

---

## Truth or Consequences - Clara Miller Article

Posted by Gayle Gifford - 2008/08/07 00:59

---

I've just read the Clara Miller article called Truth or Consequences that uses the Form 990 to analyze funding sources for youth organizations and then makes the conclusions that organizations with two sources of funding are financially better off than just one, but that three sources of funding causes a decline.

As a fundraising professional, I have a difficult time understanding how one might view 990 line 1, "Contributions, gifts, grants and similar amounts received" as one source of funding from the perspective of the type of capacity that an organization would need to build to be successful procuring these revenues.

What might be included in line 1a, "direct public support," are grants from foundations, donations from corporations (whether grants or not), individual gifts (large gifts, small gifts, direct mail, some membership dues, bequests, online giving, the value of contributions solicited in the gross receipts of special events, etc), etc. I would consider each of those a uniquely different type of fundraising.

For example, the expertise and skills needed to raise major gifts from individuals is significantly different from raising lots of money from small donors via direct marketing techniques through the mail, or through workplace giving or online giving. I think most fundraisers would probably say the same of corporate giving or foundation giving.

So I would consider these many different sources of revenue, not just one. Unfortunately, the 990 doesn't break these out separately (though we all wish that it did have that level of specificity when we want to benchmark one similar nonprofit against another). I also find that most organization 990s I review report contributions received from federated giving (e.g. United Way campaign designations) in line 1a rather than line 1b, so I find the 990 terribly unreliable to make any firm conclusions from about an organization's revenue sources.

Perhaps Ms. Miller could explain her reasoning for characterizing line 1 as one revenue source so that we might understand the report conclusions better.

Thank you.

=====