

CERINI & ASSOCIATES, LLP | CERTIFIED PUBLIC ACCOUNTANTS
PRESENTS

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BY THE NUMBERS

DIGITAL FUNDRAISING

MARKETING AND BRINGING VALUE
TO YOUR BRAND

UNEMPLOYMENT INSURANCE FOR
RISK AVERSE NONPROFITS

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BRINGING A UNIQUE UNDERSTANDING OF KEY ISSUES FACING NOT-FOR-PROFIT ORGANIZATIONS

FROM THE EDITOR - KEN CERINI, CPA, CFP, FABFA

Like in any business, information is critical for the nonprofit sector. In order to be successful, you need information about what's happening in your organization (*operationally, fiscally, and compliance-related*), as well as what's happening outside of your organization (*changing regulations, trends, etc.*). For business owners, in order to get this information, they need to comb the internet and develop sophisticated tracking systems in order to gain an understanding of what's happening in their business and industry. For the nonprofit sector, you have it a little easier, as we are completely immersed in the sector, we make much of the information you need readily available through our publications, events, webcasts, postings, and website.

For instance, this issue of the NFP Advisor is chock full of important nuggets that can make your organization more successful. We have provided you with some quick insights you can share with your development team on trends in the sector and how you can utilize digital fundraising to your advantage. We also have guest articles from industry leaders on how to bring value to your brand and how to significantly lower your cost of unemployment insurance.

Take the time to familiarize yourself with all of the information we make available. Give us a call and ask us questions. Come to one of our events and share ideas with others in the sector. We want to help and be part of your team positioned to make your organization more successful. Applications are out for the 8th annual Long Island Imagine Awards (*see back cover*). This is a great event, and the application process is easy. Even if you don't apply (*though you should*) or don't make it to the finals, you definitely want to be in the room on April 28, 2020.

Due to popular demand, we're extremely excited to announce that after 8 successful years, the Imagine Awards is expanding to New York City! Stay tuned for our inaugural NYC event (*details to follow*).

Finally, this Fall, a new version of the Nonprofit Guide to Effective Board Membership will be released with plenty of updates from our talented team.

We look forward to seeing and hearing from you, and we are always interested in getting feedback on how we can increase our dedication and involvement in the sector. If you have any ideas or topics that we can share, please let us know. We want to stay connected.



CONTRIBUTORS

WRITERS

LENNY GIAMBALVO
CERINI & ASSOCIATES, LLP
CLAIMS AUDITOR

JOHN MILLER
GUIDE DOG FOUNDATION &
AMERICA'S VETDOGS
PRESIDENT & CEO

GARRETT MAJKA
CERINI & ASSOCIATES, LLP
CLAIMS AUDITOR

KEN JONES
STERLINGRISK/UC ASSURE
VICE PRESIDENT OF
BUSINESS DEVELOPMENT

ASSOCIATE EDITOR

LULA LUKASIEWICZ
CERINI & ASSOCIATES, LLP
SENIOR MARKETER

PAGE LAYOUT & DESIGN

KRISTINA LAINO
CERINI & ASSOCIATES, LLP
GRAPHIC DESIGNER



EDITOR

KEN CERINI, CPA, CFP, FABFA
CERINI & ASSOCIATES, LLP
MANAGING PARTNER

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BY THE NUMBERS

CHARITABLE GIVING BY COMPANIES IN AMERICA



CHARITABLE GIVING BY INDIVIDUALS IN AMERICA



EMAIL CAMPAIGNS GENERATE 33% OF ONLINE FUNDRAISED REVENUES



64% OF MILLENNIALS AND GEN XERS VOLUNTEER LOCALLY



NONPROFITS TURN TO IT SOLUTIONS FOR ONLINE DONATIONS TO ATTRACT MILLENNIALS (84% OF MILLENNIALS GIVE TO CHARITY ACCOUNTING FOR 11% OF US TOTAL GIVING)



30% OF ANNUAL GIVING OCCURS IN DECEMBER



64% OF DONATIONS ARE MADE BY WOMEN





DIGITAL FUNDRAISING

Do you want to reach individuals and convert them to donors? Better step up your digital fundraising. Donors want to see more “human content” from the nonprofits they support. If you thought humans were social beings, the next generation of donors (*generations Y & Z*) have taken this to the next level, with constant social engagement on such popular social media sites as Facebook, Twitter, Snapchat, and Instagram. If you want to be successful cultivating younger donors, you need to engage them, allowing them to connect with your organization and the individuals you serve. Nothing is more impactful than a story, inviting donors in and letting them see what’s happening within your organization as opposed to just telling them. Instagram stories, YouTube Channels, and other social media platforms grab people’s interests through pictures and videos. Think about how impactful a personal video diary of a child who is receiving a wish would be ... the child’s joy, experience, the family’s insight, the backstory, etc. *Why do you think all of the live voting shows tell you about the contestants?* They want it to get personal and for you to connect with them. This builds engagement.

Over 500 million people use Instagram each day, with 59% of them under the age of 30. **Generation Y** (born 1981 to 1995) and **Z** (born 1996 to 2010) comprised 48% of the total U.S. population as of 2017 (22% and 26%, respectively). An astounding 30% of Generation Z already donates to charity. Since information is more accessible on social media sites and actively used by the younger generations, it provides a perfect opportunity to connect nonprofits that use social media platforms to live-stream and engage a wider and younger audience.

Live-streaming is broadcasting via social media and can be as current as the user wants it to be. Live-streaming is viewed as an innovative way to connect and interact with supporters. Facebook Live, Periscope, Instagram Live, YouTube, or Google Hangout are live-streaming platforms that allow the users to get their message across to a wide-audience in a matter of minutes. Once a live-streaming event ends it can be viewed on the platform for anyone that wishes to watch it later. Live streaming is a great way to connect with an audience and your organization benefits from sharing your message across multiple platforms. In addition, live-streaming can tell the story, with all its impact and emotion in an effective and engaging way.

Live interviews, video diaries, Instagram stories, etc., engage the community and can encourage people to ask questions and interact in real-time with people to raise awareness of what is being promoted in your stream. Funded projects, activities, and sector trends can be answered as comments and questions arise from viewers watching Instagram streams. Alexandria Ocasio-Cortez, used her Instagram stories to make politics more relatable to the younger generations, as she engaged the community for the purpose of providing more power to the voters. As politicians use Twitter and Instagram platforms to enhance their popularity and inform the public, the IRS engaged in an Instagram strategy to reach the younger generational taxpayers. They aimed to make the posts eye-catching and colorful, while being informative for people to assist them in preparing their tax returns.

As a nonprofit, it is important for you to be creative with your live-streams so that you can set your organization apart from the rest. Live-streaming service delivery and showing the issues you’re solving and impact you are making provides a great advantage to get viewers interested and involved in what is being done with the donations they are making. For example, an oceanographer, Sylvia A. Earle, explored the kelp forests by the Channel Islands. The oceanographer live-streamed her dive off the coast of California to demonstrate the importance of conserving kelp forests and marine life.

Keep in mind, the average attention span of people today is about 8 seconds. You need to keep your messages short, no more than a minute or so (30 seconds is optimal), to effectively get your message across. These quick video messages have been successful for nonprofits who have seen increases in donation rates using them by 97% over traditional email campaigns.

Another popular fundraising trend is the use of monthly subscription-based donations. Monthly subscriptions made to nonprofits is up 40% over last year. This provides you a steady flow of income every month rather than a one-time donation, and since they are typically attached to a credit card or bank account, they are often set-up and forgotten about, ensuring a long-term income stream to your charity. This is a particularly important strategy for millennials, as they are 52% more likely to consider monthly subscriptions rather than a large one-time gift. Over the long haul, this could lead to more engagement with your organization for future gifts.

Twitch has been a popular platform that has been on the rise since its introduction in 2011. Twitch started as a videogame streaming platform, with more than 55 million people watching videogame streamers every month. Streaming has become a new and popular platform for the younger generations, as they prefer to watch popular videogame streamers than a television show, with 58% of Twitch users spending roughly 20 hours a week watching videos online. As gamers stream, they often team up with charitable causes. Viewers tune into their streams and make donations throughout the gameplay in support of their favorite streamers and their related charitable causes. In July of 2018, a high profile streamer, Ninja, participated in a stream to raise money for St. Jude’s Children Hospital. The streamer kept the interest of the audience by adding challenges to his stream as more donations were received. Due to the combination of a live charity stream and his successful and competitive gameplay, he raised \$2.7 million for St. Jude’s.

Another way you can utilize digital advances to assist in your fundraising efforts is through the use of chatbots. A chatbot is a service, powered through coding or **AI** (Artificial Intelligence), which allows people to interact via a chat interface. The chatbot provides automated communication back to donors providing more timely communication with your donors, which is often difficult for nonprofit organizations. With the increasing cost of labor, increased automation of communication will save you both time and money and ensure more timely communication to your donors and prospects.

The nonprofit sector is adapting its marketing and fundraising efforts around social media platforms. As nonprofits look for opportunities to grow, Facebook Live, Instagram Live, Twitter, Snapchat, Twitch, and YouTube are platforms that make it possible for you to connect with your donors. They provide you with an opportunity to broadcast your message to a wider audience and allow for you to show your impact and tell your story in an exciting, engaged, and interactive way.

GARRETT MAJKA
CLAIMS AUDITOR



MARKETING AND BRINGING VALUE TO YOUR BRAND

As executives in the nonprofit space, one of the most important roles we have is to market and bring value to our brands so that we are able to achieve our mission. At the Guide Dog Foundation and America's VetDogs, this is a responsibility we take very seriously and intentionally.

It starts at the beginning of each year when we formulate goals for the organizations. As we work to fulfill our strategic initiatives, we are mindful of the importance of budget, program impact, and bottom line in determining how to leverage and promote our brands.

What are some keys to success in bolstering your brand? Ensuring that your goals are aligned and that you are ready to identify potential opportunities—such as strategic alliances—and then taking advantage of them. To form strategic partnerships, an organization—and its top executives—must be willing to put itself in the public eye, demonstrating that it is not afraid to share and listen to ideas. Most of all, it is vital to be authentic, trustworthy, and honest. In terms of identifying potential partners, one of the most important factors is being able to ascertain strong leadership in the potential partner. I believe these leaders share the traits I noted previously. You cannot be afraid to plan bold ideas and think big.

Our recent placement of Sunny, the “puppy with a purpose” on NBC’s TODAY morning show, at the Henry Viscardi School is an example of how we brought value to our brands through a strategic partnership. The school provides an enriched education to children with severe physical disabilities (pre-K to age 21), who may also require life-sustaining medical treatment during the school day. This was an out-of-the-box partnership for both organizations. We have heard numerous stories in just the past few weeks of the positive impact that Sunny has had on the lives of the children who attend the school. Sunny’s placement also created significant interest in both organizations’ missions. On Sunny’s last day on the TODAY show, the program ran a five-minute feature wrapping up his 18 months on the show and highlighting his new career ([link at www.bit.ly/2OZ3fdI](http://www.bit.ly/2OZ3fdI)).

In addition to strategic partnerships to build your brand, it is important to be aware of your industry’s environment for two reasons: (1) to see what the competition is doing and (2) to see what you can do better. For instance, at the Guide Dog Foundation and America’s VetDogs, we continuously work on our search engine optimization and website keywords to increase our traffic, digital awareness and visibility, and we are always looking to highlight iconic moments, such as when we rang the opening bell at the Nasdaq Stock Exchange, and for the future, becoming an Empire State Building lighting partner and ringing the opening or closing bells at the NYSE.

Another important factor in marketing your brand is being able to communicate with your constituents and potential donors in the way they prefer. When we cultivate donors, our rule is to be honest and transparent in all communications. We use traditional mailings, phone, or email to discuss planned giving options with donors who are 70-plus, for instance, while we target millennials on social media. We use all forms of social networking to actively connect with our followers on more than a dozen accounts between the two organizations, and we use these channels to drive traffic to our website and demand to our programs.

While it is easy to be reactive in communicating, we find it is very important to be proactive and intentional in our messaging. We ensure that we have a solid plan to tell our stories to the public and that we are always sincere and passionate when we do so. Working in all types of media allows us the opportunity to present very clear messaging to very different types of constituents.

Ultimately, *what’s the best way to market and build your brand?* Be sincere, authentic, intentional, and diverse in your strategy.



JOHN MILLER
PRESIDENT & CEO
GUIDE DOG FOUNDATION & AMERICA'S VETDOGS

UNEMPLOYMENT INSURANCE FOR RISK AVERSE NONPROFITS

Nonprofit organizations undertake some of the most noble work in our society, serving those in need or advancing research that help create a better world. They also typically operate on thin budgets, working to drive as much money as possible back to their missions. While staff can be significant, they may have no more than one or two employees dedicated to human resources.

One way nonprofits can operate more efficiently is by looking at their state unemployment tax expenditures and unemployment benefit charges. In fact, the Federal Unemployment Tax Act of 1972 allows 501(c)(3) nonprofits to opt out of paying the state unemployment tax to become “reimbursable employers.” When an organization operates in this way, it reimburses the state dollar-for-dollar for unemployment benefits paid out to former employees rather than paying taxes.

However, there is also significant risk in an already overburdened organization taking on the sole responsibility of reimbursing the state in the event of layoffs. In addition, the amount of time it takes to file paperwork, attend hearings and monitor benefits paid to former employees can place a serious burden on small human resources departments, further detracting from the organization’s mission.

It makes great sense in most cases where nonprofits are more risk averse to seek private unemployment insurance options. It can provide nonprofits with a truly supportive, low-risk and cost-saving way to avoid overpayment. It also protects the nonprofit from the burdens that come from managing unemployment claims and navigating state systems.

Unemployment insurance providers offer an alternative approach with solutions tailor-made to the realities of a nonprofit’s organizational structures, employment trends and budgetary realities. A good unemployment insurance provider will determine a fixed rate based solely on that organization’s individual claims history and future expectations. This alone can result in significant savings for the average nonprofit as the money spent applies directly to the organization’s own unemployment compensation expenditures rather than subsidizing employers with higher expenses, such as in a state unemployment pool.

Unemployment insurance providers also prepare the nonprofit for an unexpected round of layoffs due to restructuring or funding losses. That’s because, in addition to cost savings and security, unemployment insurance providers remove administrative hassles from the desks of time-strapped HR departments. These insurers typically handle all the administration that goes along with unemployment claims, including paperwork, attending hearings, and managing appeals. The insurer also helps audit claims as they are paid, which could result in additional savings for the organization – a time commitment that most nonprofit human resources staff cannot afford. Eliminating these constraints on already limited staff resources and the resulting potential costs savings could lead to increased efficiency and improved cash flow.



KEN JONES
VICE PRESIDENT OF BUSINESS DEVELOPMENT
STERLINGRISK/UC ASSURE

Ken Jones, Vice President of Business Development for SterlingRisk/UC Assure, a Product of Ohio Indemnity Company, is an expert in the Reimbursable Employer Solution for Nonprofits.

He can be reached at kjones@sterlingrisk.com or at 516-417-5118.



CERINI & ASSOCIATES LLP
 CERTIFIED PUBLIC ACCOUNTANTS

Cerini & Associates, LLP
 3340 Veterans Memorial Hwy.
 Bohemia, N.Y. 11716
 www.ceriniandassociates.com

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