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## About Network for Good
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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

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

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

Growth of Online Donations via NFG

Total Dollars Raised

Source: U.S. Census Bureau, Quarterly Retail E-commerce Sales, 2008
“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](http://www.fundraising123.org).
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/

Weekly fundraising and marketing tips sent to 30,000 Nonprofits

Nonprofit 911 FREE training on nonprofit marketing and fundraising.
Seeing Results: Fundraising Superheroes

Kirt Manecke
LandChoices

Online Fundraising Superhero

Arch nemesis:
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
Record 2008 December Giving

**TOTAL 2008 DECEMBER GIVING**

<table>
<thead>
<tr>
<th># Donations</th>
<th>Donation Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>157,414</td>
<td>$25,147,374</td>
</tr>
</tbody>
</table>

% Change 2007

- Up 46%
- Up 23%
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
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.
Impact: Taking Volunteerism Local


- 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.
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

<table>
<thead>
<tr>
<th>Assets</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,718,796</td>
<td>$1,447,815</td>
</tr>
<tr>
<td>Cash - grants for distribution</td>
<td>$19,959,018</td>
<td>$13,710,997</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>42,309</td>
<td>102,373</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>182,857</td>
<td>462,807</td>
</tr>
<tr>
<td>Other assets</td>
<td>46,561</td>
<td>61,200</td>
</tr>
<tr>
<td>Transaction processing system - V5, net</td>
<td>1,199,884</td>
<td>667,638</td>
</tr>
<tr>
<td>Transaction processing system - V4, net</td>
<td>213,025</td>
<td>236,107</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>329,772</td>
<td>441,733</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$23,692,222</td>
<td>$17,130,670</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$649,185</td>
<td>$307,213</td>
</tr>
<tr>
<td>Accrued transaction processing costs</td>
<td>341,225</td>
<td>421,880</td>
</tr>
<tr>
<td>Salaries payable</td>
<td>226,358</td>
<td>168,470</td>
</tr>
<tr>
<td>Grants payable</td>
<td>19,959,018</td>
<td>13,710,997</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>15,572</td>
<td>37,500</td>
</tr>
<tr>
<td>Notes payable</td>
<td>900,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Deferred lease incentive</td>
<td>95,979</td>
<td>115,175</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$22,187,338</td>
<td>$15,161,235</td>
</tr>
</tbody>
</table>

| Net Assets - Temporarily Restricted      | 372,074  | --       |
| Net Assets - Unrestricted                | 1,132,810 | 1,969,435 |
| **Total Net Assets**                     | 1,504,884 | 1,969,435 |

| Total Liabilities and Net Assets         | **$23,692,222** | **$17,130,670** |

### NETWORK FOR GOOD AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Years Ended December 31, 2007 and 2006

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions to donor advised fund</td>
<td>$52,248,781</td>
<td>$34,350,574</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>745,084</td>
<td>2,128,681</td>
</tr>
<tr>
<td>Transaction processing income</td>
<td>1,835,087</td>
<td>1,223,395</td>
</tr>
<tr>
<td>Program service</td>
<td>1,450,951</td>
<td>1,084,033</td>
</tr>
<tr>
<td>Other income</td>
<td>10,905</td>
<td>365,693</td>
</tr>
<tr>
<td>Interest</td>
<td>216,781</td>
<td>161,976</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>857,824</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total unrestricted revenue</strong></td>
<td>57,365,413</td>
<td>39,314,352</td>
</tr>
</tbody>
</table>

| **Expenses**                    |          |          |
| 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               | **$1,504,884** | **$1,969,435** |