



ANNUAL REPORT, 2018

Issued January 17th 2019

HIGHLIGHTS AND ACTIVITIES

IN THE BEGINNING ...

Founder Philip Auerbach has travelled extensively around the US and the world, observing needy causes and the outstanding groups that are addressing them.

His initial dream was to obtain at least \$100 million and to donate it to worthy nonprofits. When he mentioned this to a fellow passenger on an international flight in early December 2017, the passenger suggested that what the world also needed was a Directory of all nonprofits so that donors could research by category the causes they wanted to fund.

Philip initiated the AGIF due to a confluence of three factors:

1. Encouragement from various faculty members of CEO Space, rated by *Forbes* for at least three consecutive years as the foremost US business conference. Philp has been a Platinum member of this group of business leaders since March 2013.
2. Receiving an unsolicited resume in early December 2017 from Spencer Goold. His diverse strengths and skills in leadership, team building, social media, video production, logistics, international travel, Southeast Asian languages, psychographics and ten years in the Army – including four and half years in its Special Forces' Psychological Operations division -- made him an ideal candidate to be the AGIF Executive Director.
3. A December 2017 commitment from an anonymous donor for over \$350,000 to be paid by April 2018. That commitment allowed Philip to hire Spencer and to help formulate the framework and strategies to build the Foundation. Unfortunately, that donor had massive financial setbacks and was unable to contribute at all. Consequently, with the exception of around \$1000. from other contributors (including some Board Advisors and Directors), the entire funding of AGIF during 2018 was derived directly from the profits of Auerbach International Inc.

Sherita Herring, an expert who has created over 600 international businesses and nonprofits, assisted us in preparing and submitting our documentation to obtain 501(c)3 status from the IRS. In this process, Sherita illuminated some terrible statistics:

- Around half of all nonprofits will fail within five years of inception
- 50,000 nonprofits fail per year.

The reasons for these failures, in addition to funding challenges, are largely due to nonprofit leaders' lack of business training, knowledge and resources ... and lack of money to obtain them. She therefore suggested that the AGIF also provide courses, resources and grants to cover their costs from outside providers.

Through these collective influences, the AGIF was formed to provide:

1. NGO (Non-Governmental Organization) Directory

This is the funnel through which nonprofit “members” enter and obtain AGIF services. These listings present members’ contact information and missions. Optional non-published questions on the enrollment form highlight areas where the AGIF can propose areas for members’ improvement and collaborations.

2. Courses and Resources (called Capacity Building)

These are the trainings and the for-profit resources that can help reverse nonprofits’ failure rates and empower them to sustain themselves, succeed and thrive.

3. Capacity Building Grants and Impact Grants

As future funding permits, the AGIF will give grants for Capacity Building and provide separate Impact Grants to enable already successful nonprofits to broaden and deepen their work. These Impact Grants are the piece that fulfills Philip’s initial dream.

THE BUILDING BLOCKS

Spencer Goold was hired as Executive Director on January 15th 2018 and began collaborating with Philip Auerbach in creating the Foundation’s framework and strategies.

Although our documentation was submitted to the IRS in February, we received confirmation of our 501(c)3 status on August 22nd 2018. The IRS wasn’t able to upload its approval to its database until October 9th 2018, thus making our status official.

After creating a logo, letterhead and business cards, in late January, Spencer and Philip met with a nonprofit strategist, Hugh Ballou, to talk about how we would best assist the nonprofit community. During that time, we came up with three core principles for guiding our mission:

1. Increasing visibility of our nonprofits through social media marketing and connecting them to a broader support base.
2. Creating a strong library of solution-based resources and educational material through affiliates to help stabilize and strengthen our non-profits.
3. Offering grants for mission growth or resources – and later to expand successful nonprofits’ own goals (the Impact Grant) as the money becomes available.



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During the first few months and in spite of various declines due to their time constraints, Philip also created our Board of Directors and Board of Advisors. At year-end our Directors are: Aria Auerbach, Michael Krafft (Treasurer), Justin Laughlin, and Shubhra Srivastava. They and our Advisors include a vast array of business and non-profit professionals with varied skillsets and cultural perspectives, which is vital to our vision of eventually becoming a global organization. Although Sherita Herring, Phyllis Johnson and Dan Reif, asked to be moved from Directors to Advisors, every board member has provided valuable insight to our mission and has shown us new paths for success.

Starting with our connections at CEO Space, which Philip and Spencer both attended in March 2018, we began to cultivate and assemble offerings of many courses and resources, all with a 15% affiliate fee to us when ordered through our website. We have developed relationships with course vendors, service providers, and philanthropic software providers that will help with everything from building a strategy to running an online fundraiser. One of our most recent affiliates, CausEcho, has a proprietary software that does live-streaming of nonprofit events and allows participants to attend virtually as well as donate during or after the event.

We also have two new fundraising affiliate platforms: Keela and Drove. Both offer dedicated CRMs that will help to keep metrics and send out “Thank You” letters to donors, among other features.

As we were assembling the content, we also started to build a website in which to place it. The design was by Daniel Ruke and the content was uploaded by web developer Ross Taylor.

We also consulted with branding expert Gerry Foster to develop the branding language. The full integration of this language is a work-in-progress, and we have been gradually improving our messaging and brand consistency.

The payment system was our first big hurdle within the website. We went through two initial payment systems: Proximity Software, an affiliate of ZiftPay that never functioned properly, and Tsys which simply could not be installed. We deleted ZiftPay and instead installed PayPal. This system became the best option for receiving donations, course and resource fees, and charges us the nonprofit rate of 2.2% + .30 per transaction.

Member Directory

A big component of the site is our Member Directory, which was initially created for us by Pradeep Kandimala. Directory listings enabled us to launch weekly social media messages of our nonprofit members and course/resource providers via LinkedIn, Twitter, Facebook, YouTube and Instagram.

Initiated as part of the intake process of a new Directory member, we hold a Zoom conference. It's during this initial consultation that we go over the details of the new member's story: the who / what / where / when / why / how of their operations. Our goal is to get to the heart of why they do what they do. When we have this information, we are then able to divide the member's mission into social media-sized segments and effectively tell their story over a period of a few weeks. This type of exposure allows our audience to get to know each member much better and develop a stronger trust when the nonprofit member asks for donations.

Another piece of that initial consultation is talking with new members about their long- and short-term goals. When we know their targets, we can connect them with various resources to help facilitate their success. When we come across new problem sets where we don't have immediate access to pertinent resources, our team will research to find possible solutions.

INTERNS AND OUTPUT

As this was all a very large undertaking for two people, Philip suggested that Spencer engage college interns to help in our efforts at \$500 per person per semester. Our first semester (May to August 2018) started with two interns: Alanna Jacobs and Madeline Artac. Both worked diligently on finding grants to apply for and on developing our social media channels.

Later, Spencer was able to enroll a friend from Army Special Operations, Ajax Rengal, as the Director of Research for the Foundation. With extreme generosity, Ajax offered to assist in this capacity at no charge. Ajax is currently a PhD candidate for Special Warfare and a Spanish language instructor at the JFK Special Warfare Center on Ft. Bragg, NC.

The following semester (September to December 2018), we were able to bring on four new interns: Paulina Doran as a Qualitative/Quantitative research assistant, Alice Joo on PR and Special Projects, Diamond Kelley as a Graphic Design and Enrollment Specialist, and Haille Dinger on Advertising, while Madeline (Maddy) Artac chose to renew with us and take a leadership position as the Social Media Manager.

Maddy has been crucial in implementing and advising our social media construct. She has connected us with new tools for automation and metrics such as the Crowdfire platform, and a meme creation site called Canva which is quite expensive if one is not aware of its free nonprofit account.

Paulina Duran, who has a Master's degree in Psychology, has been working with Ajax to create many in-depth reports on topics relating to nonprofit success. These reports are often over 20 pages in length, beautifully illustrated, and full of references and eye-opening information. [Please see section below on Attracting Members.]

Paulina Duran, under the guidance of Ajax Rengal, has also headed a program to survey our members and other random nonprofit leaders to determine the effectiveness of our website and offer insights about flow and improvements.

In addition, Ajax and Paulina worked together in creating a tool called a "Target Audience Analysis Worksheet" or "TAAW" that he and Spencer used in the military. This tool is used to create an in-depth picture of our target audience, which is to say small to medium sized nonprofits in the US (our current goal). We needed a better understanding of who our audience is, what their current behaviors are, why they are behaving in a specific manner, and what courses of action we might take to help them overcome some of their obstacles.



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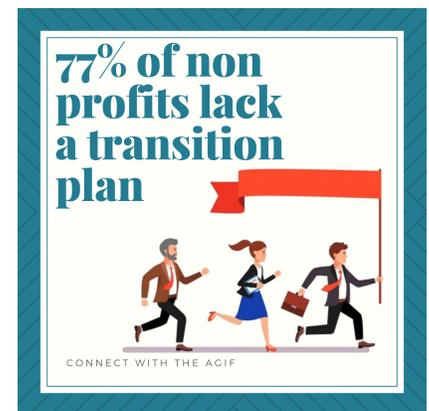
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The TAAW is a living document of over 100 pages with extremely detailed information and insights that consolidates its findings in one place and helps us to strategize based on practical, ethical psychology. Spencer and his interns since early December have been holding meetings to discuss the information and derive and implement actionable plans.

Haille Dinger has been working diligently on researching grant opportunities and has also been working with Spencer on specific social media ad campaigns. So far she has come up with several campaigns that have already been implemented and we've been able to gauge their success based on the number of people engaging with them. As we see what doesn't work, we have adjusted our messaging and have seen some positive results.

Some examples of Social Media messages and adjustments are:



Ms Diamond Kelley has also been researching grant opportunities as well as taking on the role of assisting Spencer with refining our processes, primarily our intake of new members. Diamond has helped Spencer create a matrix of questions to ask new nonprofits to help us to tell their story effectively through social media. Diamond is an excellent creative writer and great with thinking outside of the box.

Alice Joo has been in charge of writing press releases for our nonprofits, a resource for which we're still working out the details. Our intent was to provide press releases for all members but this proved cost-prohibitive. We will now offer press releases for \$97 each to members who want to us to write and disseminate them for national or worldwide distribution.

Since October 2018, when we began our operations as a nonprofit officially, we have focused on enrollment, research of potential funders, and developing an extensive long-term marketing plan to include the use of the TAAW.

SOME MEASURABLE ACCOMPLISHMENTS SO FAR (from a base of nothing)

Social Media campaigns: Beginning in October 2018 through December 31st 2018

- Twitter (Our current primary focus): 423 tweets to date, 1,049 Followers, 165 likes, 1 promoted tweet (spent \$50, reached 5,982 people)
- Facebook: 49 page likes, 1 boosted post reached 727 people with six link clicks (spent \$5.00)
- Instagram (relatively unexplored): 5 posts, 14 followers, 28 following
- LinkedIn (also largely unexplored): We've been utilizing LinkedIn to connect with nonprofit leaders and groups and have posted several surveys gauging what people might like to see with our service and asking what might stop them from signing up. We've received six new leads from our most recent survey, and of the four that have been posted so far, we've seen an average of eight people complete each survey.
- YouTube: Used only as an intermediary channel to post videos.

Enrolled Directory Members and Successes

As of December 31st, we had 16 members, only two of whom have paid the normal \$87. fee

However, we brought in our first international nonprofit: Basket of Hope, Liberia. This is a wonderful organization that works to end the problem of older men marrying child brides (ages 14 and under) which leads to cycles of abuse.

Basket of Hope, Liberia has created a number of educational programs that not only create awareness of the potential dangers of child-bride practices, but also offer

- shelter to abused girls and
- training in skills such as sewing that open up new opportunities for making a living.

On top of this, they have been taking care of children orphaned by the Ebola virus epidemic of 2014-2015.

Because Liberia is considered unstable and its banking system is unreliable, Basket of Hope has been unable to solicit donations from outside of its country. The AGIF was able to connect them with GlobalGiving.org who has solutions for these very situations. According to GlobalGiving.org, as soon as Basket of Hope has passed their background check (timeline is foreseen for February 2019), they will be able to receive funding and donations from around the world. Our goal will be to promote Basket of Hope's fundraising efforts and assist them with getting the computers and equipment that they need to effectively run their programs.



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We also connected the executive director of Basket of Hope, Mohammed Kelleh, with podcasting opportunities and assistance setting up a LinkedIn account for professional networking, and have also run social media campaigns promoting their cause.

NONPROFIT VIDEO GAME AS HUGE, POTENTIAL REVENUE GENERATOR

Spencer and two friends from college also developed a video game about an emerging nation's community development. This is modeled on similar mechanics of "Farmville 2" (a massively successful style of game), using the in-app purchase model which generates for its developers millions of dollars per day and has earned over \$1 billion so far. We intend our own game to be a similar major source of ongoing funding, hopefully on that level. The process will take another one two years to materialize.

The exciting hook is that the income will be portioned so that a large percentage (to be determined based on research) will go directly to charity...year-round. Therefore, people who play the game will essentially be donating to charity while simultaneously receiving instant value for their contributions. We are currently researching the logistics of the model as well as funding opportunities through tech grants.

Intern Alice Joo has been extremely instrumental in Spencer's initiative of creating a video game that he feels will be a sustainability solution for us and our nonprofits. She has relentlessly called and followed up with video game developers, set up meetings, received quotes, and found allies

ATTRACTING MEMBERS

Besides the payment system, our other major obstacle has been to attract members to pay the \$87. annual enrollment fee. Per the advice of Sherita Herring, we have deliberately kept this price low so as to be a no-brainer and under accountants' radar.

Still, we have met resistance from either truly small nonprofits for which this amount is pressing or because our premise is untested or because prospects first want AGIF to prove its usefulness.

We have therefore had to offer some free memberships in exchange for referrals, feedback on social media and results produced.

We have also produced the AGIF Introductory Report about statistics and reasons for nonprofit failure. This is distributed at no charge.

To overcome this enrollment barrier, Sherita Herring also suggested that we offer some additional value for joining.

In early 2019, we will be changing to a "freemium" model. In this method, signing-up to the Directory will be free with limited features:

- Listing in our directory searchable by foundation name, mission-type and region

- Limited access to our resource library and solutions-research projects
- Core message of free accounts goes into social media rotation four times a month for two months (eight times total). The more thorough and effective story-telling and promoting of events aspect of the campaigns will be reserved for paying members only
- Access to our “AGIF Introductory Report” and Hugh Ballou’s “Five Pillars for Success” mini-course
- Free member listings will not be eligible for our grant opportunities.

To entice members to enroll at \$87/year, we developed five in-depth reports on

- Data Management
- Marketing Strategies
- Leadership
- Strategic Planning
- Importance of Translations for Nonprofits

plus two podcasts – produced by nonprofit marketing expert Josh Wilson -- about

- engineering generosity and
- venture philanthropy.

Additional reports are being written on

- Board Governance and
- Human Resources.

Except for the Translations report written by Philip Auerbach, all reports were researched and written by intern Paulina Duran.

Paid memberships also entitle members to use the CausEcho platform, a way to provide unlimited access to free live-event streaming that allows attendees to participate from anywhere nationwide and to contribute to members’ causes from home or office.

All of this will require special website programming for a Members-Only portal which will be done in January 2019.

Other services: Translations, Videos and PR

Through Auerbach International, the AGIF can also offer members fee-based translations of collateral and websites.

Through Spencer’s expertise and connections, the AGIF can produce videos of nonprofits’ accomplishments. In 2018, Spencer worked with one of our nonprofit members, Lisa Wong, to create a promotional video for her



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organization to be used also as a testimonial video for the AGIF. The promotional video is uploaded to our site as an example of what we can offer.

In October, we disseminated a press release announcing Michael Krafft's position as Board Member and treasurer of the AGIF. Board Member Michael Krafft issued a press release that he has joined the AGIF as its treasurer. A week later, we issued a paid press release through PR.com also announcing Mike's position as Board Member and treasurer, so that Bloomberg would pick up both announcements.

In November, we issued through PR.com a paid announcement about the launch of the AGIF. Also in November and again in December, the AGIF launch was announced to the client/prospect database of Auerbach International.

At the late December conference of CEO Space, Spencer and Philip obtained over 100 leads for prospective nonprofit members and for course and resource providers.

ONWARD TO 2019

Our initial year of 2018 involved development, accomplishments and launch:

- creating our logo, business cards and letterhead
- assembling Boards of Directors and Advisors
- conceptualizing the Directory, Capacity Building resources and courses, and two types of grants with qualifications for each
- applying for and obtaining IRS nonprofit status
- designing the website, writing sections, and gathering of initial resources and courses
- obtaining a working payment system
- enrolling of an initial group of members
- building our social media presence from the ground up, and
- writing five in-depth member reports.

We accomplished a tremendous amount with only one paid person (the Executive Director) and some payments to interns and vendors.

The structure has now been built and the Foundation has now been launched. We are now ready to start soaring.