

2008 Annual Report

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Welcome

On behalf of the Network for Good team, we are pleased to share our 2008 Annual Report.

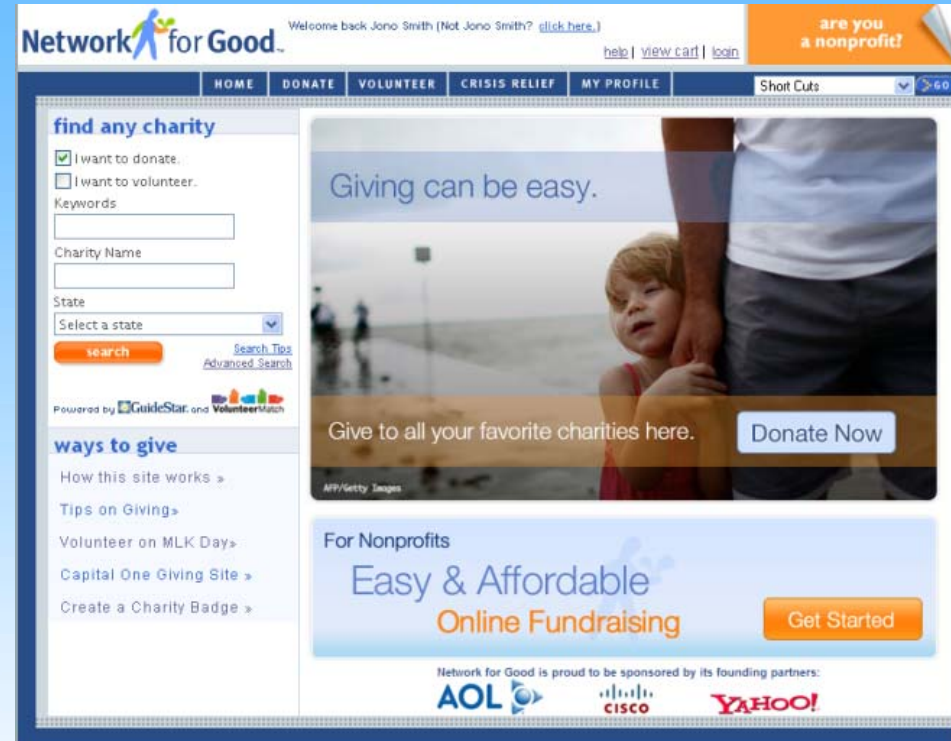
In 2008, our focus was on making our nonprofit customers and partners successful in raising money for charity and making it easy and convenient for nearly 400,000 donors to support their favorite charities anywhere online.

- ***We processed \$71 million in donations to 31,450 nonprofits***
- *We added 2,040 new subscriptions to our Custom DonateNow and EmailNow services and upgraded our EmailNow service to be powered by Emma.*
- ***We provided training and tips to 30,000 organizations*** in online fundraising and email marketing.
- *We **acquired the e-Philanthropy Foundation**, an educational organization helping other nonprofits to use best Internet practices.*
- *We **added 6 new donation partners** including Causes on Facebook, Capital One and Oprah's Big Give. We also added two new states, NY and LA for a total of four states using our Volunteer Network of volunteer opportunities.*
- *We had a **record breaking December giving season totaling \$25 million** despite the downturn in the economy.*

About Network for Good

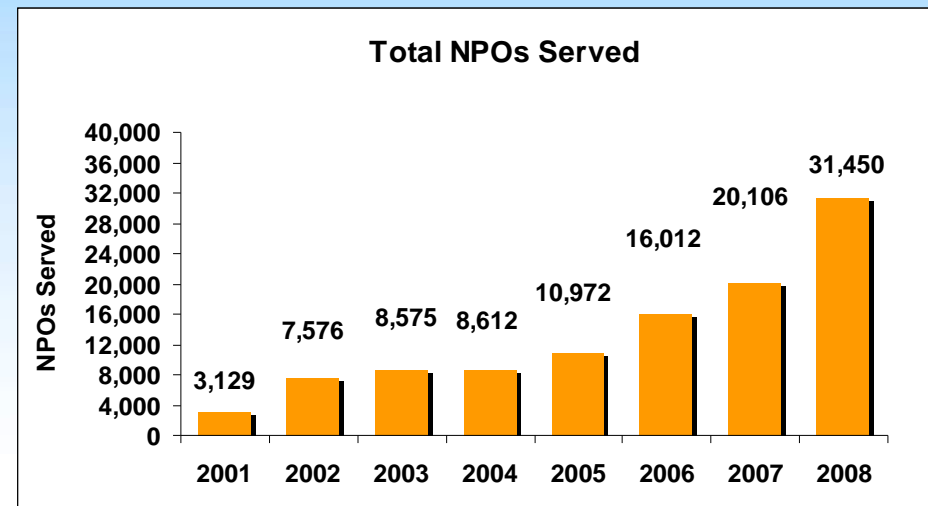
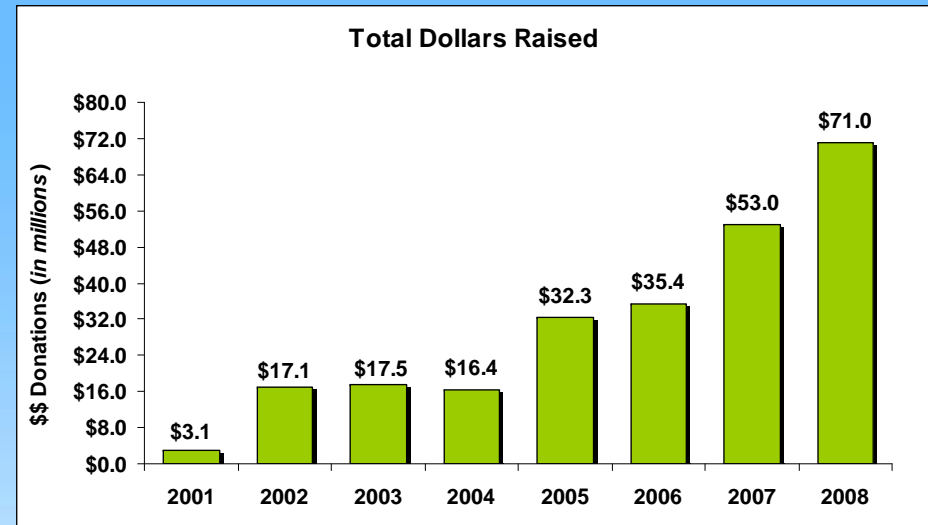
The Internet's leading charitable giving resource, matching people and charities in 4 ways:

- **Fundraising tools:** Network for Good helps nonprofits (NPOs) raise money on their own websites and on social networks with free and low-cost fundraising tools
- **Online donations:** Network for Good enables giving to any charity registered in the US (more than one million) at www.networkforgood.org, through fundraising widgets on social networks, and via partners' websites
- **Research and Volunteerism:** At www.networkforgood.org, users can research any charity and search from among more than 40,000 volunteer opportunities. Individuals can also search for volunteer opportunities through our state Volunteer Network sites: California, Louisiana and New York.
- **Star power:** Network for Good links people with celebrity philanthropists including Kevin Bacon, Ellen DeGeneres, Robert Duvall, Colin Firth, Ricky Gervais, Joaquim Phoenix, in the 'Six Degrees.org' initiative



What We Have Accomplished 2001-2008

- Distributed over \$245 million in online donations to more than 30,000 different nonprofits and matched more than 250,000 volunteers with thousands of nonprofits
- Recognized for revolutionizing philanthropy by Computerworld, Forbes, ePhilanthropy Foundation, Wired, Marketing Sherpa
- Returned \$18 to the sector for every \$1 invested in Network for Good
- Returned \$25 in donations for every \$1 a nonprofit spends on our services
- Taken fundraising viral and raised well over \$2.5 million via fundraising widgets
- Built a Volunteer Network that connects users across the country with more than 200,000 local, international and virtual volunteer opportunities



Why Our Work Matters

- **Increasing charitable giving:** By making donations online convenient and secure, Network for Good increases giving and drives more resources to nonprofits.
- **Helping the helpers:** We help small and medium-sized nonprofits harness the power of the Internet with simple tools to raise money and recruit supporters.
- **Leveling the playing field:** Smaller nonprofits gain access to broader constituencies, extending their reach and contributing to a leveling of the philanthropic playing field.
- **Streamlining philanthropy:** By moving philanthropy online and tapping the powerful reach of partners like Yahoo! and AOL, we enable charities to spend less time and money attracting resources.

“Today’s marketplace requires nonprofits to compete for attention and resources at unprecedented levels. We invest in Network for Good because it enables even the smallest organizations to attain the technological and fundraising capacity they need to reach people and get results.”

**– Vincent Stehle, Program Officer
Surdna Foundation**

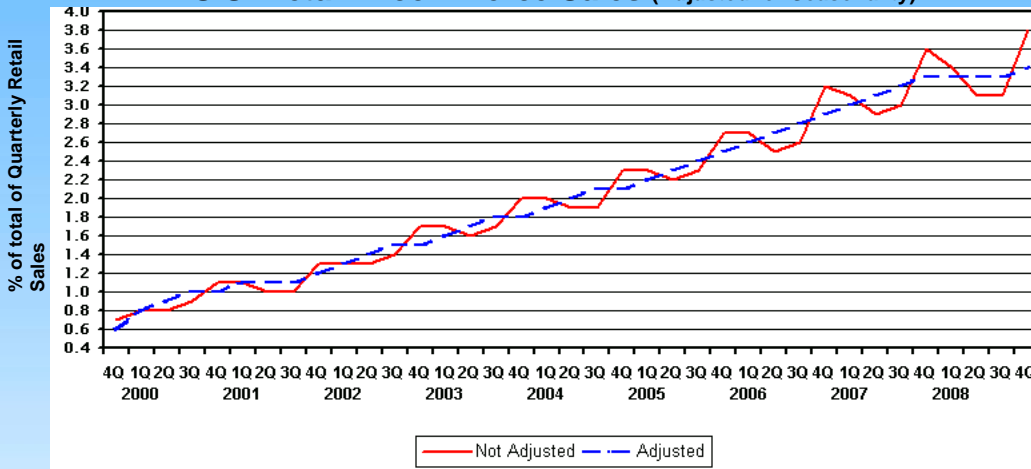


What's Special About Network For Good?

- **Scope and size:** Largest giving site, with access to and information on 1.5 million charities; we have processed \$245 million in donations
- **Trusted, secure brand:** We have been around since 2001 and our brand associated with trust in the sector. We are a BBB accredited charity that helps other charities.
- **Efficiency:** Network for Good passes along more than 95% of donations direct to charity
- **Partnership experience:** Proven track record with Yahoo!, AOL, Time Warner, Cisco, White House, Causes on Facebook
- **Businesslike approach:** Founded by private sector partners and staffed by social entrepreneurs, Network for Good understands how to work with business

Growth Trends Continue in Online Giving

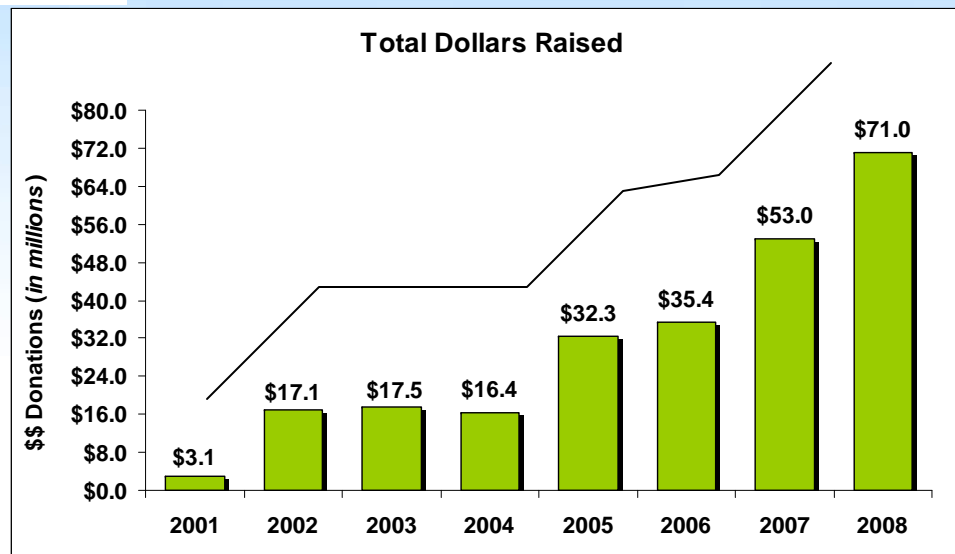
U.S. Retail E-commerce Sales (Adjusted for Seasonality)



Source: U.S. Census Bureau, *Quarterly Retail E-commerce Sales*, 2008

Online giving is growing exponentially each year and is tracking to the trends of the growth in online shopping

Growth of Online Donations via NFG

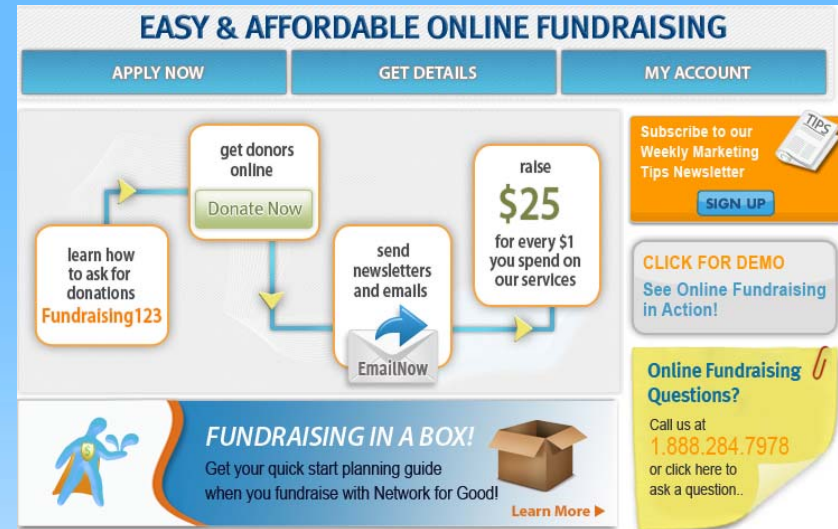


“If you look at the face of online giving, you glimpse the future of philanthropy: an increasing number of younger donors who contribute at higher levels. The growth we see on the Internet will drive greater impact on the ground, wherever and whenever people need help.”

**– Scott Case
Network for Good Board Chairman**

Nonprofit Services

- **Donation Processing** : Online tool to help nonprofits establish their own online fundraising program and receive funds via electronic transfer from Network for Good
- **Email Outreach** : Tools to help nonprofits email donors and receive and track donations and export data to their own databases for donor cultivation
- **Training**: A comprehensive Learning Center, e-newsletter communications, free teleconferences presented by industry leaders at www.fundraising123.org.



PEGASUS
LEGAL SERVICES FOR CHILDREN

Home About Us
How to Process
Resources
News & Events
Publications
Contact Us
Donate Now

How to Get Help
General Inquiries
(800) 244-1100
Your Donorship Of A Child
Information
(800) 217-1800
Email: info@pegasus.org
(800) 985-1105

Donate Now and Make A Difference!
Your donation to Pegasus Legal Services for Children will give children and youth access to safe and stable homes, quality education and healthcare, and a voice in decisions that affect their lives.

*Indicates required field

Donation Amount:
☐ \$25.00
☐ \$50.00
☐ \$100.00
☐ \$150.00
☐ Other:

Frequency:
☒ I want to make a one-time donation
☐ I want to make a recurring donation
 (Select: ☐ 3M ☐ 6M ☐ 12M)
☐ On behalf of: ☐ In honor of ☐ In memory of

Dedication:

☐ Send Dedication Acknowledgement

Privacy Preference:
☒ Provide my full contact information
☐ Provide my contact name and email address only
☐ Provide none of my personal information (anonymous)

For Youth & Young Adults
For Parents & Families
For Mentors

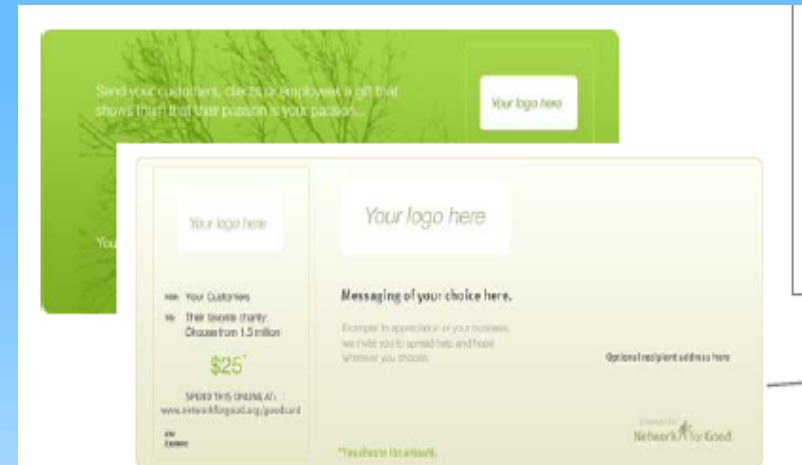
Sample DonateNow page



Sample EmailNow newsletter

Consumer Services

- Good Cards - A gift card for charity – where the recipient gets to donate to their charity of choice
- Donation Processing - Web services launched in 2007 with Causes on Facebook and Capital One giving site and rewards program in 2008
- Volunteer Network - Web application that allows volunteers to search master database of volunteer opportunities
- Fundraising Widgets: Charity badges, web 2.0 functionality that enable individuals to fundraise anywhere online



2008 Results & Impact

Network for Good's Multiplier Effect

2008 Return on Investment:

- \$71 million in contributions
- 642,563 donations to 31,450 charities
- 770,230 volunteers referred

Avg. Dollars per Month: \$5.9M

Avg. Donations per Hour: 74 DPH

Avg. Dollars per Hour: \$8,217 DPH

Helping Nonprofits Through Free Training

Learning Center contains more than 600
articles at www.fundraising123.org/



RSS Feed

SEARCH

Weekly fundraising and marketing
tips sent to 30,000 Nonprofits

Nonprofit 911 FREE training on
nonprofit marketing and fundraising.

How Can We Help You Become a Fundraising



About Network for Good

Network for Good provides easy and affordable online fundraising services. Visit our website to learn more.

Improve Your Fundraising

Subscribe to our weekly Online Fundraising



Most Recent Articles

- **It's All about the List! How to** Download the presentation slides
- **10 Strategies for Recession F** The Chronicle of Philanthropy has
- **Seven Words That Will Make Y**
- **Do Your Communications Suff** "At risk"? "Accessible..."



Ask a Question:
We're Here to
Help

Email: [Email us](#)
Web: [Visit our website](#)

About Tips

Network for Good's Nonprofit Marketing & Fundraising Tips is a semi-weekly newsletter with information for any nonprofit looking to generate results through smart fundraising and marketing.

About Network for Good

Imagine what the world would be like if every time you were inspired to help

[go to website](#) | [visit learning center](#) | [get training](#)

Tips Weekly: January 23, 2009

- [Get Donors and Grants Online!](#)
- [Registration Open! More Than a Donate Button](#)
- [Composing Your Online Fundraising Plan in '09](#)
- [Tightening Your Fundraising/Marketing Budget: You Can Cut Out](#)

You are receiving Tips because you opted-in via our [here to update your preferences.](#)

Get Donors and Grants Online!

To stay afloat in touch economic times it's important f (like yours!) to consider all of the options for raising fu all of your eggs in one proverbial basket isn't going to

It's time to diversify: Begin raising money online and fir opportunities online for less than one dollar a day. The organizations that sign up for Custom DonateNow will FREE one-year GrantStation membership, which is w

Training

Nonprofit 911 is a free training series on nonprofit marketing and online fundraising, supported by Network for Good and our guest speakers.

Create Copy that Shines, Sings and Brings in the Bucks:
Tips for Writing for the Web
Tuesday, June 16 at 1 p.m. EDT

+ REGISTER NOW

Need help? To open a file now, click the link. To download a file, right-click on the link, then choose "Save Target As" from the drop-down menu.

Sep 16, 2008: Becoming a Purple Nonprofit, and What is Squidoo?
Seth Godin e-Book (pdf), Audio (mp3), Transcript (pdf)

Sep 9, 2008: Communicate: Think Big & Build Simple for Big Dollars
Handout (pdf), Audio (mp3), Transcript (pdf)

Aug 28, 2008: Using Social Networking Sites to Promote Your Mission
Slides (pdf)

Aug 26, 2008: Getting Started with Online Fundraising & DonateNow
Slides (pdf), Audio (mp3), Transcript (pdf)

Aug 19, 2008: Making Every Dollar Count: Keys to Develop a Results-Driven Marketing Plan
Slides (pdf), Audio (mp3), Transcript (pdf)

Jul 22, 2008: The Experts Are In! Your Online Fundraising and Nonprofit Marketing Questions Answered
Audio (mp3), Transcript (pdf)

Jul 1, 2008: Spreading Your Nonprofit's Message with Google Adwords
Slides (pdf), Audio (mp3), Transcript (pdf)

Jun 25, 2008: Branding Isn't Just for Cattle: Tips for Managing your Nonprofit's Brand
Slides (pdf), Audio (mp3), Transcript (pdf)

May 27, 2008: Tapping the Corporate Dollar: The ROI for Nonprofit/For-profit Collaborations
Handout - Definitions (pdf), Mosaik Strategies Mailing List Opt-in (pdf), Audio (mp3), Transcript (pdf)

Seeing Results: Fundraising Superheroes



KIRT MANECKE
LANDCHOICES

**ONLINE FUNDRAISING
SUPERHERO**

Archnemesis: Bulldozer

Kurt's Kryptonite: Seeing land scraped flat to make way for subdivisions

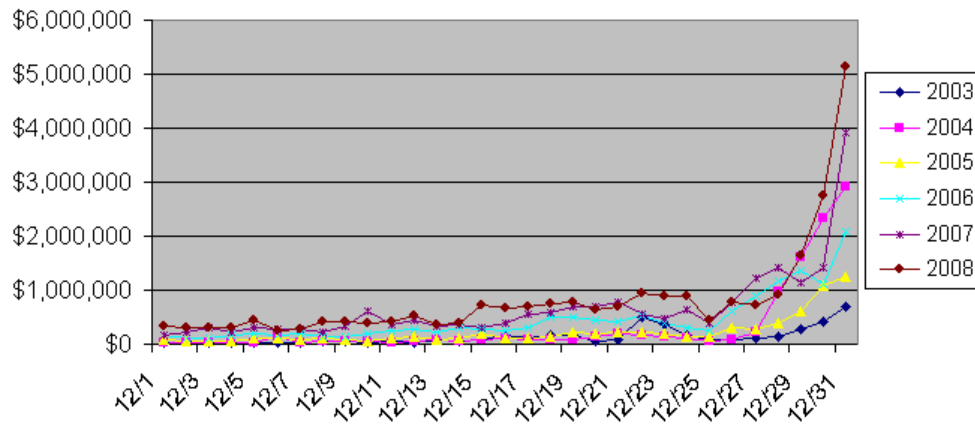
Superpower: Able to beat the economy and fundraise with an all volunteer staff

Secret Weapon(s): Donor-centric messaging and a Network For Good "Donate Now" button

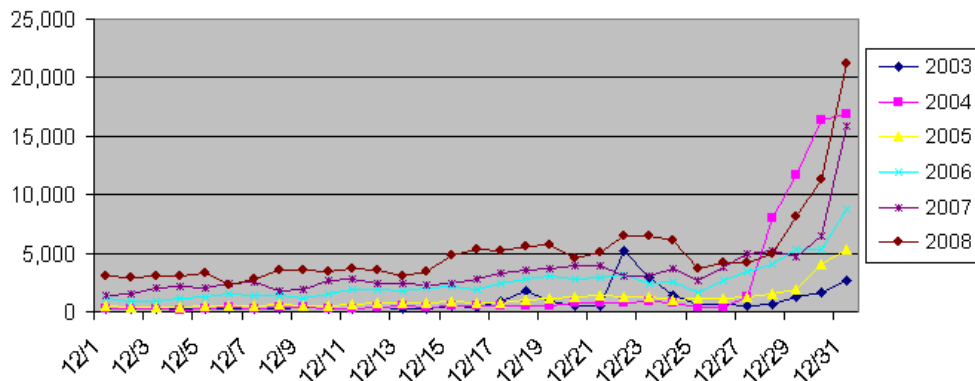
GET KIRT'S POWER *W*

Record 2008 December Giving

December Donation Amounts



December Number of Donations



TOTAL 2008 DECEMBER GIVING

Donations

Donation Amt

157,414

\$25,147,374

% Change 2007

Up 46%

Up 23%

2008 Exposure/Media

January, 2008

Fast Company.com

Social Capitalists: Network for Good profile

June, 2008

Success

6 Degrees of Inspiration: Kevin Bacon Parlays a Pop Fad into a Force for Good

July 14, 2008

Wall Street Journal

Charity Cases: Social-networking phenomenon makes it easy for donors to promote their favorite causes online

August 4, 2008

Washington Post

Network Counts On Collaboration For Growing Good

December 3, 2008

The Today Show

TODAY hosts talk to actor Kevin Bacon about his role in the new film "Frost/Nixon" and his charity SixDegrees.org.

December 3, 2008

New York Post

'Cause' and Effect: Companies Hope Charitable Gifts Fill the Stockings

Hello amann74 | Change Preferences | Sign Out

The Washington Post

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How much does it cost to feed and care for a child like Clara?

- \$1.17/day
- \$2.36/day
- \$2.92/day

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HOLIDAY PHILANTHROPY

More Choose Gift That Truly Keeps Giving

By [Megan Greenwell](#)
Washington Post Staff Writer
Friday, December 19, 2008; Page B01

While holiday shoppers combed the aisles for the perfect gift, Janelle Franklin agonized over whether a close friend would rather support the [Nature Conservancy](#) or the Denver Zoo. She had settled on a charitable donation as her friend's birthday present, but the options seemed endless. Finally, she turned to that time-tested fallback option: the gift card.



THIS STORY

- » HOLIDAY PHILANTHROPY: More Choose Gift That Truly Keeps Giving
- Food Banks Gain As Holiday Revels Are Trimmed
- A Time Of Need

[View All Items in This Story](#)

Long the exclusive domain of retail stores, gift cards are quickly becoming a major source of holiday donations to nonprofit groups. The Bethesda-based nonprofit Network for Good offers "Good Cards," which can be applied to any of the 1.5 million

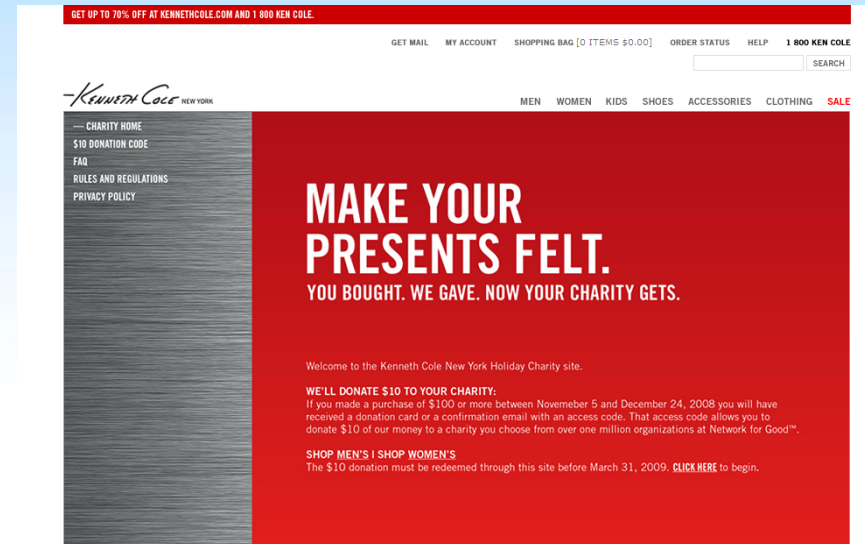
Bill Strathmann, chief executive of Network for Good, holds one of his group's "Good Cards," charity gift cards that can be applied to any of the 1.5 million registered charities in the United States. (By Bill O'leary -- The Washington Post)

Network  **for Good™**

Offering The Gift of Charity

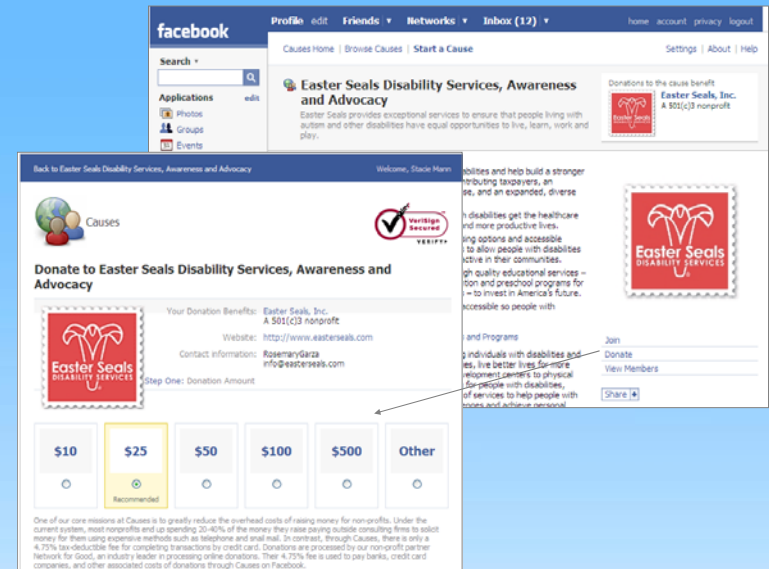


- A gift card for charity – where the recipient gets to donate to their charity of choice. More than \$1 million in Good Cards sold in 2008.
- Partners, like Kenneth Cole, can create a branded gift card campaign using the cards as incentives.
- Positive feedback from our customers indicates that they value the thoughtful nature of the gift and that it was meaningful.
- We received coverage on the Today show, in the Association Press, in the Washington Post, on NPR and in other outlets who were focused on the charitable trend in gift giving.



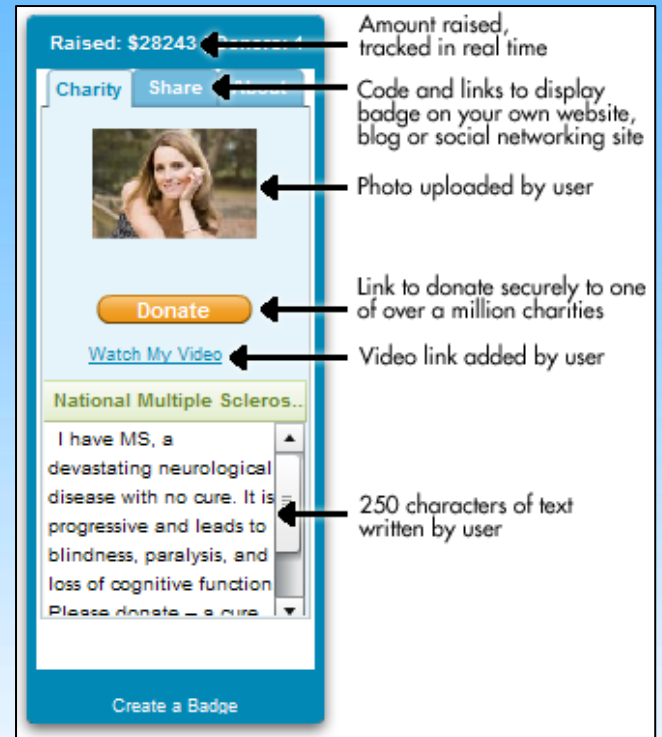
Enabling Charitable Giving for Partners

- Making it easy to add charitable giving within partner websites content, advertiser packages or corporate initiatives.
- Allow users to support their favorite charity
 - All 501c3 public charities are in our database; 1.5 million+ pre-vetted
 - Donors can research organizations
 - Safe, easy and convenient giving with credit card, PayPal or online check
 - Automated tax receipt
 - Donation records stored for tax-time
- Partners can incorporate user-driven content from personal fundraising charity badges into areas of their site



SixDegrees.org - Taking Giving Viral

- Site capitalizes on the trends of celebrity philanthropy, user-driven content and social networking to raise funds for charity
- Highlights more than 50 celebrities' charitable causes; Non-celebrities can also raise money for their favorite nonprofits with charity badges or “widgets” that can be displayed on blogs and social networking sites
- Generated over \$2.5M in donations in just over 17 months. An important group of Wired Fundraisers exemplify best practices in viral fundraising.
- Millions of media impressions in USA Today, CNN, Access Hollywood, US Weekly, In Touch, OK Magazine, People, Entertainment Weekly, The View, The Ellen Show, Morning Radio Tour in 20 markets, The Tonight Show and E! News



Impact: Taking Volunteerism Local

- Launched California Volunteers Volunteer Network in partnership with the Office of the Governor in September 2006 and added New York and Louisiana in 2008.
- First of its kind local portal for volunteerism that includes 200,000 local, international and virtual volunteer opportunities.
- Capitalizes on the USA Freedom Corps Volunteer Network data and its potential to drive civic engagement on both national local levels.
- Over 770,000 volunteer referrals in 2008.

The image shows two screenshots of volunteerism websites. The top screenshot is the California Volunteers website, featuring a navigation menu on the left with links like Home, About Us, Our Programs, Viewpoints, News & Events, Non-Profit Resources, and Volunteer Resources. The main content area includes a large photo of an elderly woman, a 'Find a volunteer opportunity' search bar, and a 'Read the Latest Report on Volunteering in California' link. The bottom screenshot is the New York State Commission on National & Community Service website, displaying a 'VOLUNTEER SEARCH RESULTS' page for Cattaraugus County, NY. It lists several volunteer opportunities, including 'Undergraduate Interns Needed for Summer of '09', 'Be a Big Brother or Big Sister in Dutchess County', and 'After-School Homework Helper'. The page also includes a 'Contact us' section and a 'Volunteering In America' sidebar.

California Volunteers
Office of the Governor

Home
About Us
Our Programs
Viewpoints
News & Events
Non-Profit Resources
Volunteer Resources

Receive our newsletter:
Type your email here
Sign Up

California's Aging Opportunity Report

Find a volunteer opportunity:
Search by Interest
select one
and enter your zip code or county
select one
Find Opportunities
Powered by: Network for Good
Advanced Search

Join Maria: Get Connected

Spotlight:

New York State Commission on National & Community Service

New Yorker's VOLUNTEER

Read the Latest Report on Volunteering in California

http://www.californiavolunteers.org

http://www.newyorkersvolunteer.org/

Network for Good's Board of Directors

- **Ben Binswanger**
 - COO, Case Foundation
- **Scott Case**
 - CEO, Malaria No More
- **Ted Cahall**
 - President, Products & Technologies, AOL
- **Kevin Conroy**
 - EVP, Products, AOL
- **Rich D'Amato**
 - Independent Consultant
- **Meg Garlinghouse**
 - Senior Director, Yahoo!
- **Alisa Gravitz**
 - Executive Director, Co-op America
- **John Klaffky**
 - (formerly) Managing Director, BearingPoint Nonprofit Consulting Practice
- **Drummond Pike**
 - CEO, Tides
- **Danica Remy**
 - Managing Director
 - Tides
- **Denise Shephard**
 - Former CTO, MicroEdge
- **Bill Strathmann**
 - CEO, Network for Good
- **Tien Tzuo**
 - CEO, Zuora
- **Michael Yutrzenka**
 - Executive Director, Cisco Systems Foundation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,718,796	\$ 1,447,815
Cash - grants for distribution	19,959,018	13,710,997
Accounts receivable	42,309	102,373
Grants receivable	182,857	462,807
Other assets	46,561	61,200
Transaction processing system - V5, net	1,199,884	667,638
Transaction processing system - V4, net	213,025	236,107
Property and equipment, net	329,772	441,733
 Total Assets	<u>\$ 23,692,222</u>	<u>\$ 17,130,670</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 649,185	\$ 307,213
Accrued transaction processing costs	341,226	421,880
Salaries payable	226,358	168,470
Grants payable	19,959,018	13,710,997
Deferred revenue	15,572	37,500
Notes payable	900,000	400,000
Deferred lease incentive	95,979	115,175
 Total Liabilities	22,187,338	15,161,235
Net Assets - Temporarily Restricted	372,074	--
Net Assets - Unrestricted	1,132,810	1,969,435
 Total Net Assets	<u>1,504,884</u>	<u>1,969,435</u>
 Total Liabilities and Net Assets	<u>\$ 23,692,222</u>	<u>\$ 17,130,670</u>

NETWORK FOR GOOD AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>Revenue</u>		
Contributions to donor advised fund	\$ 52,248,781	\$ 34,350,574
Grants and contributions	745,084	2,128,681
Transaction processing income	1,835,087	1,223,395
Program service	1,450,951	1,084,033
Other income	10,905	365,693
Interest	216,781	161,976
Net assets released from restrictions		
Satisfaction of program restrictions	857,824	--
 Total unrestricted revenue	57,365,413	39,314,352
 <u>Expenses</u>		
Program	57,437,084	38,452,870
Fund-raising	108,048	155,499
Management and general	656,906	475,379
 Total expenses	58,202,038	39,083,748
 Change in unrestricted net assets	(836,625)	230,604
 Change in temporarily restricted net assets		
Contributions	1,000,000	--
Good Card purchases	229,898	--
Net assets released from restrictions	(857,824)	--
 Change in temporarily restricted net assets	372,074	--
 Change in Net Assets	(464,551)	230,604
 Net assets - Beginning of Year	1,969,435	1,738,831
 Net assets - End of Year	<u>\$ 1,504,884</u>	<u>\$ 1,969,435</u>