

## 2007/08 GROWTH CAPITAL OFFERING

**\$10,000,000**



The purpose of this offering is to expand and enhance VolunteerMatch's capacity to engage a broad base of volunteers with diverse social purpose agencies throughout the United States, and to build a sustainable enterprise capable of delivering that mission indefinitely.

Units offered in conjunction with this prospectus represent a perpetual interest in VolunteerMatch. That interest is strictly philanthropic, with no provision for cash returns at any time. The investment is intended to: (1) bring material social and economic benefit to communities throughout the country, (2) support broad based civic engagement of millions of Americans, and (3) deliver a significant Social Return on Investment (SROI) in the form of valuable volunteer effort against tasks deemed valuable both by volunteers and the agencies that need them. Investments in these units may be tax deductible.

<b>40 Units</b>			
<b>Amount per Unit: \$250,000</b>			
	<b>Unit Price (1)</b>	<b>Expenses of Offering (2)</b>	<b>Proceeds to VolunteerMatch (3)</b>
Per Unit	\$250,000	- 0 -	\$250,000
Total	\$10,000,000	- 0 -	\$10,000,000

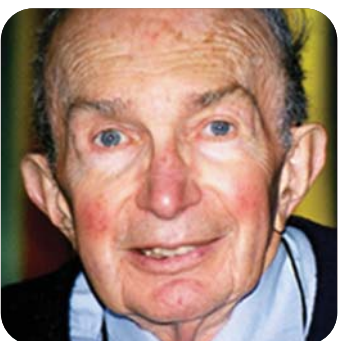
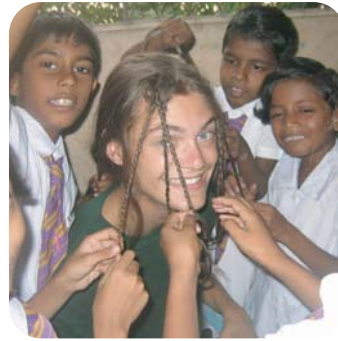
- (1) As of the date of this offering, 10 units (\$2,500,000) have been reserved under previous agreement with The Atlantic Philanthropies. \$1,350,000 of this total is contingent upon a successful match of a minimum of 6 units (\$1,500,000).
- (2) Expenses associated with this offering have been pre-paid by VolunteerMatch, with the generous support of the Surdna Foundation. Proceeds will not be used for offering expenses.
- (3) In the event of over-subscription, VolunteerMatch may, at its discretion, increase the offering by up to 10 additional units (\$2,500,000).

*The financial guidelines and reporting obligations described in this memorandum comply fully with Nonprofit Finance Fund's Sustainable Enhancement Grant (SEGUE<sup>SM</sup>) methodology.*



*December 2007*

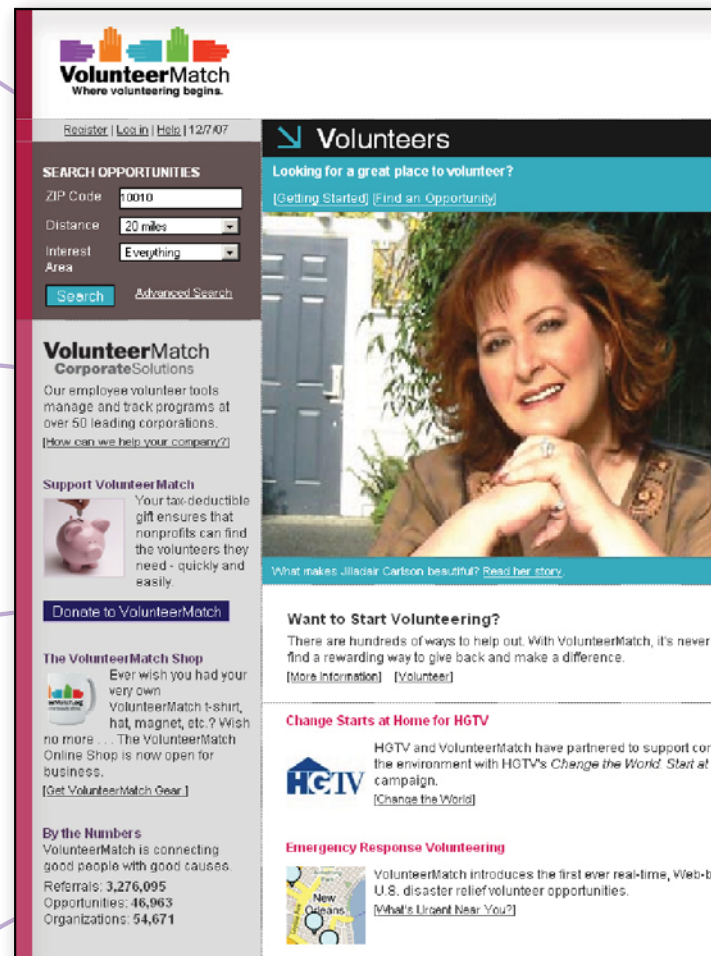
Volunteers are beautiful people.



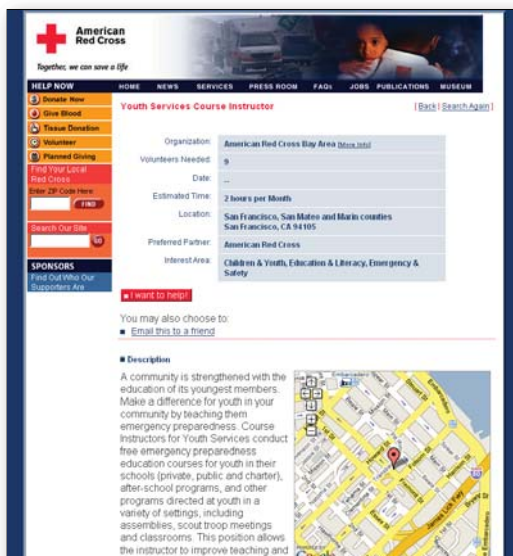
# A Network for Social Change

"I love VolunteerMatch..."  
**Oprah Winfrey, The Oprah Winfrey Show**

"...check out volunteermatch.org code and it gives you a list of opportunities."  
**Bill Clinton, Former President**



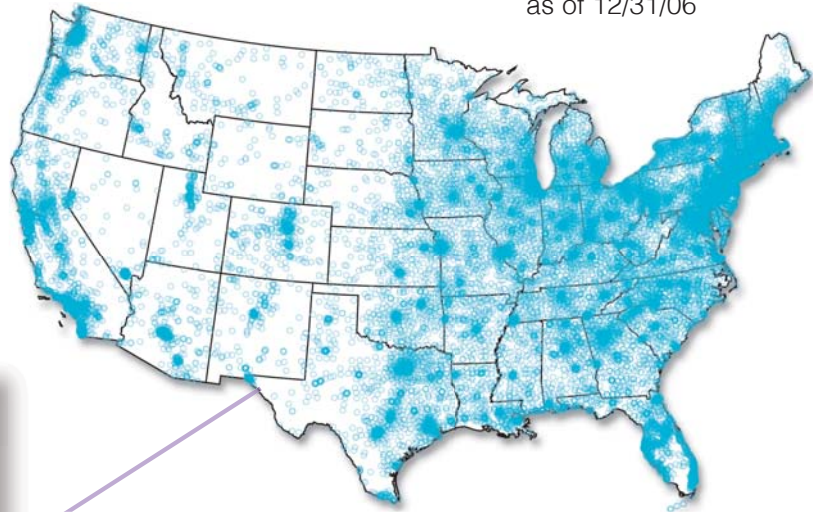
"We wanted to engage nonprofits across the country with our employees, and VolunteerMatch provided an easy, user-friendly tool."  
**Cheryl Thompson, Community Relations, Target**



"...VolunteerMatch enhances people's ability to provide lifesaving service to their local communities."  
**Kate Forbes, National Chair of Volunteers, The American Red Cross**

○ = VolunteerMatch Members as of 12/31/06

g. You just put in your own zip opportunities in your area."  
GIVING



Made possible in part by  
**The ATLANTIC Philanthropies**

Home Search Volunteers Nonprofits Corporations My Account

**Nonprofits** ↙

Looking for a great volunteer?  
[Getting Started] [Add an Opportunity]

What makes Dab Garner beautiful? [Read his story](#)

**Need Volunteers?**  
As the largest online network of participating nonprofits, VolunteerMatch attracts thousands of volunteers every day. We can help you find the volunteers you need!  
[Post Your Needs] [Learn More]

**VolunteerMatch Nonprofit Trainings**  
Register to attend one of these one hour online webinars and learn how to get the most from your Nonprofit account. Time: 11am PST/2pm EST.  
[VolunteerMatch101\_12/21]

**The Case for National Service**  
A TIME report on volunteering proposes a new national voluntary service program and highlights the work VolunteerMatch is doing.  
[Read the Report] [What Do You Think?]

## Mission

To help everybody find a great place to volunteer.

## Key Metrics

- \* 5.5million+ annual unique visitors
- \* 1.3million+ registered members
- \* 475,000+ annual referrals
- \* 54,000+ nonprofit agency members
- \* \$300million+ annual social value

December 3, 2007 | Opportunities 46,734 | Organizations 54,592 register

**HGV change@world**  
START AT HOME

Home | Search | My Account

**1. Find a Volunteer Opportunity**  
Use the search tool to find opportunities near you:  
ZIP Code:   
Distance:   
Interest Area:   
 [Advanced Search](#)

**2. Login or Register to use the Volunteer Tools**  
Use our volunteer tools to invite a group, upload your volunteer resume, or update your opportunity alert preferences.  
Email/Username:   
Password:   
 [Forgot your password?](#)

Not registered? [Create an account](#) [Register Now!](#)

**Get involved! Welcome to HGV's VolunteerMatch site.**  
HGV and its partners, **Rebuilding Together**, National...  
Pitch in to help your local community by finding a volunteer opportunity in y... to get started.

**REBUILD YOUR COMMUNITY** [More...]  
SFPUC Career Day at Thurgood Marshall High School (SF)  
WOMentors.com, Inc.  
Annual Volunteer and Member's Appreciation Holiday Buffet  
San Pablo Volunteer Neighbors Education and Restoration Society (SPAWNERS)  
Gifts Inc. Annual Holiday Sale  
Gifts Incorporated of the Island City  
[More...]



# VOLUNTEERMATCH GROWTH PLAN AND CAPITAL REQUIREMENTS

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## I. EXECUTIVE SUMMARY

VolunteerMatch (volunteermatch.org) is the Internet's largest and most popular volunteering network. The award-winning online service is strengthening communities across the country by making it easier for good people and good causes to connect. In 2006, it unlocked 16 million hours of volunteer service, or nearly \$300 million in social capital. This represents more than \$90 in social value for every \$1 spent on operations.

VolunteerMatch approaches the deterioration of social capital as a market problem applying technology and business strategies to overcome the barriers that keep more people from becoming actively involved in their community. The model is an effective and efficient alternative to conventional approaches and has the potential to transform the landscape of civil society.

But there is a problem: the solution is still too small to fully satisfy the unmet need, or to be financially sustainable.

While volunteering rates are near a 30-year high, two-thirds of nonprofit agencies report difficulty finding the volunteers they need. Although business leaders have embraced social responsibility, retiring Boomers struggle to find meaningful opportunities to serve. As new technology reinvents our social networks, our civic networks wrestle with decline. Today VolunteerMatch serves over 54,000 agencies, 1.3 million members, and 60 business partners, but is still a secret to millions of potential volunteers.

In 2007, the organization will spend approximately \$3.0 million and generate \$2.2 million in long-term sustainable operating revenue. To scale the solution and permanently close its financial gap, VolunteerMatch will need to grow.

To meet the challenge, the leadership team is seeking \$10 million in growth capital. The investment will enable the launch of a new generation of services to more than double the organization's annual social impact, expanding services to support over 90,000 agencies and 3 million members. At the same time, the growth capital will allow VolunteerMatch to mature the sources of recurring revenue needed to secure the ongoing pursuit of its mission.

To achieve its sustainability and growth objectives, VolunteerMatch will invest to:

- 1. Leverage Emerging Web Technologies to Increase Connectivity and Reach**
- 2. Extend Business Applications to Support the Growing Corporate Social Responsibility Market**
- 3. Improve Services to More Effectively Engage Older Adults and Skilled Volunteers**
- 4. Enhance Awareness and Training**
- 5. Expand and Diversify Sustainable Revenue Sources**

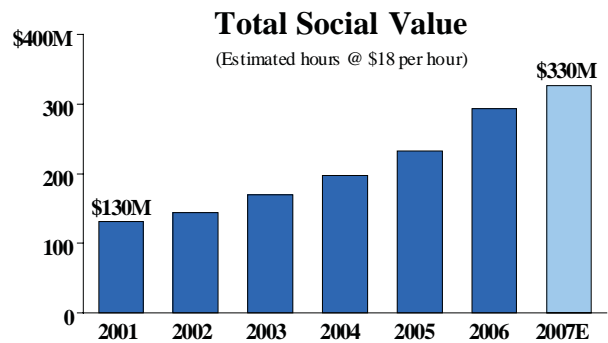
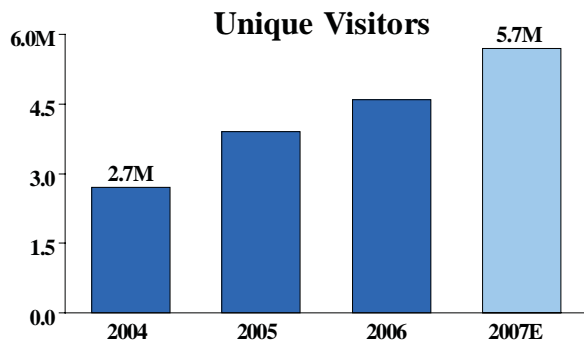
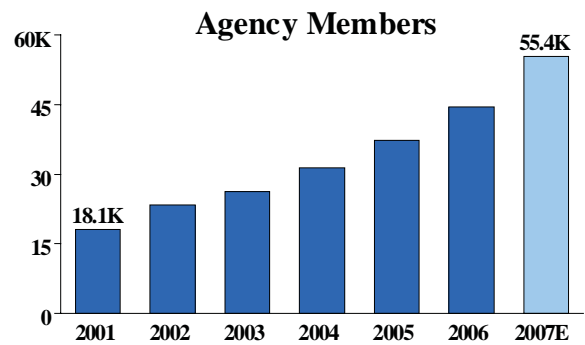
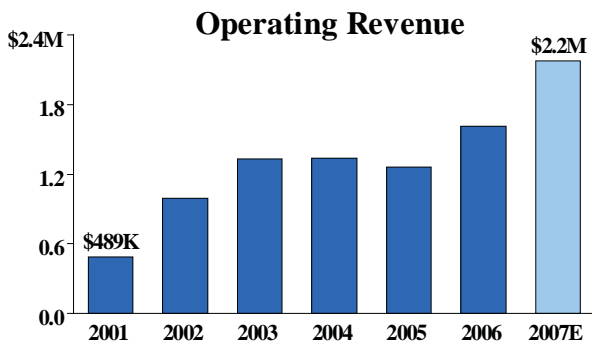
A healthy democracy requires the active involvement of its citizens. VolunteerMatch is committed to applying technology and market principles to revitalize our society's capacity to connect and engage. To do so sustainably will require growth. This investment will fund the expansion of a proven model that catalyzes engagement, empowerment and civic renewal. It is an opportunity to fund not only change, but change that lasts.



## II. CONSOLIDATED METRICS & FINANCIAL DATA

Key metrics are drawn from operating activities and made available publicly on a quarterly basis to encourage organizational transparency and accountability. VolunteerMatch maintains its financial records in accordance with generally accepted accounting principles applicable to nonprofit organizations. The following financial data ties into audited financial statements issued for the years 2001-2006 and management estimates for 2007.

### VolunteerMatch Network Metrics



### III. THE ORGANIZATION

Founded by a group of business school graduates in 1995, VolunteerMatch’s purpose is to empower those serving the greater good, and its mission is to help everyone find a great place to volunteer.

The original VolunteerMatch.org website featured searchable volunteer opportunities in ten U.S. cities including San Francisco, Chicago and New York. Initial funding for the project came primarily from a diverse group of national foundations that included The Atlantic Philanthropies, Surdna Foundation, the David and Lucile Packard Foundation, W.K. Kellogg Foundation, Carnegie Corporation of New York, John S. and James L. Knight Foundation, The James Irvine Foundation, The William Randolph Hearst Foundation, and Omidyar Foundation. VolunteerMatch operates as a registered 501(c)(3) organization.

**VolunteerMatch’s mission is to help everyone find a great place to volunteer.**

Today, the VolunteerMatch network has opportunities in every ZIP code in America, has more than 1.3 million registered members, welcomes over 100,000 visitors a week, and has become the preferred volunteer recruiting service for tens of thousands of organizations across the country.

Large scale nonprofit partnerships include the American Red Cross, National MS Society, Easter Seals, National CASA, Habitat for Humanity and the Peace Corps. VolunteerMatch also supports a network of over 60 business partners including Charles Schwab, Dell, General Mills, Google, Hewlett Packard, Johnson & Johnson, Medtronic, Merrill Lynch, Nationwide, REI, and Target. These partners bring large numbers of volunteers to the network, while leveraging the VolunteerMatch infrastructure as a platform to advance their own Corporate Social Responsibility initiatives. These partnerships have become the primary source of VolunteerMatch’s recurring revenue covering more than half of its operating budget in 2006.

VolunteerMatch is headquartered in San Francisco and has local representatives in Chicago, IL; Denver, CO; and Washington, DC. The organization currently employs 27 people in a relatively flat organizational structure comprised of six distinct functional areas:

Functional Area	Staff Size
Communications & Community Support	5
Finance & Administration	3
Office of the President & Development	3
Product Development & Engineering	5
Strategic Partnerships	2
VolunteerMatch Solutions (Corporate Sales & Support)	9

## IV. THE CHALLENGE: RECONNECTING OUR COMMUNITIES

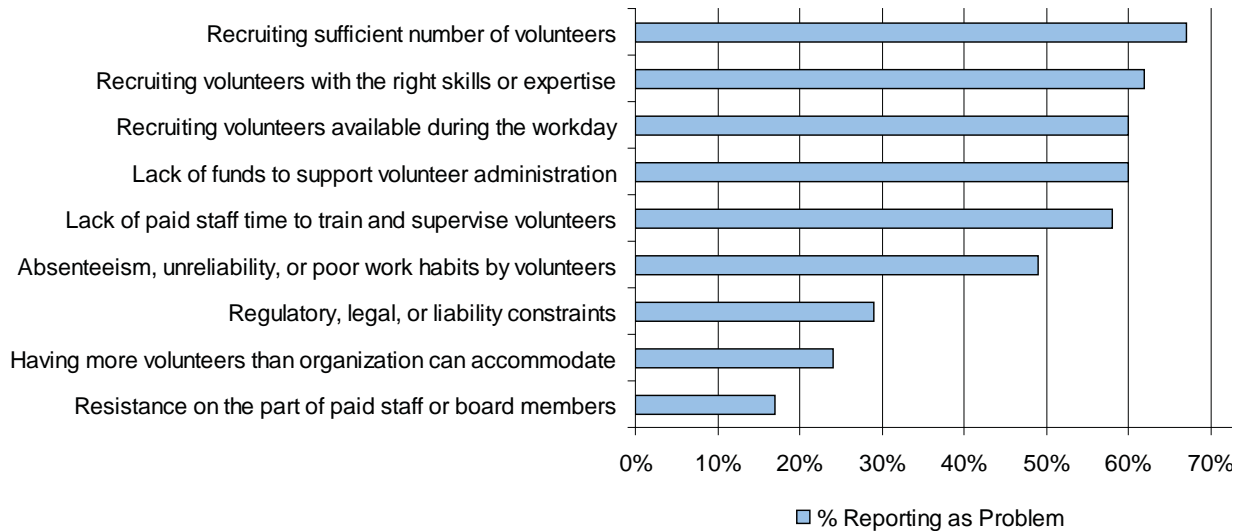
A healthy democracy requires the active involvement of its citizens. The freedom to speak, assemble and organize is what makes democracy possible – it is the capacity and inclination to use those freedoms that make democracies great. As many observers have noted, our eroding civic infrastructure has dulled that capacity – it has narrowed our perspective, reduced our opportunities and obstructed the path to participation. There are many dimensions to this problem, but one clear symptom is the struggle most not-for-profit agencies have in finding the volunteer support they need to advance the public good.

The nonprofit sector is growing, but under-resourced. There are currently 900,000 501(c)(3) Public Charities in the United States. According to The Urban Institute’s *Volunteer Management Capacity in America’s Charities and Congregations*, 80% of America’s reporting public charities depend on volunteers. Unfortunately, two out of three agencies report difficulty “*recruiting sufficient number of volunteers*” and over 60% report that it is a challenge “*recruiting volunteers with the right skills or expertise.*” Nine in ten are ready to take on more volunteers, and 40% report that more information about potential volunteers in the community would greatly help their volunteer program.<sup>1</sup>

*“...free societies do not stay free without the involvement of their citizens.”*

– **Richard Stengel,**  
Managing Editor,  
*TIME Magazine*

**Challenges of Volunteer Recruitment and Management<sup>1</sup>**



There are those who fear that failure to respond to the needs of the not-for-profit community is indicative of a general moral decline that began in the 1960’s and represents a generational indifference to civic affairs. While many factors, including time pressures, increased mobility and mass media have contributed to the decline, the implication is that values and attitudes have shifted away from community life as Americans have become preoccupied with private gain and individual achievement.

There is much to be learned from these assessments, but what many seem to miss is that the population as a whole does not seem to be pleased with the current state of affairs. Politics and media capture this unease and point to a population of citizens that may be more frustrated than apathetic. A recent study of older Americans, for instance, found that nearly two-thirds of those who had not volunteered within the last year

<sup>1</sup> Mark A. Hager and Jeffrey L. Brudney, “Balancing Act: The Challenges and Benefits of Volunteer,” December 2004,” The Urban Institute, Washington, D.C.

are interested in volunteering<sup>2</sup>. The question, of course, is why aren't they? The most common answer among those interested in volunteering was a failure to find the 'right opportunity.'

Why do interested volunteers have such difficulty finding the right match? VolunteerMatch believes that the problem stems from three fundamental gaps:

- **Information Gap**

Perhaps the greatest challenge for those interested in becoming more actively involved in their community is knowing where to start. Despite the fact the nonprofit sector is a \$1.2 trillion dollar segment of the U.S. economy, its activities and needs are not well represented in our mass media culture. Finding an organization that needs volunteer support is more difficult than it should be, all too often discouraging the impulse to give back.

- **Affinity Gap**

For most people, volunteering is a very personal decision. Those most likely to regularly commit to volunteer service usually have personal and emotional experiences that inform their decision. Whether it is a commitment to education, the environment, or a family member in need, volunteering is an individual affair. Each of us has unique interests and passions. Finding an opportunity to pursue those inclinations is key to finding meaningful and productive volunteer experiences. Limited information and choice inhibit volunteering by discouraging the likelihood of making an emotional connection with a group or cause.

- **Compatibility Gap**

Finding the right fit between agency and volunteer is also a challenge. Compatibility is essential. Opportunities must fit into busy lives and involve an activity or skill that is both needed by the organization and attractive to the volunteer. This match-making can be an awkward and inefficient process, even when the first two challenges have been overcome. Need and emotional connection are not enough if the organization is 90 miles away or needs help at a time the volunteer is unavailable. Nor is it enough if the organization needs marketing support, and the volunteer doesn't have the necessary background or interest.

Traditional methods of volunteer recruiting and engagement have struggled to navigate these challenges. Word of mouth, civic meetings, classified ads, direct mail, public service announcements and community events do not effectively address these issues, nor do they have the scale or the visibility to fully satisfy the current need for volunteer support.

The result is an inefficient and fragmented recruiting landscape. Unnecessarily, America's not-for-profit agencies fail to engage the interested volunteers needed to re-energize our civic institutions.

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2 Peter D. Hart Research Associates, 2006.

## V. THE RESPONSE: THE VOLUNTEERMATCH SOLUTION

*“When people are left free to pursue all kinds of activities, as they are in this country, a surprising number will choose to serve some community purpose.”*

– **John W. Gardner,**

*Living, Leading and the American Dream*

unlocking the untapped potential of millions of Americans by closing gaps that keep people from finding rewarding opportunities to serve.

VolunteerMatch has been successful in addressing these gaps for several key reasons:

**Choice & Information** – VolunteerMatch offers a one-stop shop, with more than 47,000 separate searchable volunteering opportunities available at any given time. The opportunities address an extremely wide array of issue areas, cover the home ZIP code of every American (there’s even a section for “remote/virtual” volunteering opportunities), and list a broad range of volunteering roles. The variety of choices enables the system to attract and connect a national audience of interested volunteers.

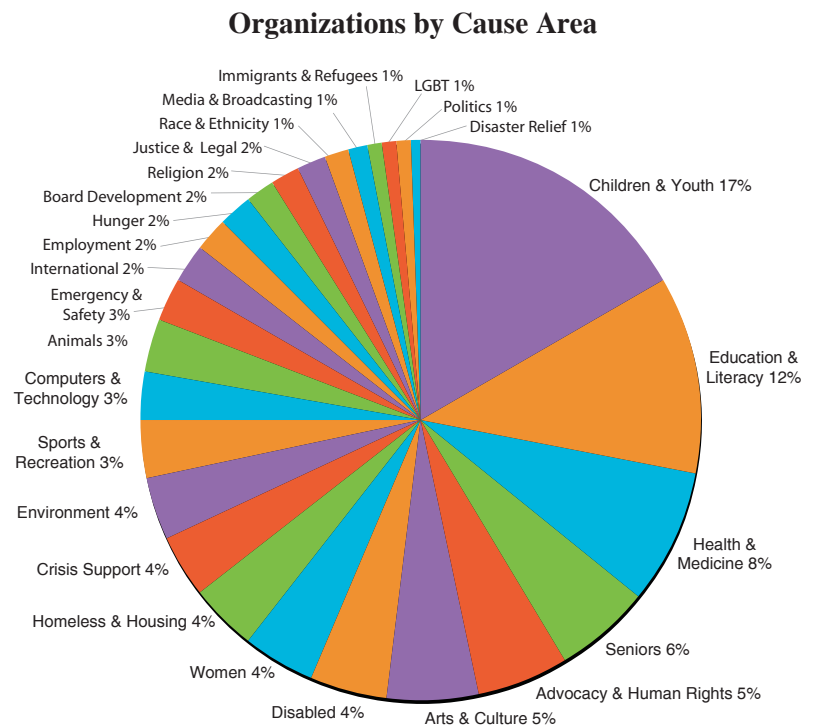
**Strong Partnerships with Corporate America** – Early in its development, VolunteerMatch recognized the opportunity to extend its core services to encourage corporations to leverage the VolunteerMatch network to support their own volunteering programs. This strategy has reduced fragmentation, increased usage and aligned VolunteerMatch and its member agencies with the growing Corporate Social Responsibility movement.

**Easy-to-Use Interface** – VolunteerMatch’s user-focused application development has produced an intuitive and user-friendly application. VolunteerMatch has streamlined the interface and invested in innovations that make it easier for users to find the right volunteer opportunity.

The rapid adoption of the Internet and its capacity to encourage connections around shared interests has created a unique opportunity to reduce the fragmentation and inefficiencies that inhibit volunteering and civic engagement. Just as eBay used the Internet to transform the marketplace of person-to-person trading, VolunteerMatch is using the Internet to transform the marketplace of volunteering and civic engagement.

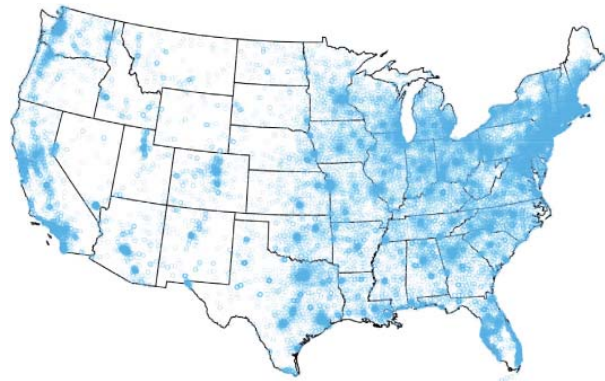
For ten years, VolunteerMatch has made it easier for good people and good causes to connect by applying network technology and market principles.

A growing community of network partners, a strong presence on popular Internet search engines, and the ability to easily browse through thousands of active volunteer opportunities is regularly attracting more than 100,000 visitors weekly. The service is



**National Footprint** – VolunteerMatch is the only network that offers volunteer opportunities in every ZIP code in the U.S. This advantage has allowed VolunteerMatch to become the largest online volunteer network and benefit from economies of scale previously unattainable. National presence has also enabled VolunteerMatch to earn top placement on the most popular search engines that fuel online awareness and growth.

**VolunteerMatch Membership by Location**



**Key National Nonprofit Partnerships** – Key partnerships with leading nonprofit institutions like the American Red Cross, National MS Society, Easter Seals, National CASA, Habitat for Humanity, and the Peace Corps help strengthen the quality of opportunities on the VolunteerMatch network and demonstrate the effectiveness and value of the service to other not-for-profit agencies.

**Commitment to User Support** – Unlike many online services, VolunteerMatch has committed itself to providing exceptional customer support. This commitment stimulates user loyalty, positive word of mouth and ensures users are able to make good use of the service. VolunteerMatch regularly responds to more than 1,000 user inquiries a week.

**Empowered Volunteers** – It can be intimidating to directly approach an organization without a clear understanding of that organization’s needs and expectations. VolunteerMatch takes away the angst by allowing prospective volunteers to browse an array of opportunities before making a commitment.

**Virtuous Cycle of Engagement** – VolunteerMatch users consistently report high levels of satisfaction. High satisfaction among both volunteers and agencies has created a virtuous cycle of engagement. VolunteerMatch’s critical mass of users is now reinforcing itself as more agencies and volunteers are drawn into the network.

## VI. VOLUNTEERMATCH SERVICES

VolunteerMatch’s core services are designed to satisfy the needs of three distinct user groups: not-for-profit agencies, interested volunteers and network business partners. The following describes the services available to these users.

### 1. Agency Services

VolunteerMatch offers a suite of services to help social purpose agencies complement their existing volunteer recruiting activities. The basic service requires agencies to register online and provide information about their organization, its mission and one or more individuals authorized to manage the organization’s account. VolunteerMatch’s approval policies require organizations to provide information to confirm their tax-exempt status. On a case-by-case basis, VolunteerMatch will also approve for-profit organizations with a compelling social mission (e.g. hospitals and hospice programs).

Approved organizations have 24-hour, password protected access to their account to publish volunteer opportunities to the VolunteerMatch network. Organizations use online forms to detail the specifics of their opportunities. These include information about purpose, time commitment, required skills, and logistics. The system also allows users to specify unique contact information for each opportunity and to manage the dates the opportunity will be displayed on the network.

Interested volunteers can respond to opportunities using a built-in e-mail system that automatically notifies the specified contact person with information about the prospective volunteer. Records of all transactions are available online.



### Member Services

Nonprofit Service Levels	Basic	Community Leader	\$75/year
Basic Recruiting Tools	■		■
Online Referral Management	■		■
Tracking & Reporting	■		■
Donation Solicitation Feature	■		■
Enhanced Listings			■
Reposting Privileges			■
Photo Manager			■
Custom Question Manager			■
Greeting Manager			■
Document Manager			■
Listing Duplication			■
Exporting Features			■
Monthly Account Summary			■
15% Multi-ZIP Discount			■

These basic free services are available to member organizations. Agencies are encouraged to become supporting members to enjoy the full suite of VolunteerMatch services. Current fee-based services include the Community Leader program and Multi-ZIP listings.

*Community Leader* – For an annual subscription fee of \$75, interested organizations can upgrade their membership to Community Leader status. Community Leaders enjoy both enhanced listing attributes and administrative functionality. All Community Leader listings are distinguished in search results by their bold typeface and Community Leader icon,

may include photos, and can be conveniently reposted. Administrative tools include automated monthly reports, data export, personalized correspondence, and other streamlined administrative functions. Currently, 12% of VolunteerMatch’s 54,000+ nonprofits enjoy the benefits of Community Leader services.

*Preferred Partnerships* – VolunteerMatch offers national nonprofit agencies comprehensive membership services for their affiliates. These partnerships typically consist of premium services for member organizations, custom search functionality, consolidated reporting, and dedicated support and training. Current Preferred Partnerships include: American Red Cross, CASA, Easter Seals, Girl Scouts, Habitat for Humanity, National MS Society, Peace Corps, and Senior Corps.

*Multi-ZIP Listings* – VolunteerMatch’s Multi-ZIP listing service allows agencies to post their volunteer opportunities to multiple ZIP codes. Basic listings otherwise post to a single ZIP code. This service makes it possible to post listings at a city, county, state or national level. Nonprofits may post their opportunities in additional ZIP codes for \$.50 per ZIP code. Currently, 2.2% of listed opportunities use the Multi-ZIP feature.

## 2. Volunteer Services

VolunteerMatch’s public service is free for interested volunteers. The VolunteerMatch network functions as a one-stop shop where prospective volunteers can browse through listings by member agencies, making it easy for volunteers to find opportunities that fit their interests, skills and schedules. Users can search by ZIP code, interest area, organization, keyword and other variables. VolunteerMatch also features a special section of Virtual Opportunities that can be done virtually from anywhere via computer, phone or fax.

Once a volunteer identifies an opportunity of interest, they can respond to the agency directly by registering as a VolunteerMatch member. The registration requires users to submit their first name, last name, and an e-mail address. Registered members have access to a number of personalized services including customizable opportunity alert e-mails, account history, and communication preferences.

## 3. Business Services

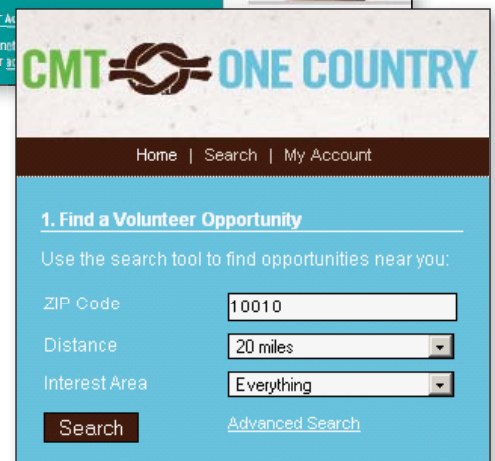
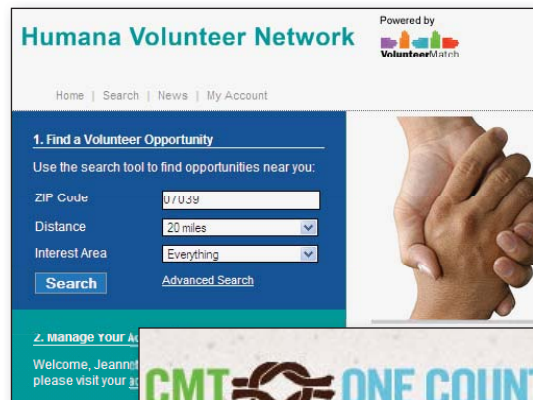
VolunteerMatch offers a suite of services to corporate partners for managing their volunteering initiatives. These initiatives typically support employee volunteering, cause related marketing, or both. Business clients share the underlying VolunteerMatch technology and data network, reducing the need for costly, one-off programs.

VolunteerMatch’s business solutions are comprised of three components: the Volunteer Toolset; the Community Service Network; and Service & Support.

### The Volunteer Toolset

The business services toolset provides clients with the functionality required to support volunteering programs aligned with their corporate social responsibility goals. The solution is a set of administrative tools and hosted web services. Clients are able to offer their users personal profiles, full search functionality, and tools to track the success of their programs. Specialized features include:

- *Featured Listings* – Highlight specific agencies to promote key cause areas or partnerships
- *Private Listings* – Create and manage client-specific volunteer opportunities
- *Reporting* – Track and report program activity



- *Hours Tracking* – Collect user data to support volunteer recognition programs
- *Special Event Manager* – Support event registration and coordination
- *Group Invitations* – Coordinate team volunteering
- *News & Notes* – Post client-specific news and information
- *International Search* – Privately promote global volunteer opportunities

### **Community Service Network**

The community service network provides a live feed of VolunteerMatch's network of opportunities for use with the VolunteerMatch toolset or proprietary systems. VolunteerMatch can tailor data for corporations that are interested in promoting certain types of opportunities. Leveraging this established platform removes the burden of finding and posting volunteer opportunities internally.

### **Services & Support**

VolunteerMatch provides clients with marketing and communication materials, press announcements, and information about best practices. An annual client summit brings partners together for a day. Corporate users may subscribe to one of three tiers of client service:

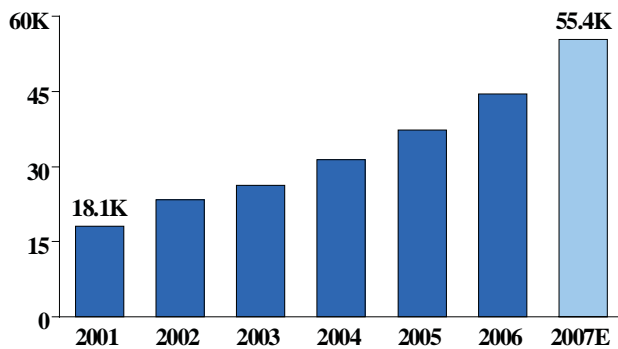
- *Client Care* – Basic support level including introductory training, end user support, and a dedicated account representative
- *Account Support* – Client Care plus marketing, communication and strategy support
- *Site Administration* – Highest support level provides outsourced management of turnkey service

## VII. RESULTS & IMPACT

The VolunteerMatch model works. Over the past decade the network has enjoyed tremendous growth. The service is expanding the capacity of the not-for-profit sector, helping hundreds of thousands of people each year find a meaningful opportunity to serve the greater good. As with other rapidly growing networks, accelerating impact has been accompanied by increased efficiency.

The organization is built on a culture of accountability, transparency and impact. To measure progress and social impact, VolunteerMatch actively surveys and monitors key metrics. Direct measures of activity include agencies registered, total membership, referrals and annual expenses per member. Survey data are folded in to arrive at an estimate of aggregate social value.

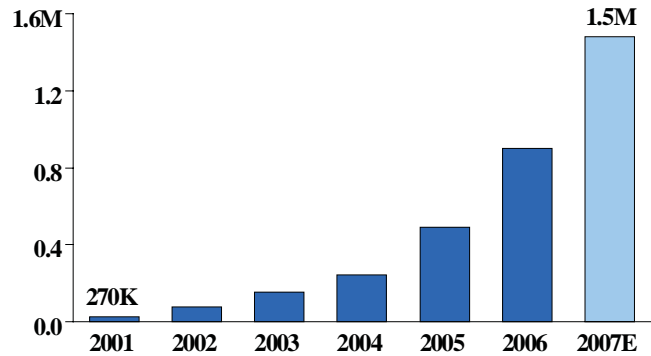
Agency Members



Participating agencies are benefiting from new volunteers. Among surveyed agencies, 84% indicate VolunteerMatch helps “*recruit volunteers we wouldn’t have found.*” 82% report that VolunteerMatch makes it easier to “*find the right volunteers.*”

Volunteers are finding satisfying new opportunities. Among registered users, 84% report VolunteerMatch “*makes it easier to find opportunities [they are] interested in.*” 85% indicate being “*very satisfied*” or “*satisfied*” with their volunteer experience. One in five volunteers had never volunteered before; 76% report they are now more likely to volunteer.

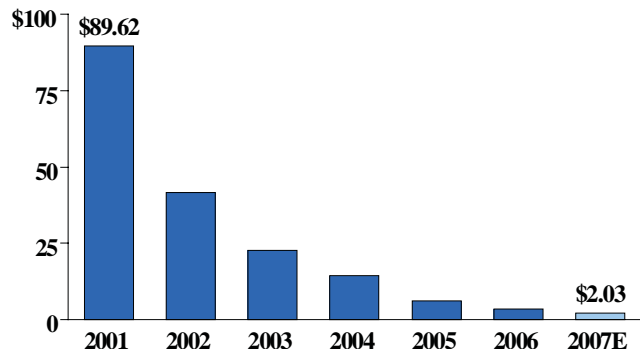
Individual Members



Volunteers are finding satisfying new opportunities. Among registered users, 84% report VolunteerMatch “*makes it easier to find opportunities [they are] interested in.*” 85% indicate being “*very satisfied*” or “*satisfied*” with their volunteer experience. One in

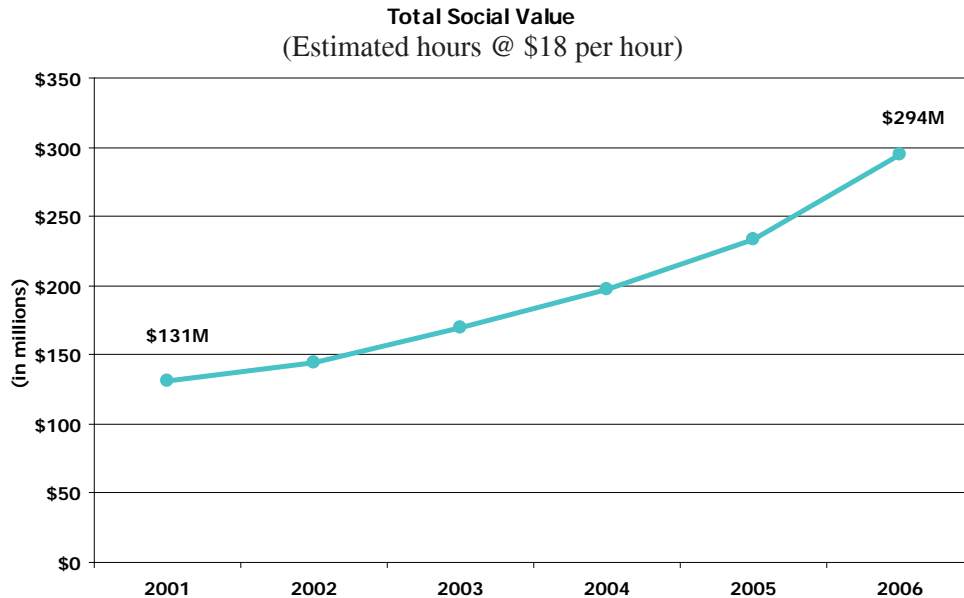
five volunteers had never volunteered before; 76% report they are now more likely to volunteer.

Annual Expense Per Member



## Social Return

Each year, VolunteerMatch estimates the social value of its users' volunteer service. In 2006, use of the VolunteerMatch network resulted in 16.3 million hours of volunteer service, with an estimated social value of \$294 million. Compared to VolunteerMatch's \$3.1 million 2006 total expense, this represented a 94-to-1 Social Return on Expenditure.

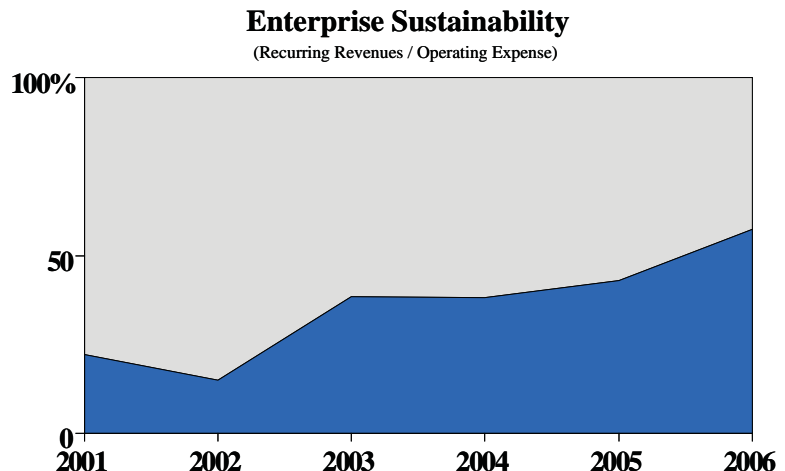


$$2006 \text{ Social Value} = (\text{Unique Volunteers}^3) \times (\text{Avg. VM Hrs}^4) \times (\$/\text{Hr}^5) = (16.33\text{MM Hrs}) \times (\$18.04/\text{Hr}) = \$294\text{M}$$

VolunteerMatch has proven its capacity to catalyze volunteer engagement and has directed \$1.5 billion of social value during its first stage of development. Through the next stage of development, VolunteerMatch seeks to improve services to more fully satisfy unmet needs and to ensure economic sustainability.

## Enterprise Sustainability

VolunteerMatch tracks and reports the portion of its annual operating budget funded by reliable and repeatable sources of revenue. In 2006, the organization covered 57% of its \$2.8 million operating budget (excludes in-kind) with recurring sources of revenue. VolunteerMatch seeks to fully fund operations through such sources of revenue by 2012.



3 VolunteerMatch Data, 2006. (Avg. Unique Volunteers/Qtr = 169,390)

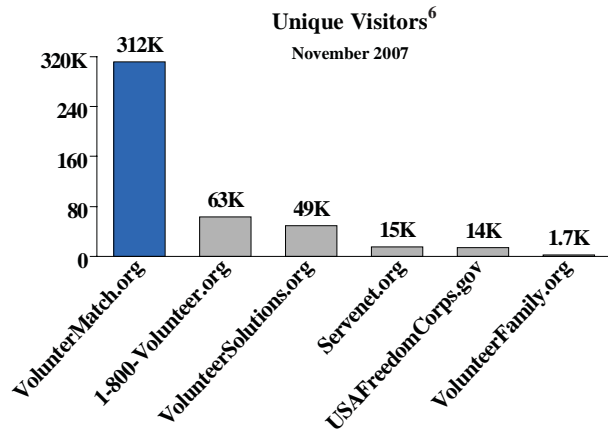
4 Peter D. Hart Research Associates, 2006. (Avg. VM Hrs/Qtr = 24.1)

5 Independent Sector, 2005. (Value of Volunteer Time = \$18.04/Hr)

## VIII. COMPETITION

VolunteerMatch is in the business of connecting not-for-profit agencies with the volunteers they need. VolunteerMatch was originally conceived to create an alternative to traditional volunteer recruiting methods. These have included word of mouth, classified ads and bulletin boards. More recently, interest in volunteering has drawn other organizations into the online volunteer-matching space. In addition, VolunteerMatch's tools for engaging corporate partners face competition from organizations supporting corporate philanthropy.

VolunteerMatch's scale, national footprint, functionality and integrated services make it unique. Today, VolunteerMatch enjoys top placement in search results on both Google and Yahoo! and is widely regarded as the leader in the volunteering space.



### On-line Volunteer-Matching Providers

Organization	Description	Points of Differentiation
<b>1-800-Volunteer.org</b> Washington, DC <a href="http://www.1-800-volunteer.org">www.1-800-volunteer.org</a>	1-800-Volunteer.org is a service of the Points of Light & Hands on Network providing services to local Volunteer Centers.	Regional strategy focused on Volunteer Centers.
<b>Craigslist.org</b> San Francisco, CA <a href="http://www.craigslist.org">www.craigslist.org</a>	Craigslist.org provides local classified advertisements and forums for 450 cities worldwide.	Features employment, real estate, and personal listings; volunteer opportunities have limited visibility.
<b>Idealist.org</b> New York, NY <a href="http://www.idealists.org">www.idealists.org</a>	Idealist is an interactive site where people and organizations can exchange resources and ideas.	Strong reputation for nonprofit job listings; international focus.
<b>Servenet.org</b> Washington, DC <a href="http://www.servenet.org">www.servenet.org</a>	Servenet.org is a youth-oriented service aimed at connecting individuals with local nonprofits.	Youth focused strategy.
<b>The Volunteer Family</b> Boston, MA <a href="http://www.volunteerfamily.org">www.volunteerfamily.org</a>	The Volunteer Family assists Boston area organizations to address a growing need for volunteer assistance through family volunteering.	Focus on family volunteering; Boston orientation.
<b>VolunteerSolutions.org</b> Alexandria, VA <a href="http://www.volunteersolutions.org">www.volunteersolutions.org</a>	Volunteer Solutions, a service of United Way of America, helps volunteers, nonprofit agencies, corporations, event organizers, and Volunteer Centers get connected.	Regional strategy focused on Volunteer Centers.

<sup>6</sup> www.compete.com, 2007.

VolunteerMatch's corporate services compete against those of organizations that have traditionally provided workplace giving solutions. Demand for employee volunteering tools has prompted product and service extension beyond financial giving. This same demand has encouraged other for-profit companies to develop employee volunteering tools. VolunteerMatch's ability to provide integrated access to its national network of local volunteering opportunities remains unique.

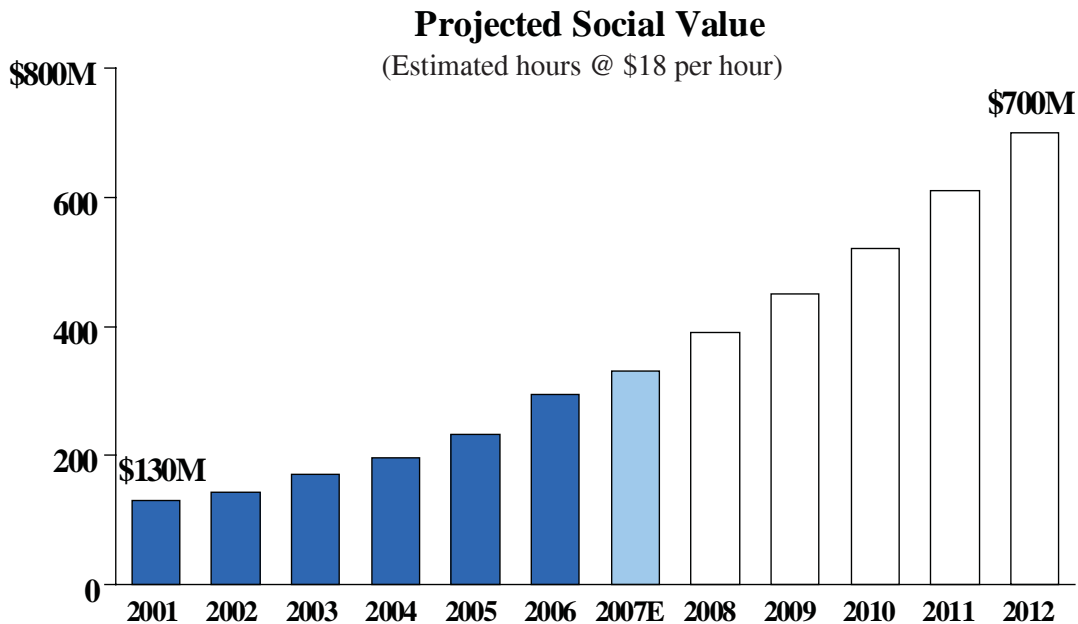
### Corporate Volunteering Tool Providers

Organization	Description	Points of Differentiation
<b>Angel Points</b> Sausalito, CA <a href="http://www.angelpoints.com">www.angelpoints.com</a>	Angel Points is a for-profit enterprise providing a suite of on-demand solutions to help companies improve their corporate social responsibility initiatives.	Custom solutions for business; focused on client provided opportunities.
<b>Create Hope</b> Washington, D.C. <a href="http://www.createhope.com">www.createhope.com</a>	Create Hope's web-based solution allows clients to brand, configure and manage volunteer and volunteer incentive programs.	Extension of corporate philanthropy product offers limited volunteer matching.
<b>The JK Group, Inc.</b> Plainsboro, NJ <a href="http://www.easymatch.com">www.easymatch.com</a>	JK Group, Inc. is a for-profit company that provides its clients with solutions to corporate philanthropy programs.	Extension of corporate philanthropy software product offers limited volunteer matching.
<b>United Way - eWay</b> Alexandria, VA <a href="http://www.unitedway.org">www.unitedway.org</a>	The United eWay suite includes campaign management, grant matching, volunteer event management and a volunteer matching module.	Philanthropy intermediary supporting corporate giving campaigns and grantmaking.

## IX. GROWTH PLAN

VolunteerMatch aims to eliminate barriers to volunteering by building a permanent bridge connecting volunteers with civil society.

In order to more effectively satisfy the unmet needs in our communities, VolunteerMatch must expand and enhance its services. To endure as an institution, VolunteerMatch must also increase its capacity to generate revenue. By 2012, VolunteerMatch seeks to more than double its annual social value by expanding services to support over 90,000 agencies, and 3 million members.



### 2012 Goals

- **Increase the community of not-for-profit agencies effectively engaging the time and talent of their community**

*Metric: Increase agency membership by 40,000 to a total of over 90,000*

- **Expand the number of people able to find a personally meaningful opportunity to serve the greater good**

*Metric: Increase registered membership base beyond 3 million*

- **Accelerate the virtuous cycle of civic engagement**

*Metric: Deliver annual social value in excess of \$700 million*

- **Achieve long-term economic sustainability**

*Metric: Increase reliable operating revenue to \$8.0 million to break even by 2012*

## **Key Initiatives**

### **Leverage Emerging Web Technologies to Increase Connectivity and Reach**

Presently, VolunteerMatch's core architecture is designed as a hub and spoke system that connects interested volunteers with specific not-for-profit agencies. Online social networks – such as eBay, MySpace, and Yelp – illustrate the value of systems that allow users to interact, and learn from, others. VolunteerMatch will incorporate emerging network technologies in its next generation of services. Rating and review functionality, for instance, will allow volunteers to share experiences with others, encouraging better decision-making and higher levels of satisfaction. It will also enable new search options, highlighting highly rated organizations in their area.

Creating public profiles for individual volunteers will allow users to endorse their favorite organizations and reach out to other local volunteers who share their interests. It will also create a platform for individuals to connect, seek advice, and encourage others to volunteer. Linking profile information and referral history to opportunities will allow users to benefit from the connections made by users with similar interests and passions. Extending this functionality will allow users to connect their profiles to other popular services like Facebook, Linked In and MySpace. Allowing agencies to search public profiles will enable agencies to proactively contact prospective volunteers opting to share their interests and skills. Mapping and tagging functionality will improve users' experiences by allowing them to browse conveniently by geography and categories entered by other users.

As Web 2.0 technology continues to evolve, VolunteerMatch will adopt those tools that enhance the VolunteerMatch experience. For example, multi-media content, forums and discussion groups remain under consideration. These improvements will require substantial investment in system architecture and hardware to ensure consistent, responsive and reliable service.

### **Extend Business Applications to Support the Growing Corporate Social Responsibility Market**

Network partnerships are vital to VolunteerMatch's growth, impact and economics. In response to market demand, VolunteerMatch will extend its platform functionality to improve system interoperability, integration flexibility, and international capabilities.

*System Interoperability* – VolunteerMatch's success in the corporate employee volunteering marketplace requires that VolunteerMatch's application interoperate with human resources and philanthropy applications. As the market has matured, client expectations have risen, and protocols such as single-sign on have become common requirements for business partnerships. One key challenge involves programs such as Dollars for Do-ers that provide grants once specified volunteer service has been reported and verified. VolunteerMatch provides the tools necessary for employees to record their service, but must develop systems to properly validate those hours and provide the information to third-parties for the distribution of funds. Bridging these gaps is a strategic imperative that will both strengthen VolunteerMatch's value proposition and its relationships with clients.

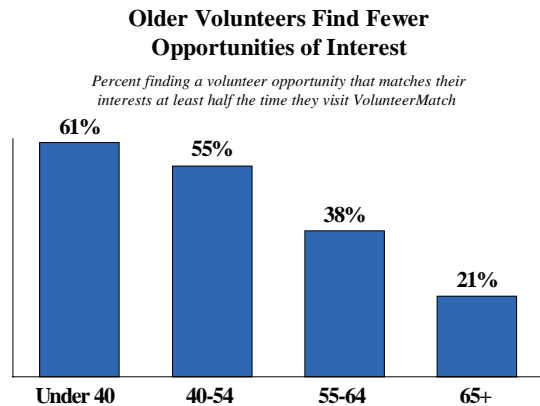
*Integration Flexibility* – The market for VolunteerMatch's services has evolved beyond the boundaries of employee volunteering programs. VolunteerMatch is now working with marketing professionals to build cause-related volunteer matching integrations for customers, rather than employees. To engage new customers, VolunteerMatch will improve the flexibility of its systems to seamlessly integrate into clients' brand environments. To address this challenge, VolunteerMatch will develop APIs giving clients more control over their users' experience.

*International Capabilities* – VolunteerMatch will extend functionality to support the international activities of its network partners. Key initiatives involve language translation and streamlining the process of posting

international opportunities. These technical improvements will enable international clients to make better use of VolunteerMatch as part of their global volunteering initiatives.

### Improve Services to More Effectively Engage Older Adults and Skilled Volunteers

In five years, 20% of the U.S. population will be over age 55. Older adults and skilled volunteers are a powerful force shaping the future of volunteering. VolunteerMatch currently supports over 125,000 registered users age 55+, and has tens of thousands of active opportunities identified to attract older volunteers. However, the older adult population reports the greatest difficulty finding opportunities of interest.



VolunteerMatch surveyed users to better understand how its service meets their needs<sup>7</sup>. Older volunteers are often more interested in making use of their existing skills and interests than younger volunteers who tend to be more interested in learning new skills and exploring new interests. Over half (53%) of all volunteers age 55 and over prefer volunteer activities that make use of either “career” or “non-career” related skills. Older volunteers are nearly twice as likely (42%) as the general population (24%) to decline opportunities that they do not find “interesting and challenging.”

VolunteerMatch is launching initiatives aimed at better serving the older adult population. In addition to system upgrades intended to raise the standard of listings targeting older adults, VolunteerMatch is investing in education, communication and partnerships that improve visibility with older adults. VolunteerMatch is actively encouraging more nonprofit agencies to take advantage of the opportunity to engage the time and talent of this growing population. VolunteerMatch’s recent publication, *Great Expectations: Boomers and the Future of Volunteering*, frames the background and research informing this initiative.

### Enhance Awareness & Training

A strong brand, positive user experience, search engine optimization, and complimentary press coverage have contributed to VolunteerMatch’s growth, but millions of individuals and agencies remain unaware of the resource. VolunteerMatch will invest in marketing and educational campaigns to raise awareness and facilitate adoption.

Bolstering its marketing efforts will involve continued support of its successful press outreach, personalized user communications and targeted Google AdWords program. In addition, VolunteerMatch will invest in fostering viral marketing via social networking platforms, leveraging web technology services such as blogs and RSS feeds, and selectively investing in PSA campaigns.

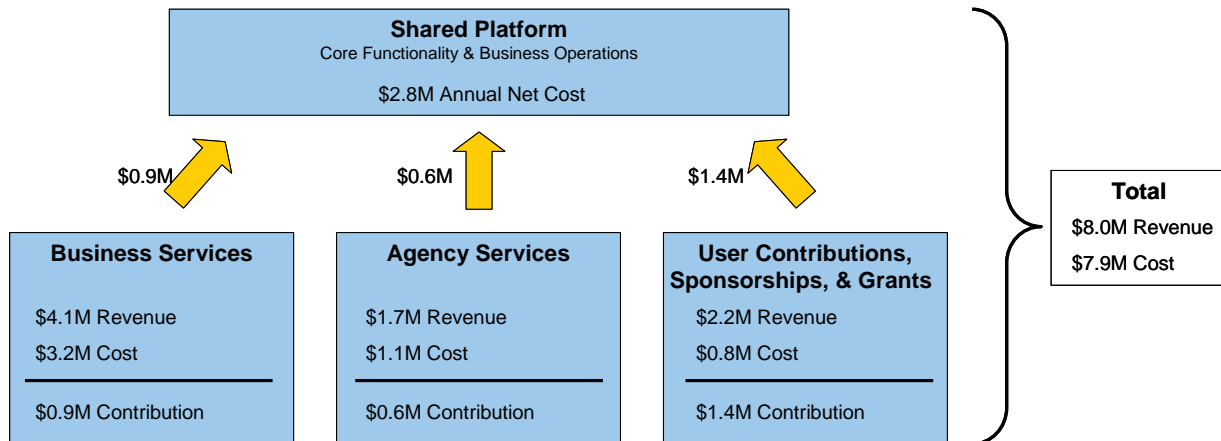
Training and support resources are necessary to respond to the needs of VolunteerMatch’s diverse, expanding, and evolving user base. VolunteerMatch views user support holistically, including direct user support, online resources for self-help, and peer-to-peer interaction. Research indicates engaged agencies are more successful in recruiting helpful volunteers. VolunteerMatch will invest in additional user support staff, online help and web-based training events. Integrating peer-based communication applications, like targeted blogs, listservs and forums will add the voices of experienced users to the support provided by VolunteerMatch staff. In addition to direct support of agencies’ technical issues, VolunteerMatch will selectively seek to strengthen volunteer programs by making best practices available.

<sup>7</sup> Peter D. Hart Research Associates, 2006.

## Expand and Diversify Sustainable Revenue Sources

One of the primary goals of VolunteerMatch's growth plan is to ensure the organization's capacity to sustainably fund its mission. In order to achieve this goal, VolunteerMatch will enhance and diversify its sources of revenue.

### 2012 Portrait of Sustainability



By 2012, management estimates it will cost \$2.8M annually to support the core platform of technology, user interface, and business support that is the backbone of VolunteerMatch. This shared platform is accessed by three distinct user groups, each of which has dedicated services and economic relationships with VolunteerMatch. By 2012, these three groups are expected to fully fund the \$2.8M shared platform.

*Business Services* – Corporate clients use services with varied and specialized support. Securing these relationships requires dedicated business development staff. Significant engineering and customer service resources are also required. VolunteerMatch will spend \$3.2M per year developing and serving client needs. Client fees will provide revenue of \$4.1M, generating a net \$0.9M contribution to the shared platform.

*Agency Services* – Agencies using volunteers are primary beneficiaries of VolunteerMatch's services. To ensure lasting support for the services they value, VolunteerMatch is extending its supporting membership programs and preferred partnerships to generate fee revenue from a wider base of agency users. Agency user support, marketing, and technical development of tools specific to this user group require dedicated resources. The resources that support those users will cost \$1.1M annually. Agency revenue will total \$1.7M, generating a net \$0.6M contribution to shared costs.

*User Contributions, Sponsorships and Grants* – VolunteerMatch seeks reliable ongoing contributions to support its services. VolunteerMatch's goal is to garner support from 6% of its active users – a benchmark aligned with comparable organizations. VolunteerMatch will spend \$0.8M annually to develop individual contributions, site sponsorships, and a modest level of ongoing institutional support. VolunteerMatch projects \$2.2M in reliable, repeatable philanthropic revenue, providing \$1.4M in net contribution from these activities.

From 2012 onward, VolunteerMatch expects these revenue streams to generate a surplus to reinvest in its capacity to connect good people with good causes. In 2012, these three functions will provide \$8.0M<sup>8</sup> in operating revenue collectively against a \$7.9M cost structure. The projected financial results in subsequent

<sup>8</sup> This figure includes \$100,000 in non-operating revenue from investment proceeds, which is reflected in User Support, Sponsorships and Grants in the illustration above.

years reflect further growth. Over time, VolunteerMatch seeks to manage to a 3-5% operating surplus.

Achieving sustainability requires significant changes in the economics of VolunteerMatch. The following table highlights key drivers of its evolving revenue expectations. The largest increase in absolute dollar terms is derived from Business Services, where established operations provide a clear understanding of the economics. While the additional revenue streams project a greater percentage increase, they each represent a minority of overall revenue.

<b>Revenue Activity</b>	<b>2007</b>	<b>2012</b>	<b>Drivers of Growth Expectations</b>
<b>Business Services</b>	<b>\$1,800</b>	<b>\$4,100</b>	<ul style="list-style-type: none"> <li>• <b>Grow new-account sales revenue 7% annually (versus 17% annual rate since 2004)</b></li> <li>• <b>85% account retention (versus &gt;95% in 2007)</b></li> <li>• <b>3% annual average deal size increase</b></li> </ul>
• Employee Volunteering	\$1,500	\$3,200	
• Cause Marketing	\$210	\$450	
• Data Licensing	\$90	\$450	
<b>Agency Services</b>	<b>\$300</b>	<b>\$1,700</b>	<ul style="list-style-type: none"> <li>• <b>Recoup 0.25% of social value by 2012</b></li> <li>• <b>Add tiered levels of paid member service to increase adoption from 6% to 34% of active agencies</b></li> <li>• <b>Double Preferred Partnership revenue</b></li> </ul>
• Preferred Partnerships	\$180	\$325	
• Fee-for-service memberships (e.g. Community Leader)	\$60	\$775	
• Other a la carte services	\$60	\$600	
<b>User Contributions, Sponsorships, Grants</b>	<b>\$115</b>	<b>\$2,200</b>	<ul style="list-style-type: none"> <li>• <b>Increase participation from 0.4% to 6% of annual users</b></li> <li>• <b>Enable successful sponsorship at \$5 per 1,000 page views</b></li> <li>• <b>Maintain small programmatic grant portfolio</b></li> </ul>
• User Contributions	\$40	\$1,400	
• Sponsorships / Advertising	\$25	\$600	
• Program Grants (Foundations)	\$50	\$200	
Note: All figures in thousands of dollars			

## X. GROWTH CAPITAL REQUIREMENTS

The VolunteerMatch growth plan requires an infusion of \$10 million in growth capital, enough to bring about fully self-sustaining financial performance by 2012.

<b>Growth Capital Consumption</b>						
	2007	2008	2009	2010	2011	2012
Ordinary Revenue	\$2.2	\$2.6	\$3.9	\$5.2	\$6.5	\$8.0
Ordinary Expense	\$3.0	\$4.8	\$6.5	\$7.0	\$7.5	\$7.9
Operating Surplus / (Deficit)	(.8)	(2.2)	(2.6)	(1.8)	(.9)	\$.1
Interest & Dividends	\$.1	\$.1	\$.1	\$.1	\$.2	\$.2
Reserve Expansion		(.9)	(.9)	(.3)	(.2)	(.2)
Growth Capital Consumed	\$ .7	\$3.0	\$3.3	\$2.0	\$1.0	\$0

} Operating Surplus  
by 2012

\$10 Million in Growth Capital

The approximate anticipated uses of the \$10 million of growth capital are as follows:

*Web Service Upgrades & Enhancements (\$2.0-\$3.0 million)* – VolunteerMatch’s service is currently best in class. To best serve its users and leverage a new generation of web technologies will require continued investment. VolunteerMatch anticipates expanding and enhancing features and functionality to:

- Improve keyword search
- Encourage peer-to-peer social networking
- Invite user reviews and ratings
- Facilitate user tagging and classification
- Add multi-media content
- Improve information portability and discoverability

*Technology Infrastructure Enhancements (\$1.5-2.0 million)* – Operating a national network requires world-class architecture and technology infrastructure. VolunteerMatch’s growth strategy will require increasingly sophisticated technology to support its service. VolunteerMatch will invest a significant portion of its growth capital to expand current network capabilities and extend the flexibility of the underlying architecture.

*Communications & Marketing (\$1.0-1.5 million)* – Awareness is vital to the usefulness of the network. VolunteerMatch will invest in activities that engage new audiences and increase the number of agency users. Marketing investments will focus on increasing awareness, encouraging feature adoption, and stimulating online social connectivity. Specific investment will be made to effectively identify and acquire prospective network partners.

*Cultivate On-site User Contributions (\$0.5-1.0 million)* – VolunteerMatch has a large audience of individual volunteers who benefit from the use of its services. During the next phase of its growth, the organization will endeavor to engage this audience to actively support their use

of the system. This will require increased communication, significant outreach and additional administrative work. VolunteerMatch will invest additional staff and engineering resources to these programs.

*Older Adult/Skilled Volunteering Strategic Initiatives (\$2.5 million)* – Engaging older adults as volunteers is an extraordinary opportunity to reshape the landscape of civil society. This group is challenging existing conventions. Older adults intend to put their skills and experience to good use. VolunteerMatch is investing in technology, communications and partnerships to more effectively engage and serve this population.

*General Operating Purposes (\$0.5-1.0 million)* – Growth requires regular internal improvements. VolunteerMatch intends to serve twice as many members and triple its economic base. To do so requires more robust back office and internal human resources. VolunteerMatch will invest in these functions as necessary to support its operational capacity.

*Capital Reserve Enhancement (\$1.5-2.5 million)* – Growth opportunities often present themselves when they are least expected, and at times when obtaining funding is difficult. VolunteerMatch recognizes that turbulence creates unforeseen challenges, and is responsible to its users to weather such times. Prudent financial management involves maintaining 6-9 months cash reserves. As VolunteerMatch grows, the nominal dollar value of such a reserve will increase. VolunteerMatch will place a portion of its growth capital in cash reserves for immediate deployment as new growth opportunities become available.

### **Accounting for the \$10 Million VolunteerMatch 2007/08 Growth Capital**

All financial flows associated with VolunteerMatch’s growth capitalization will be monitored and reported using the SEGUE<sup>SM</sup> (Sustainable Enhancement Grant) methodology developed by Nonprofit Finance Fund, a certified Community Development Financial Institution based in New York City, with seven offices nationwide. The SEGUE<sup>SM</sup> methodology, designed to provide philanthropic investors with an equity-like experience, incorporates the following features:

- **Maintenance of Capitalization Table.** VolunteerMatch will maintain a definitive list of Growth Capital Investors, identifying their names, contact information and invested amounts. This roster will not be altered unless a new Investor is added, either in connection to the 2007/08 Growth Capital campaign, or in connection to subsequent VolunteerMatch enterprise-level growth capital campaigns.
- **Identifications of Investors.** VolunteerMatch will provide each Investor with the definitive list of other 2007/08 Growth Capital Investor identities and dollar amounts. Any change in the roster of Investors or amounts invested by each will be communicated promptly to all Investors. Each Investor will be offered the option to be listed as “Anonymous” on this shared communication.
- **New Sub-Account.** VolunteerMatch will establish a new temporarily restricted sub-account, called “VolunteerMatch 2007/08 Growth Capital,” which will be tracked and reported upon as part of VolunteerMatch’s standard internal financial reporting, to be reported as a footnote in audited financial statements.
- **Campaign Close.** VolunteerMatch will affirmatively declare a close of the 2007/08 Growth Capital campaign and communicate an Official Close Date to all Investors.
- **Permissible Flows.** The VolunteerMatch 2007/08 Growth Capital temporarily restricted sub-account may be increased only by temporarily restricted funder commitments that are explicitly

identified as members of the 2007/08 Growth Capital Investor group. New dollars may not be added to this sub-account if they are related to Investor commitments made following the Official Close Date.

- Communication of Inflows and Outflows. Investors will regularly be informed, at a summary level, of all annual inflows and outflows from the VolunteerMatch 2007/08 Growth Capital sub-account.
- Accounting Treatment for Subsequent Growth Capital Funding. Any subsequent rounds of VolunteerMatch enterprise-level capital will be accounted for using growth capital accounting methods similar to those used for the 2007/08 Growth Capital round, but tracked separately, using a separate temporarily restricted sub-account.
- Exhaustion of Growth Capital Funds before Release of Subsequent Growth Capital Funds. Subsequent rounds of enterprise-level growth capital may be raised at any time. However, subsequently raised funds may not be released unless and until all funds from this round have been fully released.

### **Investing in the VolunteerMatch 2007/08 Growth Capital Campaign**

- Investment. The word “Investment” refers to non-revocable contributions to VolunteerMatch that are entirely charitable in nature and will generate no financial returns to Investors.
- Investment Offering. 40 non-assignable VolunteerMatch 2007/08 Growth Capital SEGUE<sup>SM</sup> Units, at \$250,000.00 per unit.
- SEGUE<sup>SM</sup> Unit. A SEGUE<sup>SM</sup> Unit is defined as a formal mechanism by which VolunteerMatch recognizes the roles played by philanthropic investors who provide equity-like capital required to produce a VolunteerMatch enterprise that is fully self-sustaining under its chosen long-term business model for ongoing revenue generation. Holding SEGUE<sup>SM</sup> Units does not constitute equity (e.g. ownership) in VolunteerMatch. Investors hold no Board seats, unless formally invited by VolunteerMatch to join the Board.
- Restrictions on Investment Proceeds. VolunteerMatch’s use of 2007/08 Growth Capital SEGUE<sup>SM</sup> proceeds is, until June 30, 2013, restricted as follows:
  - At the end of each fiscal year, VolunteerMatch will provisionally calculate its Change in Unrestricted Net Assets “*as if*” no releases were to be made from temporarily restricted VolunteerMatch 2007/08 Growth Capital SEGUE<sup>SM</sup> funds.
  - If this provisional calculation yields a positive Change in Unrestricted Net Assets or magnitude greater than or equal to 5% of the fiscal year’s Operating Expenses, then VolunteerMatch 2007/08 Growth Capital SEGUE<sup>SM</sup> funds may not, in that fiscal year, be used.
  - Otherwise, VolunteerMatch 2007/08 Growth Capital SEGUE<sup>SM</sup> funds may be used towards achieving a positive Change in Unrestricted Net Assets for the fiscal year of magnitude up to (but not more than) 5% of the fiscal year’s Operating Expenses.
  - Beginning July 1, 2013, and thereafter, use of any remaining VolunteerMatch 2007/08 Growth Capital SEGUE<sup>SM</sup> proceeds are not subject to donor-imposed restrictions.

## XI. RISKS

VolunteerMatch believes that its research and analysis regarding demand for various services and products is accurate, and that it will likely be successful in achieving the targets set forth in the growth plan. However, it will face challenges, both market and managerial, during the course of its growth that may result in its inability to achieve targeted social metrics, revenue metrics and/or sustainability targets. The business is dependent on continued interest in social responsibility by the corporate sector, clearly ascribed benefits of volunteerism by the agency sector, and a willingness to donate by volunteers using VolunteerMatch's public website. While the management believes that it has appropriately defined its market niche, the business could be negatively impacted by any of the following factors:

- **Changes in Internet as an accepted communication medium** – the Internet as a communications medium is constantly evolving. During the past several years, use of Internet services to perpetrate crime has increased and is likely to continue into the future. Such actions may reduce the willingness of individuals to provide the information necessary to properly execute the service. The organization takes precaution to secure the privacy of its user data. It cannot, however, guarantee that it will not be affected by widespread concern over Internet security.
- **Decrease in public interest in volunteerism** – volunteering is part of the American social fabric, and as such the business depends on continued interest in providing voluntary services for social and community benefit. A significant change in public policy toward the service could impact the need for people to volunteer. In addition, changes in public perception of the value of volunteerism and the benefits provided could result in fewer interested persons using the service.
- **Decrease in corporate interest in supporting volunteerism** – corporations continue to demonstrate their willingness to invest in community engagement initiatives, a trend that the management believes will increase over the next five years. A decrease in corporate interest may result in a decline in the market for the corporate software platform, which may have a material impact on existing and future revenues.
- **Changes in health of the nonprofit community** – the organization serves the nonprofit agency community by providing a streamlined service for recruiting volunteers. As such, its success as a service requires a strong and vibrant agency community that continues to need volunteers and services to recruit volunteers. A decline in the number of agencies, and/or the health of the community, may result in a reduction in the core operation and agency segment revenues.
- **Managing a changing political environment** – service and volunteering is a part of an active political context. While volunteering is primarily a social phenomenon, it is often viewed as an activity with significant political consequences. An unfavorable view of VolunteerMatch's approach to volunteer engagement could result in considerable government funding focused on approaches that are inconsistent with VolunteerMatch's long-term interests.

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- D. BOARDS OF DIRECTORS & ADVISORS**
- E. PRO-FORMA FINANCIALS**
- F. COST STRUCTURE**
- G. AUDITED FINANCIAL STATEMENTS**
- H. HISTORICAL TIMELINE**
- I. PRIOR PHILANTHROPIC SUPPORT**
- J. PARTNER ORGANIZATIONS**

## APPENDIX A: PRESS & ACKNOWLEDGMENTS

**Time Magazine**, Aug & Dec 2007  
**Forbes**, Dec 2007, Aug 2002, Dec 2001, Dec 2000,  
 June 1999  
**The Washington Times**, Nov 2007

**ABC7-Chicago**, Oct  
 2007

**Lunchmeet**, Oct 2007

**The San Francisco  
 Chronicle**, Sept 2007,  
 Nov 2006, Jan, Feb &  
 Sept 2002, Aug 2001,  
 Nov 2000

**Spirit Magazine**, Sept  
 2007

**New Orleans Times-  
 Picayune**, Sept 2007

**The Wall Street  
 Journal**, Aug 2007, Apr  
 2006, Apr & Sept 2005,  
 June 2003, Dec 2000

**BusinessWeek**, July 2007, Aug 2001

**MarketWatch**, July 2007

**The Chronicle of Philanthropy**, Jan  
 & July 2007, Jan 2006, Aug 2004,  
 May 2002

**The Denver Post**, July 2007, Nov  
 2006

**CNN**, June 2007, July 2004, Nov

2003, Apr &  
 Sept 2002, Mar 2000

**Yahoo! Tech News**, May 2007

**The Los Angeles Times**, Feb  
 2007, July 2003, July 2001

**The Washington Post**, Feb  
 2007, Apr, May & July 2006,  
 Sept 2005, Jan 2003, Mar 2002

**USA Weekend**, Feb 2007

**KPIX - TV (CBS)**, Dec 2006,  
 Apr & Sept 2003, May & Nov  
 2002

**The New York Times**, Nov 2006, Feb & Oct 2005,  
 Nov 2004, May 2003, Dec 2002, Nov 1999

**Monster.com**, Aug & Oct 2006, Oct 2005

**The New York Times**

**Shape Magazine**, Oct 2006, July 2005, Sept 2004

**ZDNet**, Oct 2006

**MSNBC**, Aug 2006

**Independent Sector**, Apr  
 2006

**U.S. News & World Report**,  
 Apr 2006, Dec 2003, June  
 2002

**The Early Show - CBS**, Dec  
 2005

**FOXNews**, Nov 2005, Aug 2002

**Newsday**, June & Sept 2005, Jan 2003

**USA Today**, Aug & Sept 2005, Jan 2003, Mar 2002,  
 Nov 2001, Apr 1998

**Chicago Tribune**, May 2005, July 2003,  
 July 2001

**Parents**, Jan 2005

**Woman's Day Magazine**, June & Dec  
 2004, Feb & Dec 2003

**PBS**, Feb & July 2004

**Philanthropy News Network Online**, Jan  
 & May 2004, Apr 2002, June 2000, Sept  
 1999

**Better Homes and  
 Gardens**, Feb 2004, July  
 2003

**Money Magazine**, Dec  
 2003, Nov 2002

**The Associated Press**, Sept

2003

**PC World**, Aug 2003, Dec 2002, Dec  
 2001

**Redbook Magazine**, Apr 2003

**The Boston Globe**, June & Nov 2002

**Today Show**, Nov 2002

**Ladies' Home Journal**, Feb 2002

**CBS MarketWatch**, Jan 2002

**O The Oprah Magazine**, Dec 2001

**CareerBuilder.com**, Aug 2001

**MacWorld**, Mar 2001

**Elle Magazine**, Nov 2000

**Fortune.com**, June 1999



**THE CHRONICLE OF PHILANTHROPY**  
 THE NEWSPAPER OF THE NONPROFIT WORLD



### TIME Honors VolunteerMatch for 2007

TIME has selected VolunteerMatch as one of the year's Top 10 websites in its annual survey of news, business and cultural touchstones, December 24, 2007.

### Yale-Goldman Sachs Foundation's Business Plan Competition

VolunteerMatch is the winner of the Grand Prize in the Second National Business Plan Competition for Nonprofit Organizations, one of only four nonprofit organizations selected in 2004 by The Yale School of Management-Goldman Sachs Foundation to receive the prestigious award.



### 2001 Webby Awards - Activism & Services

VolunteerMatch received an unprecedented two awards - Best Activism Site and Best Services Site - at the 5th Annual Webby Awards ceremony held in San Francisco, CA on July 18, 2001.

### Macworld 2000 Web Award

From March 2001 issue of Macworld magazine. "Looking for volunteer opportunities in your area? VolunteerMatch ([www.VolunteerMatch.org](http://www.VolunteerMatch.org)) is a free service from Impact Online that helps you find what you're after, using just a ZIP code and answers to a few simple questions. And if you can't carve out time to leave the house, check out the Virtual Volunteering section for ways to help by doing work on your computer."



### MIT's Socially Responsible Award

From the MIT Sloan School of Management eCommerce Awards - May 12, 1999.

### 1998 Computerworld Smithsonian Award Nomination

Finalist June 8, 1998. "VolunteerMatch is one of 52 finalists selected by a panel of distinguished judges whose work is included in the 1998 Smithsonian Institution Permanent Research Collection."



## APPENDIX B: WHAT PEOPLE ARE SAYING ABOUT VOLUNTEERMATCH

*"...check out VolunteerMatch.org. You just put in your own zip code and it gives you a list of opportunities in your area."*

**Bill Clinton**, Former U.S. President, *GIVING: How Each of Us Can Change the World*

*"Volunteers are the heart and the muscle of the American Red Cross. By helping each of our local chapters recruit new volunteers, VolunteerMatch enhances people's ability to provide lifesaving service to their local communities."*

**Kate Forbes**, National Chair of Volunteers, The American Red Cross

*"I love VolunteerMatch..."*

**Oprah Winfrey**, The Oprah Winfrey Show

*"We believe giving back to the community through volunteering is a valuable service, and Yahoo! is proud to support the efforts of VolunteerMatch."*

**David Filo**, Co-Founder, Yahoo!

*"VolunteerMatch understands that information and choice are reinventing the future of volunteering and the nonprofit sector."*

**Bob Ottenhoff**, President, Guidestar/Philanthropic Research, Inc.

*"VolunteerMatch has a phenomenal track record, both with their use of technology and their organizational strategy. For 10 years, they've consistently made smart choices and matched it with smart implementation. Now they're on the cusp of doing it again with a new generation of social networking tools."*

**Andrew Blau**, Co-Head of Practice, Global Business Network

*"The world challenges and the business climate today have made CSR a top corporate priority and civic engagement a corporate necessity. VolunteerMatch's energy, skilled team, and efficiency have made them the clear leaders in this critical space. I would (and have) recommend them to any of my corporate contacts."*

**Kellie McElhaney, PhD**, Consultant, Professor & Executive Director, Haas School of Business, UC Berkeley

*"The baby boom generation has a historic opportunity – based on sheer number and years of experience – to leave a profound social legacy. VolunteerMatch has an equally historic opportunity to make it happen."*

**John Gomperts**, President, Civic Ventures & CEO, Experience Corps

*"I want to take this opportunity to thank VolunteerMatch for your hard work towards increasing the number of Californians who make a difference in their communities through volunteering."*

**Maria Shriver**, First Lady of California

*"Therefore be it resolved, that I, Gavin Newsom, Mayor of the City and County of San Francisco, do hereby proclaim May 11th 2005 as VolunteerMatch.org Day..."*

**Gavin Newsom**, Mayor of San Francisco

*"This search engine for volunteerism has made more than 3 million referrals to socially responsible Web surfers. Some 52,000 nonprofit organizations recruit help through the site."*

**TIME Magazine**,

September 10, 2007

*“We wanted to engage nonprofits across the country with our employees, and VolunteerMatch provided an easy, user-friendly tool.”*

**Cheryl Thompson**, Community Relations, Target

*“VolunteerMatch makes it easy for us to engage our employees in community service. And our employees really appreciate being able to choose the volunteer opportunity that interests them most - whether it’s our National Volunteer Day, the Schwab Money Matters program that promotes teen financial literacy, or any of the thousands of opportunities in the VolunteerMatch network.”*

**Elinore Robey**, Director, Community Investor Services, Charles Schwab Foundation

*“CMT is a part of everyday life for millions of people. CMT One Country, powered by VolunteerMatch, inspires viewers to realize ‘The Power of One’ and make a difference in their communities through volunteering.”*

**Lucia Folk**, Director Public Affairs, Country Music Television

*“Employees seeking leadership or board opportunities within nonprofit agencies often find volunteerism helps them develop their leadership skills and talents even further. Our partner VolunteerMatch is a wonderful resource for helping to fill these and other nonprofit volunteer opportunities.”*

**Ellen Luger**, Executive Director, General Mills Foundation

*“Because we value the importance of volunteerism and the service our employees provide to their communities. We are pleased to offer a nationwide online service to help them locate volunteer opportunities that fit their interests, skills and schedules.”*

**Andy Prozes**, CEO, LexisNexis

*“I LOVE you guys! We have attracted MARVELOUS volunteers from your site who have been invaluable in their experience, skill, and generosity! We wouldn’t be on nearly as solid footing if it weren’t for you guys!”*

**Eve Penny Cowen**, Founder, The Future Leaders Institute

*“Words can not express how grateful we are to VolunteerMatch. It was so amazing to open my e-mail and have your notifications! We never could have recruited 595 volunteers without your support.”*

**Sara Lipsky**, Senior Campaign Director & **Liz Walsh**, Campaign Assistant  
The Leukemia & Lymphoma Society, New York City Chapter

*“VolunteerMatch has been a wonderful tool for Women Helping & Empowering Women! Inc. We’ve been blessed to find some wonderful volunteers. Without VolunteerMatch we wouldn’t be where we are today! Thank you and keep up the good work!”*

**Tracey Crockett**, Founder/President/CEO, Women Helping & Empowering Women! Inc.

*“VolunteerMatch showed me all of the volunteer jobs in my area. It was the only way that I could find out what was available to me. It’s a volunteer’s tool - the best there is.”*

**Spike Taylor**, Volunteer, icouldbe.org

*“VolunteerMatch, you are the BEST! If you are a nonprofit and not using VolunteerMatch, you are short-changing your agency and clients. How wonderful to have truly interested people contact our organization poised and ready to begin their volunteer commitment.”*

**Cissy Hansen**, Volunteer Resources Consultant, Community Blood Center/Community Tissue Services

*“Volunteering has made me feel better about myself, knowing that I am helping to make a difference in my community is wonderful.”*

**Brittney Hypes**, Volunteer, Cystic Fibrosis Foundation

## APPENDIX C: SENIOR MANAGEMENT TEAM

### **Greg Baldwin, *President***

Greg joined VolunteerMatch in 1998 as its Chief Imagination Officer to help finish hotwiring the Internet to help everyone find a great place to volunteer. He has served on the Executive Team since 1998. Greg managed the launch of the first VolunteerMatch site and has been responsible for shaping the organization's brand identity, core product strategy, and marketing and communications. Most recently, Greg was Executive Officer responsible for Philanthropy and Partnership Development where he helped to secure more than \$3,000,000 in funding and signed key partnerships with The American Red Cross, National MS Society and the Corporation for National and Community Service. He began his career at the Leo Burnett advertising agency and co-founded 2d Interactive, Inc. – a Boston-based technology start-up incubated at Harvard Business School. Greg received his A.B. in Public Policy from Brown University. He has served as a volunteer with many organizations including Big Brothers, Junior Achievement, Artists for Humanity, Boston's Museum of Science and his alma mater.

### **Alex Holderness, *Chief Operating Officer & Chief Financial Officer***

Alex joined VolunteerMatch in 2006 and brings over 15 years of professional management experience. A lifelong entrepreneur, he founded his first startup during college and has since consulted with technology, ecommerce, financial services, entertainment, and consumer marketing companies. Prior to joining VolunteerMatch, Alex managed over \$20 million in financings for start up companies. He helped build and launch several businesses for eBay Inc., including eBay Motors and eBay Travel. Before eBay, Alex worked in merger arbitrage at Lehman Brothers and securities analysis with Kemper Mutual Funds. Alex earned his MBA from the University of Michigan Business School and his B.A. in Political Science from the University of Wisconsin-Madison.

### **Greg Price, *Executive Officer, VolunteerMatch Solutions***

Greg joined VolunteerMatch in 2005 and leads the VolunteerMatch Solutions Group, which is responsible for marketing customized versions of the VolunteerMatch online service to corporations, educational institutions, and national nonprofit organizations. For 12 years at Oracle, Greg led the teams that built U.S. Support Sales revenue from \$40M to \$1.1B, and built the Support Sales team across Canada. He worked in start-ups developing strategic partnerships in the U.S. and Europe, before taking a break from technology to reconnect with his young family. Greg has contributed to the boards of the SF Opera and SF Zoo auxiliaries, and currently to the boards of the Bancroft Library at UC Berkeley and Ari Bhod, the American Foundation for Tibetan Cultural Preservation.

### **Andrew Houghton, *Group Director, Engineering & Application Development***

Andrew is a graduate of Carnegie Mellon University, where he double-majored in Literary and Cultural Studies, and Creative Writing. He worked for the University as a Senior Software Engineer and teaching assistant. He furthered his engineering skills at Trilogy Development Group in Austin, TX where he managed large-scale data integration and data warehousing projects. Andrew joined VolunteerMatch in 2002, and has held increasingly responsible roles in the Product Development & Engineering group, with a particular emphasis on Operations Engineering.

### **Beth Strachan, *Director, Development***

Beth joined VolunteerMatch in 2007 to develop long-term financial support for VolunteerMatch with a focus on unlocking the philanthropic capacity of the VolunteerMatch network. Prior to joining VolunteerMatch, Beth has served in director-level positions at the Breast Cancer Fund, Bluewater Network - a project of Earth Island Institute, an integrated marketing agency, and Working Assets Funding Service. Beth holds a Bachelor of Arts degree in creative and technical writing. She serves on the Board of Advisors for LUNAFEST.

### **Sarah Christian, *Director, Strategic Partnerships***

Sarah joined VolunteerMatch in 2007 to build partnerships with agencies, associations, foundations and corporations to expand and support civic engagement with older adults. She brings over 25 years of experience working with nonprofit organizations. Prior to VolunteerMatch, Sarah served as Director, Volunteer Resource Development for the National Multiple Sclerosis Society and the Denver Museum of Nature and Science. Sarah has served on numerous nonprofit Boards including the Denver Audubon Society, Volunteers for Outdoor Colorado, and the American Association for Museum Volunteers.

## APPENDIX D: BOARD OF DIRECTORS & ADVISORS

### BOARD OF DIRECTORS

#### **Nick Allen**, *CEO & Founder, Donordigital*

Nick Allen is CEO and Founder of Donordigital, a company that works with nonprofit organizations to develop and manage their online fundraising, advocacy, and communications programs. Nick co-edited Fundraising on the Internet, and has led workshops for the Direct Marketing Association (DMA), the Association of Fundraising Professionals, and the International Fundraising Conference in the Netherlands. He was Executive Director of Neighbor To Neighbor, and a Director with Fenton Communications.

#### **Jay Backstrand**, *Vice President, Paul Capital Investments & Co-Founder, VolunteerMatch*

Jay co-founded VolunteerMatch in 1998 and served as its President until July, 2003, joining the Board of Directors in 2005. Jay attended the Sloan Business Program at Stanford University where he studied leadership, strategy, and organizational development. A graduate of Brown University and The Johns Hopkins University School of Advanced International Studies, he began his career as a Marketing Manager at Sun Microsystems.

#### **Deborah Dinkelacker**, *Former President, VolunteerMatch*

Deborah Dinkelacker served as President of VolunteerMatch from 2003-2006, and brought to her role more than 20 years of management experience. She has held senior roles at American Express Company, Provident Financial, and the Sierra Club. Deborah graduated from Yale University with a major in Political Science, and from the New York University Graduate School of Business with an MBA in Finance. She is currently Treasurer and Chair of the Finance Committee on the Board of Trustees for the Museum of Craft and Folk Art.

#### **John S. Gomperts**, *CEO, Experience Corps*

John is the CEO of Experience Corps, the national program mobilizing older Americans in 13 cities to mentor and tutor low-income children attending public schools. John most recently served as Chief Operating Officer the Public Education Network in Washington, DC. He also served on Clinton administration and was as Chief of Staff of the Corporation for National Service. Previously, John held key policy positions as Sen. Harris Wofford's (D-PA) legislative director and as deputy director of the Senate's Democratic Policy Committee. In addition to VolunteerMatch, John is also a member of the national Board of Directors of the Hands On Network.

#### **Paul Hurley**, *Founder & CEO, Ideeli*

Paul has more than 20 years' experience solving the problem at the crux of brand marketing today: How to use technology to connect with and influence the behavior of large numbers of customers and prospects? In a succession of entrepreneurial companies, beginning in 1989, Hurley has united service delivery with marketing and proved that integrated advertising can be performed in a manner benefiting both customer and brand. Paul Hurley is co-inventor for two U.S. patents. He graduated from Yale College and is a Henry Crown Fellow of The Aspen Institute.

#### **Craig Jacoby**, *Partner, Cooley Godward LLP & Co-Founder, VolunteerMatch*

Craig Jacoby is Chairman of the VolunteerMatch Board of Directors. He is also the co-founder of Volunteer America which became a part of Impact Online in 1996. Craig is a partner at the law firm of Cooley Godward LLP in San Francisco. He graduated from Stanford Law School and received an M.A. from the Johns Hopkins School of Advanced International Studies. Craig has a B.A. in English and Economics from the University of Pennsylvania.

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

Vincent Stehle is a Program Officer for the Nonprofit Sector Support Program at the Surdna Foundation, a family foundation based in New York City with \$650 million in assets. Prior to Surdna, Vince worked for the Chronicle of Philanthropy. He has written extensively for other publications, including *The Washington Post*, *The Nation*, *Foundation News and Commentary*, and other magazines and journals. Vince is a member of both the Board of Directors of the Nonprofit Technology Enterprise Network (NTEN), and the Board of Directors of the New York Regional Association of Grantmakers (NYRAG). He has served on the VolunteerMatch Board since 2001.

#### **Greg Baldwin**, *President, VolunteerMatch*

(See above in **APPENDIX C: SENIOR MANAGEMENT TEAM**)

## BOARD OF ADVISORS

### **Seth Barad**, *Nonprofit Management Consultant*

Barad is a former marketing executive who has held senior roles as American Express Company and GE Capital. He is also a former partner at The Bridgespan Group, and currently is a consultant to nonprofit organizations in the San Francisco Bay Area.

### **Vinton Cerf**, *Vice President & Chief Internet Evangelist, Google*

Cerf is widely recognized as the “Father of the Internet.” He is co-inventor of the computer networking protocol, TCP/IP, which has become the language for Internet communications.

### **Christine Comaford-Lynch**, *Founder, Mighty Ventures*

Comaford-Lynch is a seed stage venture capitalist and four-time entrepreneur. She has been involved in the creation of over 36 companies over the past 15 years and is an active nonprofit volunteer and fundraiser.

### **Thomas Dunn**, *Chief Financial Officer, Court Appointed Special Advocates Association*

Dunn has been a member of the senior staff at CASA since 2000. Prior to joining the nonprofit sector, he worked in private industry for ten years in a series of roles in finance, accounting, and budgeting.

### **John Fisher**, *Managing Director, Draper Fisher Jurvetson*

Fisher’s venture capital firm is the leader in Internet investments, having invested in over one hundred Internet start-ups. His expertise in the Internet proved invaluable to the founding team at VolunteerMatch.

### **Marc Freedman**, *CEO & Founder, Civic Ventures*

Freedman is a respected thought leader, author, and voice in the nonprofit sector. His book, *Prime Time* was a catalyst for the current national dialogue on the aging of America and the tremendous potential for contribution by experienced Americans in their 60’s and 70’s.

### **John Gage**, *Chief Scientist, Sun Microsystems, Inc.*

Gage represents Sun’s interests in research and academic communities worldwide. He was also the founder of NetDay96.

### **Steve Glikbarg**, *Investment Advisor, Glikbarg and Associates*

Co-Founder of Impact Online, Inc., the nonprofit organization that produced VolunteerMatch, Glikbarg is an investment advisor based in Santa Barbara, CA. He is an MBA graduate of Stanford University, and holds an M.A. in Education and a B.A. in English from Stanford as well.

### **Andy Goodman**, *Communications Consultant*

Goodman is a master storyteller. His mission is to help nonprofit organizations and foundations frame their histories, stories, and organizational needs into compelling narrative. His clients have included the Robert Wood Johnson Foundation, Environmental Defense, and the Pew Charitable Trusts.

### **William R. Hearst III**, *Partner, Kleiner Perkins Caufield & Byers*

Hearst was editor and publisher of the San Francisco Examiner from 1984 until 1995, and joined KPCB in 1995. He serves on numerous boards, is a fellow of the AAAS, a trustee of the Carnegie Institution of Washington, and a trustee of the California Academy of Sciences.

### **Peter Hero**, *President, Community Foundation Silicon Valley*

Since 1954, CFSV has promoted the well-being of the Santa Clara valley region by supporting the most effective organizations, helping donors accomplish their charitable plans, and building an endowment to meet future needs.

### **Kellie McElhaney, PhD**, *Consultant, Professor & Executive Director, Haas School of Business at UC Berkeley*

Dr. McElhaney teaches courses on Strategic Corporate Social Responsibility and consults to several Fortune 500 companies in developing integrated CSR strategy, bridging her academic focus with the practitioner world.

## APPENDIX E: PRO-FORMA FINANCIALS

### VolunteerMatch Pro-Forma Financials

(\$ Million)

	2007	2008	2009	2010	2011	2012	Total
<b>Social Impact</b>							
Volunteer Referrals	494,000	553,000	620,000	694,000	777,000	871,000	<b>4,000,000</b>
Estimated Social Value	\$330	\$390	\$450	\$520	\$610	\$700	<b>\$3 Billion</b>
<b>Operating Revenue</b>							
Corporate Services	\$1.8	\$2.0	\$2.7	\$3.2	\$3.6	\$4.1	
Agency Services	.3	.4	.6	1.0	1.3	\$1.7	
Development & Sponsorship	.1	.1	.5	1.0	1.4	\$2.0	
Program Grants (Foundations)	.1	.1	.1	.1	.2	\$.2	
Total Operating Revenue	2.2	2.6	3.9	5.2	6.5	8.0	
<b>Operating Expense</b>	<b>3.0</b>	<b>4.8</b>	<b>6.5</b>	<b>7.0</b>	<b>7.5</b>	<b>7.9</b>	
<b>Operating Surplus / (Deficit)</b>	<b>(.8)</b>	<b>(2.2)</b>	<b>(2.6)</b>	<b>(1.8)</b>	<b>(.9)</b>	<b>.1</b>	<b>(8.3)</b>
Interest and Dividends	.1	.1	.1	.1	.2	.2	<b>\$ .8</b>
Reserve Expansion		(.9)	(.9)	(.3)	(.2)	(.2)	<b>(2.5)</b>
<b>Growth Capital Consumed</b>	<b>.7</b>	<b>3.0</b>	<b>3.3</b>	<b>2.0</b>	<b>1.0</b>	<b>.0</b>	<b>\$10.0</b>
<b>2007-2008 Growth Fund Balances</b>							
Beginning of Year	--	.9	6.3	3.0	1.0	.1	
End of Year	.9	6.3	3.0	1.0	.1	--	
<b>Cash Reserve</b>							
End of Year	2.0	2.9	3.7	4.0	4.2	4.5	
<b>Operating Statistics</b>							
Operating Expense as % of Social Value	0.9%	1.2%	1.4%	1.4%	1.2%	1.1%	
Operating Expense per Referral	\$6.06	\$8.69	\$10.47	\$10.15	\$9.60	\$9.09	
Agencies Served	52,000	58,000	65,000	73,000	82,000	92,000	
Agency Fees as % of Social Value	0.09%	0.10%	0.14%	0.19%	0.22%	0.25%	

## APPENDIX F: COST STRUCTURE

### 2012 VolunteerMatch Cost Structure

	Members Served	Revenue (\$M)	Revenue / Member	Cost (\$M)	Cost / Member	Contribution / member
<b>Business Services</b>	125	\$4.1	\$32,617.17	\$3.1	\$25,171.27	\$7,445.90
<b>Agency Services</b>	92,000	\$1.7	\$18.79	\$1.1	\$12.03	\$6.76
<b>Contributions, Sponsorships &amp; Grants</b>	3,080,000	\$2.2	\$0.70	\$.8	\$0.27	\$0.43
<b>Unallocated</b>	n/a	\$.2	n/a	\$2.8	n/a	n/a
<b>Total</b>		\$8.1		\$7.9		

## APPENDIX G: AUDITED FINANCIAL STATEMENTS

IMPACT ONLINE, INC.

dba VolunteerMatch

STATEMENT OF ACTIVITIES

For the year ended December 31, 2006

### SUPPORT AND REVENUES:

Corporate program revenue	\$1,400,084
In-kind revenue and support	332,554
License fees	44,250
Donations	109,423
Nonprofit premium services	79,312
Grants	419,505
Investment income	120,620
Advertising & Other	14,836
Total support & revenues	<b>2,520,583</b>

### EXPENSES:

Program Services	<b>2,580,676</b>
Supporting services:	
Development	300,682
Management and general	257,968
Total supporting services	<b>563,169</b>
Total expenses	<b>3,139,326</b>
Change in net assets	<b>(618,741)</b>
Net assets, beginning of year	<b>2,503,478</b>
Net assets, end of year	<b>1,884,737</b>

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Note: These financial results are consistent with financials as audited by Burr, Pilger & Mayer LLP. For a complete audit package, please contact VolunteerMatch directly.

## APPENDIX H: HISTORICAL TIMELINE

- 1994** Four MBA's Mark Benning, Joanne Ernst, Steve Glikbarg, and Cindy Shove draft plans to launch an online nonprofit to promote community involvement.
- 1995** Impact Online, Inc. is registered as a nonprofit public benefit corporation in the state of California, January 30, 1995.  
Impact Online is added to Netscape's 'What's Cool' list, June 26, 1995.
- 1996** NetDay96 attracts 100,000 volunteers to wire California's schools and inspires development of early ZIP code based volunteer-matching application – Volunteer America.  
Volunteer America's co-founders Craig Jacoby and Jay Backstrand merge with Impact Online, Inc., October 1, 1996.  
National Information Infrastructure Award: 1996 Semifinalist, Impact Online, Inc.
- 1997** Volunteer America service launches at The Presidents' Summit For America's Future: Philadelphia, Technology Showcase, April 27, 1997.  
Jay Backstrand succeeds Cindy Shove as Impact Online's President, October 1, 1997.
- 1998** Craig Jacoby agrees to serve as Chairman of the Board of Directors of Impact Online, Inc.  
VolunteerMatch.org launches as a stand-alone web service to replace the renamed Volunteer America, April 20, 1998.  
VolunteerMatch celebrates its 1,000th online referral, April 26, 1998.  
*USA Today* features VolunteerMatch in an article, "Volunteers only need to click to sign up," April 29, 1998.  
Impact Online's Virtual Volunteering Project finds new home at the University of Texas.
- 1999** The David and Lucile Packard Foundation, Surdna Foundation, John S. and James L. Knight Foundation, and The Atlantic Philanthropies invest in the VolunteerMatch vision.  
The Gap, Inc. becomes the first corporate client to actively promote use of VolunteerMatch to its employees, February 9, 1999.  
Helping.org, an initiative of the AOL Foundation, selects VolunteerMatch as a strategic partner.  
Oprah Winfrey promotes VolunteerMatch on her December 8, 1999 show, igniting the busiest day in VolunteerMatch history, December 9, 1999.
- 2000** VolunteerMatch registers 10,000th nonprofit agency, July 21, 2000.  
VolunteerMatch becomes the official business name of Impact Online, Inc, August 1, 2000.
- 2001** The Atlantic Philanthropies awards VolunteerMatch a \$1 million challenge grant, and generous funders respond.  
VolunteerMatch receives two Webby Awards for Activism and Service, July 18, 2001.  
9/11/01 triggers a national surge in volunteer interest and VolunteerMatch usage.

- 2002** “Get Out. Do Good.” becomes the VolunteerMatch tagline and focus of national PSA effort.  
VolunteerMatch launches its new website feature, Volunteer Accounts, May 28, 2002.  
The new USA Freedom Corps Volunteer Network links to VolunteerMatch, July 30, 2002.
- 2003** VolunteerMatch celebrates its 1,000,000th referral, January 9, 2003.  
VolunteerMatch teams up with Yahoo! to promote volunteer service for National Volunteer Week, April 28, 2003.  
America’s Second Harvest joins the VolunteerMatch network, July 1, 2003.
- 2004** VolunteerMatch launches Community Leaders program to expand nonprofit services and strengthen long-term financial model.  
CASA joins the VolunteerMatch network, April 1, 2004.  
VolunteerMatch’s Business Services team receives Grand Prize award from Goldman Sachs Foundation for nonprofit business plan, May 20, 2004.  
Deborah Dinkelacker succeeds Jay Backstrand as President, August 1, 2004.
- 2005** Weekly referrals surge to 20,000 in response to the tsunami crisis.  
VolunteerMatch celebrates its 2,000,000th referral, March 16, 2005.  
Version 2.0 of the VolunteerMatch site is launched, March 20, 2005.  
Hands on Network joins VolunteerMatch’s Preferred Partnership program, March 31, 2005.  
VolunteerMatch launches “Inner Beauty” campaign and updates its tagline “VolunteerMatch: Where Volunteering Begins.”  
Hurricane Katrina hits the Gulf Coast, and America responds. VolunteerMatch hosts millions of visitors and refers nearly 80,000 volunteers in the four weeks following the disaster.  
The Kellogg Foundation approves grant to expand VolunteerMatch’s disaster preparedness capacity, October 27, 2005.
- 2006** VolunteerMatch and the American Red Cross enter into a national two-year Preferred Partnership, May 31, 2006.  
VolunteerMatch conducts major research on volunteering among older adults with the support of The Atlantic Philanthropies.  
VolunteerMatch partners with its first educational institutions – Cal Corps at the University of California at Berkeley and the Los Angeles Unified School District.  
Ad Council launches its Generous Nation campaign, “Don’t Almost Give,” linking to the VolunteerMatch network of volunteer opportunities, September 25, 2006.  
VolunteerMatch signs strategic partnership with Senior Corps to provide volunteer-matching services for its programs, September 28, 2006.  
REI and VolunteerMatch team up to mobilize environmental volunteers, October 31, 2006.  
Greg Baldwin succeeds Deborah Dinkelacker as President, November 1, 2006.

**2007**

The Atlantic Philanthropies funds a strategic initiative to enhance VolunteerMatch to increase meaningful volunteer opportunities for older adults.

VolunteerMatch celebrates its 3,000,000th referral, June 5, 2007.

VolunteerMatch publishes its research study, *Great Expectations: Boomers and the Future of Volunteering*, July 16, 2007.

VolunteerMatch is endorsed by President Bill Clinton in his new book, *GIVING: How Each of Us Can Change the World*, September 4, 2007.

VolunteerMatch is featured in the *TIME Magazine* article, “The Case for National Service,” September 10, 2007.

VolunteerMatch launches its new Emergency Response Map, October 17, 2007.

*TIME Magazine* has selected VolunteerMatch as one of the year’s Top 10 websites, December 24, 2007.

## **APPENDIX I: PRIOR PHILANTHROPIC SUPPORT**

VolunteerMatch is particularly thankful for the vision and generosity, past and present, of the following foundations:

- The Atlantic Philanthropies
- Carnegie Corporation of New York
- The David and Lucile Packard Foundation
- Ford Foundation
- William and Margaret Hearst
- The James Irvine Foundation
- John S. and James L. Knight Foundation
- MetLife Foundation
- Omidyar Foundation
- Sand Hill Foundation
- Surdna Foundation
- William and Charlene Glikbarg Foundation
- The William Randolph Hearst Foundation
- W.K. Kellogg Foundation

## APPENDIX J: PARTNER ORGANIZATIONS

VolunteerMatch realizes the importance of building relationships with partner organizations to maximize its impact. It is continuously building new alliances with corporations, national nonprofit organizations and public sector organizations. In each relationship with these channel partners, its objective is the same: to help its partners build stronger relationships with their constituents around volunteering and service.



Source: 2006 Annual Report.

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**40 Units**



**2007/08 Growth Capital Offering  
December 2007**