitigation, and income generation. Non-profits must prioritize multiple, often competing goals, and that is before even considering things such as donor restrictions.

As complicated as non-profit investment needs are, a good investment policy statement formalizes these goals and brings to light overlooked advantages. Consider how these three key features affect your organization's investible assets, and how they can be the difference between success and failure in today's market environment.

Clarity of Purpose

Non-profits who create an investment policy are able to ensure that everyone is moving in the same direction: the board of trustees, organizational leadership, investment managers, etc. By putting the goals front and center, non-profits can create a degree of clarity that can make a big difference.

Whatever happens in the market, a good investment policy can inject a sense of discipline into a portfolio's management. The investment policy becomes a guidepost in uncertain environments, forcing organizations to keep an eye on the big picture issues. This discipline can not only help prevent damaging long-term investment mistakes but can also help non-profits capitalize on market opportunities when they present themselves.

Initial policy goals should be based on a careful understanding of an organization's needs. They can be changed if necessary, but only with the board of directors' consent, and only based on a fundamental change in needs, not short-term market fluctuations. It's this clarity of purpose, formalized in an investment policy statement, that can allow non-profits to see the forest through the trees and keep steady in uncertain market environments.

Infinite Time Horizon

Most non-profit portfolios are intended to support their organizations perpetually. This often leads to a tricky balancing act as non-profit leaders try to manage their needs of today versus their goals for tomorrow. Withdrawing assets at too high of a rate may endanger the future of the next generation.

But this perpetual balancing act is an all-too-often overlooked advantage, too. Non-profits are in this for the long haul, and they can afford to be patient in pursuit of their goals. As discussed previously, once set, portfolio goals do not change very often. This allows non-profit portfolios to minimize knee-jerk reactions and focus on long-term investment success.

History shows that volatility, even in the stock market, tends to smooth out over time. There will always remain some variability in portfolio returns, but investment results tend to be fairly predictable over the long-term. This very lengthy focus enables non-profits to better capitalize on short-term market movements in pursuit of their long-term goals.

Dynamic Withdrawals

Non-profits can be patient and flexible, while still accommodating for withdrawals. First, consider your 'withdrawal rule,' usually a formula for calculating how much of a portfolio is safe to withdraw within any given year.

We believe withdrawal rules that are based on a percent of the portfolio can be the most appropriate. If the value of a portfolio falls due to market volatility, the withdrawal amount will fall as well. This self-adjusting mechanism is a great advantage during difficult times. Although there might be less support for your mission over the short-term, it allows more assets to remain invested, making it easier to take advantage of a recovery in prices.

Consider also whether your organization can adjust the timing of withdrawals to suit the market environment. For example, if volatility hits and your portfolio's value has fallen, pausing withdrawals temporarily can enable your portfolio to recover more quickly. This ability common in board designated funds or strategic funds with discretion around how and when to take withdrawals.

Every little bit counts when it comes to your organization's portfolio. In addition to investing your assets effectively, non-profits need to think about their built-in advantages. A careful understanding of a portfolio's purpose, time horizon, and withdrawal needs will make it easier to survive uncertainties and help maximize an organization's chance of success.

LESSONS OF THE PANDEMIC

Learning from Our Local Leaders



Last year brought remarkable challenges, but it also gave us incredible stories of resilience as well. To find out more about how non-profits overcame these challenges in 2020, we reached out to several leaders in the non-profit community, asking them what lessons they learned as they coped with the COVID-19 pandemic. It is our hope that you find their advice and experiences helpful as you navigate the challenging year ahead.



Kerri Mollard

Founder
Mollard Consulting (New Albany, OH)

“The COVID-19 pandemic taught me about the power of gratitude and the resiliency of people.”

While there was much fear and anxiety about the pandemic’s uncertainties, there were also bright spots to focus on and be grateful for. While some clients left us, others expanded their scopes of work. We experienced declining revenues, but we also received government support through stimulus. Although our team was all remote, we remained one team, and the talented people who call Mollard Consulting their employer are still working together today.

The human body, mind, and spirit are amazing. On a dime, when the world turned upside down, we responded. Collectively, we as a human people, continued to work, learn, and connect with each other in meaningful ways despite the unprecedented nature of the pandemic.

In a moment, massive corporations pivoted to a fully remote workforce. School systems created online lesson plans seemingly overnight. Houses of worship invited congregations into prayer via Facebook Live. Scientists got a vaccine to market within months, not years. Weddings, funerals, birthdays, graduations, and all those tender moments in life took new forms. The stock market recovered, and a new president was elected. The list goes on. It is awe-inspiring to think about all that has changed in 12 months. We are a resilient people, and for that I am both humbled and grateful.



Jennifer Greco

Vice President of Finance, St. Joseph’s Collegiate Institute (Buffalo, NY)

“Flexibility is the key to keeping all constituents – employees, students, families, and donors – engaged.”

Our administration gave faculty and staff the flexibility, within reason, to get their jobs done in a variety of different settings. Our students were given the option of in-person or remote learning, and many families were grateful for the option. Our outreach to donors looked very different this year, but some creative event planning yielded impressive results.



Jack Sears

Scout Executive/CEO, Boy Scouts of America, North Florida Council (Jacksonville, FL)

“Resiliency is not just a word to read and think about; it is a word to live by!”

COVID challenged me personally and professionally in many ways. Staying calm, focused, and engaged with others in a resilient and creative way kept our mission alive and kept funding flowing. It also helped maintain the delivery of programs and services, but in a very different, but meaningful way. We planned for the worst but have been working for the best. Now, one year into the pandemic, we remain debt free with our mission and people intact. We are well prepared to launch forward with our business plan to return to growth in membership and program participation.



Joan Tarantino

Executive Director, The Conkling Center
(Glens Falls, NY)

“Take on the challenge, no matter how large or uncertain, and be aware of how uncertainty affects those you bring along with you.”

The Conkling Center is committed to enhancing the quality of life for community members age 55+. When the COVID-19 Pandemic required us to close our office and suspend programs and services, our board and staff came together to create new ways to meet the needs of our senior community. This was accomplished while assuring that our employees could handle the challenges put before them, both professionally and personally.

The On-The-Go transportation program was restructured, offering limited transportation to destinations determined safe for seniors. Vehicle disinfection was increased. PPE was made available to both employees and riders. In-person programming pivoted to virtual platforms successfully. Staff, presenters, and seniors learned the way together.

Our ability to work through the pandemic successfully is the result of our employee’s commitment, knowledge, and flexibility. Our senior community members were understanding and patient with COVID-19 protocols in our vehicles, and they were adventurous in learning how to attend digital programs. In addition, we have an amazing community support system that worked together to assure everyone stayed healthy, safe, and successful.



Maya Gasuk

Managing Partner, West Wind Consulting
Strategies in Fund Raising, LLC (Ithaca, NY)

“Relationships are at the heart of good fundraising, and good communication is at the heart of strong relationships.”

Working with clients over the past year has been more of an affirmation than a lesson.

Organizations are very likely to grow giving in a crisis if they: 1) built strong ties to donors through consistent communication and engagement; 2) share the impact that a donor’s giving has on the organization; and 3) reach out to check-in during a crisis without making any assumptions.

Organizations can and should have thoughtful conversations about challenges and needs, and those donors who care deeply about the cause will want to help if they can, often stretching to give more if they understand the difference they will make.



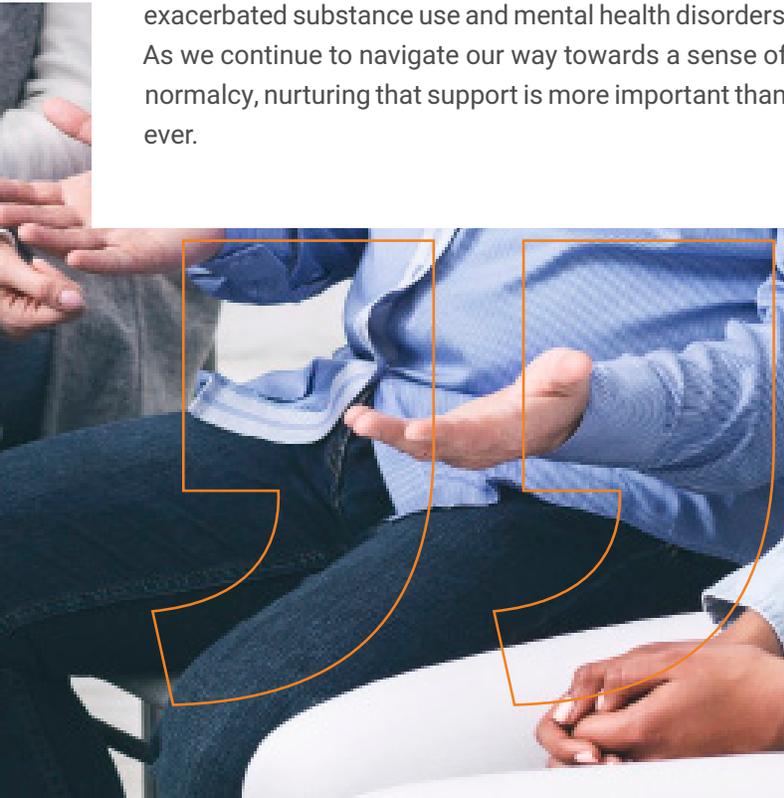


Ashley Forshee

Development Director, Helio Health
(Utica, NY)

“Despite the pandemic, we had to continue delivering services, and we found that our supporters were with us every step of the way.”

As a fundraiser, COVID-19 presented us with an unprecedented opportunity to connect with our donors and lean into our shared humanity. Our mission at Helio Health is to promote recovery from the effects of substance use and mental health disorders and other health issues. Despite the pandemic, we had to continue delivering services, and we found that our supporters were with us every step of the way. It wasn't about the galas or the dinners or the runs. It was – and is – about helping people find recovery. The COVID-19 pandemic showed us how deeply our partners care for our mission. More importantly, it showed us how to connect them to the people we serve in even more meaningful ways. We know that for many, the pandemic exacerbated substance use and mental health disorders. As we continue to navigate our way towards a sense of normalcy, nurturing that support is more important than ever.



Donna Auria

Regional Development Director
Make-a-Wish (Rochester, NY)

“We have had to identify innovative and creative new ways to fund wishes.”

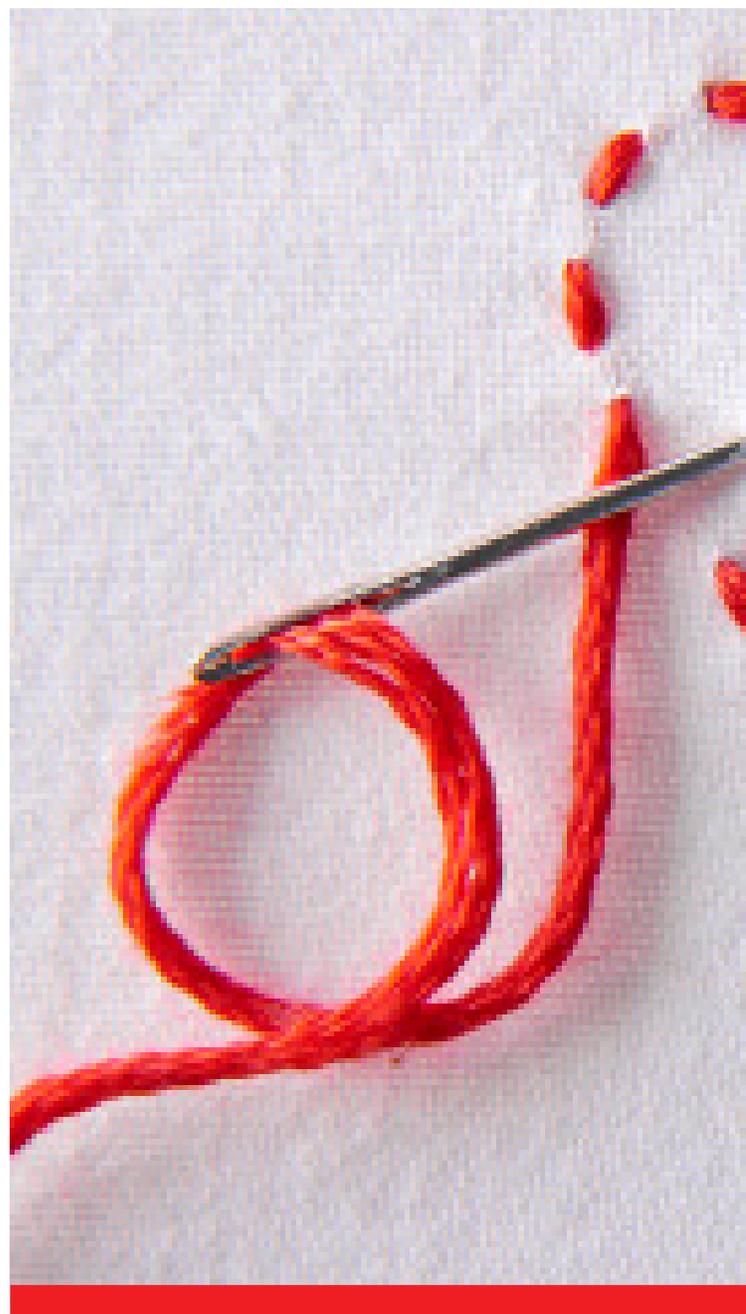
Over the past year, Make-A-Wish has kept the health of wish families, along with volunteers and supporters, at top priority. During the pandemic, as wishes were re-imagined to align with the current reality, the wish pipeline has continued to grow. Based on current health guidelines, Make-A-Wish has made the difficult decision to postpone wish travel. However, we have made a solid commitment to keep excitement going for wish kids on their journeys, building anticipation and letting wish families know they are not alone. Wishes that have been safely granted since the pandemic include virtual shopping sprees and virtual celebrity meets, animal companions, like puppies and farms, as well as playsets, electronics and room makeovers.

The impact from COVID has changed the way we live, work, and socialize – children with critical illnesses were already facing isolation every day, and this current pandemic has made it much more difficult. We are deeply grateful to the entire Make-A-Wish team, along with donors and volunteers, who have been extremely flexible and worked hard to continue granting life-changing wishes.

The cancellation of the 2020 and 2021 Make-A-Wish fundraising Galas has had a tremendous financial impact on the organization. We have had to identify and be innovative and creative about new ways to fund wishes. We continue to work with individuals, corporations and foundations to share our powerful story and we connect to inspire financial support, so we can continue our mission of healing and hope.

THREADING THE NEEDLE

COVID-19 & Planned Giving

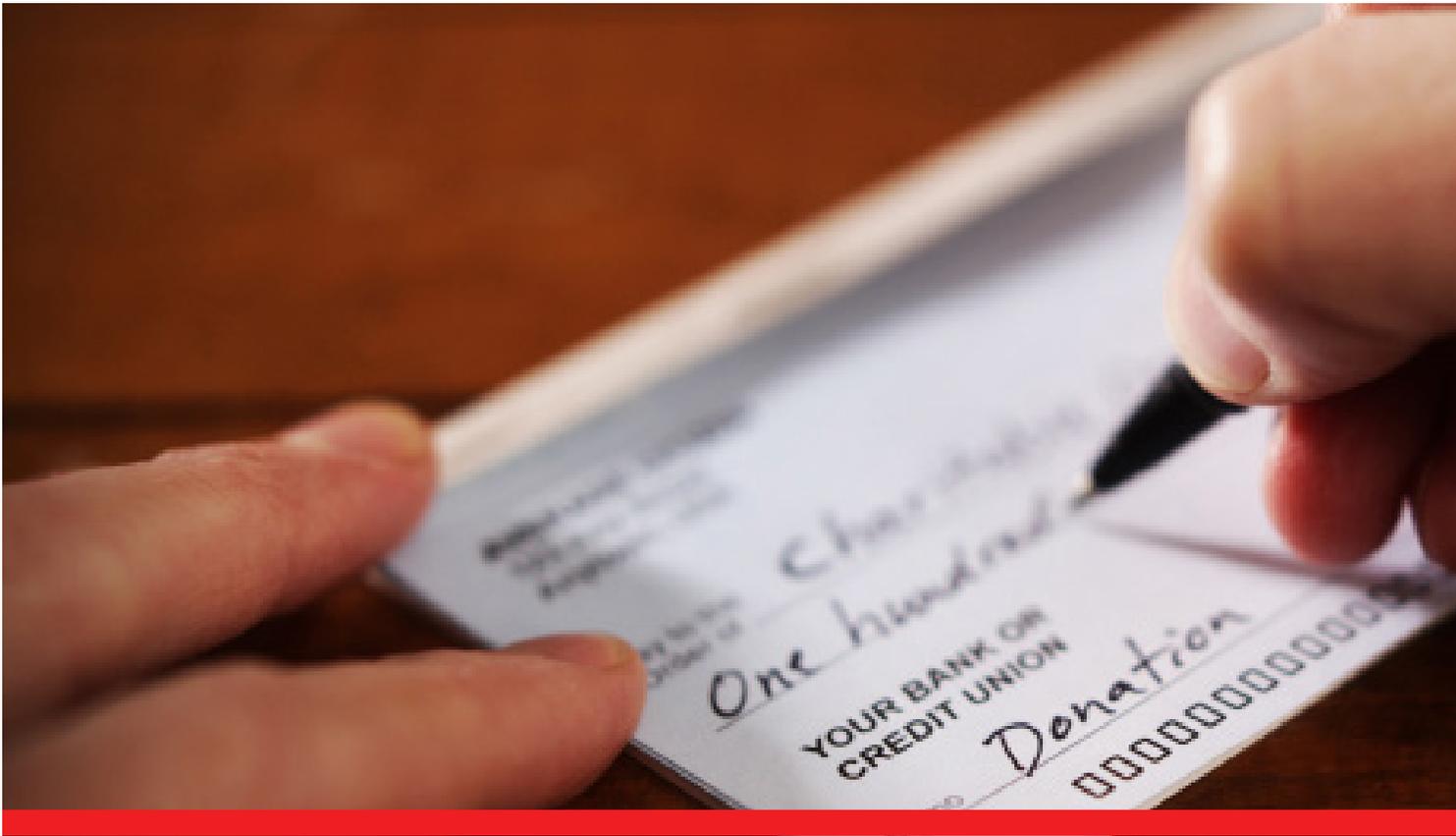


Planned giving conversations are often brought up after a major life event: marriage, divorce, retirement, death in the family, etc. In some ways, the COVID-19 pandemic has been a major life event for everybody. It's brought about significant changes in our day-to-day lives, and it's led us all to think about what's important and what we value and for many, that's meant more seriously contemplating your own mortality for the first time. Before the pandemic, many people put off estate planning. Today, many might be more receptive to the idea.



Yet, the pandemic also gave organizations a fresh set of challenges. The job market, the economy, and politics all affected even the most loyal donors, and when people are uncertain about their future, their giving tends to slow. Alluding to death by mentioning a planned gift carries risk as well. If done too forcefully, egging on donors to include your organization in their will could be considered offensive.

All of this leaves your planned giving program in a tricky situation. There is an opportunity today to show how your organization is making a difference and how donors can be a part of that. But there's also the risk of piling on to a donor's stress by asking them to consider a big life decision. How do we thread the needle and talk about planned giving in the COVID era? Consider the following ideas for how to communicate effectively with your most loyal donors.



Share stories of legacy and impact

This has a double benefit: sharing the story of a living legacy donor is a great way to thank existing donors and inspire others to make a similar gift. Find a donor willing to share the who, what, and why of their legacy gift and leverage it on your website, newsletters, emails, and in-person meetings. Use this donor as an example, and show off the impact of their gift. How does your organization use legacy gifts to fulfill its mission? Maybe there's a specific service you provide that wouldn't be possible today without planned gifts. Share these stories in a gentle way to help get the conversation started.

Listen first and follow the donor's lead

Donors can tell when they're being led down a road they don't want to go, and it's an immediate turn off. The solution is to let the donor take the lead. Your careful marketing up to this point has let them know that there are planned gift options that would help your organization. But if they don't bring it up, then it's not the right time. There are obvious key words that you'll want to listen for: estate plan, will, and legacy. But they might also drop hints more indirectly.

Listen for phrases like

- I wish I could do more
- If your organization had been around when I was younger...
- I wish more people had access to...
- How could I repay your organization?
- I'd like to see a future without...



Concentrate on stewardship

If now is not the right time to ask, then concentrate on stewardship. Over the past year, many organizations have perfected the art of the check-in. Ask donors about their lives. Commiserate about 2020 and shared hardships. Let them know how your organization is doing and the difference you're making. How have you adapted to better serve your community? And be sure to thank them. If you have information on their history of giving, let them know that you appreciate all they've done for your organization and remind them of your long relationship. Even if you're not asking, it's important to keep your organization top of mind for potential future donations. Engagement and stewardship are key.

Remember that planned gifts are deferred gifts

One of the biggest selling points of planned giving is that the donor has no immediate outlay. This is a great way to incorporate any near-term concerns donors may have with their personal financial situation or their situation with loved ones. For example, donors with children or a spouse may set up charitable remainder trusts to support their beneficiaries while also positioning the charity to receive the remaining assets once all beneficiaries have passed.

Uncertainty about near-term finances can lead to different priorities for donors, and that's ok. But it doesn't mean they need to abandon the possibility of supporting your organization. Many types of gifts, from bequests to charitable trusts, make it possible for donors to take care of loved ones and still leave a charitable legacy. That's a message that is resonating today.

Stay up-to-date

The world continues to change rapidly, and tax policy changes are impacting donors looking to update or create an estate plan. It remains to be seen what exactly the Biden administration has in mind, but it's possible we could see significant changes to income, capital gains, and estate taxes over the next few years. Donors appreciate well-thought-out and helpful advice on these topics, making staying up-to-date well worth the effort. It provides an opportunity to engage with donors, cultivate trust over time, and aid in what is often a complicated decision.

We can help your organization set up a planned giving roadmap. Contact us to learn more.

A photograph of a construction site with several workers in light blue shirts and hard hats. In the foreground, two men are smiling and looking at a large wooden panel. One man is holding a pencil and pointing at the wood, while the other is holding a green measuring tape. The background shows the wooden framework of a building under construction.

MANNING
& NAPIER®

The information in this paper is not intended as legal or tax advice. Consult with an attorney or a tax or financial advisor regarding your specific legal, tax, estate planning, or financial situation.