



WE ARE
NOT FOR SALE

TRANSPARENCY COMMITMENT

Not For Sale is committed to share an additional layer of transparency around our finances and organizational output.

We promise our donors, stakeholders, project directors, and employees to always provide an open and honest accounting of our financial state and processes.

We invite you to learn more about our financial model and our impact. Each year, following our annual audit, we will provide our global financial report and our IRS Form 990 on our website. Below you will find a narrative explanation of our financial and impact models, including:

- 01** Not For Sale publishes audited financial records annually;
- 02** Not For Sale operates as a non-profit, not a foundation;
- 03** Not For Sale spent 80% of its operating budget in 2021 directly on impact programming;
- 04** Not For Sale's business model generates economic and impact value that is not reflected in its core USA IRS Form 990 report.

NOT FOR SALE'S FINANCIAL RECORDS ARE AUDITED ANNUALLY.

As a legally registered 501c3 non-profit in the USA, Not For Sale's finances are audited once a year. The purpose of such audits is to prevent malfeasance in nonprofit operations and to assist us in improving accounting practices.

If a nonprofit were engaged in wrongdoing, the audit would expose it. Abiding by the principle of full transparency, [Not For Sale publishes its audited financials online for all to see.](#)

We are grateful to report that our auditor's opinion, which is published at the conclusion of our 2021 audit, is that Not For Sale is good financial health.

In addition to this, we are very happy to share that Not For Sale continues to hold a four out of four star rating by industry watchdog [Charity Navigator](#).

We are proud that in addition to our government obligated reporting (e.g. our annual audit and 990 report) that third-party groups also recognize our efforts to maintain an open book with our supporters and partners.



NOT FOR SALE OPERATES AS A NONPROFIT, NOT A FOUNDATION.

Given that we have many supporters from around the world, we feel it is important to explain in a bit more depth how we operate, and specifically how it pertains to our use of all donations.

One important distinction to feature in any explanation of an entity's budget is to clarify the difference between a "foundation" and "nonprofit organization."

In the U.S., a foundation is generally restricted to making grants to nonprofit organizations, or in some cases making project-related impact investments. A foundation's impact is generally directly correlated to the impact that their funding has made via the organizations they fund. The salary of a leader of a foundation is generally viewed as purely administrative – e.g. "overhead" – because the administrator is not delivering value as it pertains to "impact."

A nonprofit's impact is measured differently than a foundation's. A leader of a nonprofit is typically not limited to administrative work. The nonprofit leader's time can, and usually is, spent on directly creating measurable impact value.

Not For Sale does make grants to our **implementing partners**. We track qualitative and quantitative measurements of impact from our country offices. This is very much how a traditional foundation works. But we are not simply a foundation dispersing money. Rather, we actively create other forms of demonstrable impact. (More on this impact is outlined below.)

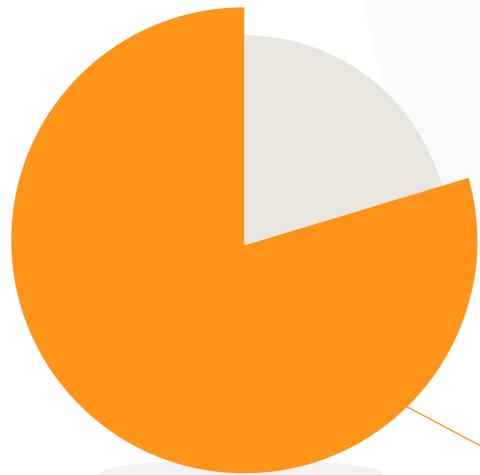
An easy little recap: In some cases Not For Sale makes grants, but Not For Sale is not a foundation. Not For Sale is a nonprofit and our team works to create direct impact.

02

IN 2021, NOT FOR SALE HQ SPENT 80% OF ITS OPERATING BUDGET DIRECTLY ON IMPACT PROGRAMMING.

Our 2021 audit makes clear that 80 percent of our spending in 2021 went to funding measurable impact. In 2020 it was 71, 2019 it was 89 percent, 2018 it was 83 percent, and in 2017 it was 83 percent.

Some fluctuation is normal, generally U.S.-based NGOs in the same focus area as Not For Sale are in the 65 to 80 percent range.



80%
of our spending in 2021 went to funding measurable impact.

03



As a practice, we track all employee hours worked to ensure we are measuring how our time is being allocated. This data is then provided to our certified accountants on a monthly basis to check and validate our time allocations. Everyone on our team is held to this standard. This is the top standard for nonprofit business practice.



Recalling that we are a nonprofit, and not a foundation, we can share how Not For Sale's leadership delivers impact.



Beyond their fundraising and administrative roles in supporting Not For Sale country operations, Not For Sale's co-founders spend well over 75 percent of their time conducting due diligence, social enterprise incubation, business development, and governance of social enterprises that generate impact through actions like employment targets and supply chain and sourcing practices.

The Not For Sale co-founders are focused on shaping enterprises that aim to uphold dignity for people and the planet. Here are a few tangible examples:

***Not For Sale incubated REBBL from a concept to become a market-leader in the U.S. beverage industry – and embedded a revenue share of 1 percent of gross revenue back to Not For Sale.**

Not For Sale helped recruit and hire seasoned executives to run the company and had a presence on REBBL's board of directors. Our time spent on the board governing REBBL's social impact is measured as Not For Sale "impact programming" time.

The Not For Sale team continues to engage REBBL on its "impact sourcing" to ensure that ingredients are not chosen on the basis of the cheapest price,

but rather ingredients are chosen based on the direct impact it will have on grower communities. REBBL launched its Green Packaging Initiative because we continue to push the company in a direction good for both people and planet. In addition to REBBL's relationship with Not For Sale, it is a certified B Corp.

***AllSaints, the U.K.-headquartered apparel brand, is a Not For Sale donor.**

Not For Sale, as a nonprofit, does not only accept donations and distribute them to projects.

AllSaints works hard to operate with integrity and asked Not For Sale to assess their labor practices and offer best-practice solutions. Not For Sale team members have visited AllSaints factories and manufacturing partners.



***Not For Sale has helped launch a new technology company called Krunam.**

Krunam is a software company that can detect previously undiscovered online Child Sexual Abuse Material (CSAM).

We conducted due diligence, market outreach, and business development; and recruited an executive team. This company is on the path to having an incredible impact on the Not For Sale mission to halt the exploitation of children. In addition, it will return a healthy revenue share to Not For Sale to continue our work with at-risk people and communities.

*There are myriad examples of the same activities for many of the other companies with whom Not For Sale partners: Relocity, a corporate relocation company (our president is the chairman of the board; Not For Sale donor revenue share); American Battery Technology Company, a battery recycling company; Scout Canning, a sustainable seafood company (advising on supply chain & impact programming, Not For Sale donor revenue share); Haus of Z, a sustainable fashion brand (impact sourcing and Not For Sale donor revenue share); and more.

In short: Our project director in Thailand creates impact. Our project director in South Africa and Mozambique. Our project directors in Amsterdam create an impact . And our team at Not For Sale headquarters also works hard to create impact by working closely with both our social enterprises and our project directors around the globe.

NOT FOR SALE'S UNIQUE MODEL GENERATES ECONOMIC VALUE THAT IS NOT REFLECTED IN ITS 990.

Here are Not For Sale's 2021 audited financials.



Not For Sale spent a total of

\$1,153,544

Not For Sale spent **\$926,658** on impact (or "programs").

Only **\$226,886**, or 19.7 percent, was spent on "overhead."

Of this, **\$201,738** was spent on grants and support of at-risk people

\$508,930 was spent on social enterprise development and governance

\$158,835 was spent on advocacy and awareness campaigns

Three quick points that merit mentioning:

A) An individual could make the erroneous presumption that Not For Sale is a foundation that only accepts donor funds and distributes them (see Section #3 above)

B) Our salaries are not exorbitant – as the highest paid executive, our co-founder and president makes less than a fully tenured college professor.

C) The wage gap between our lowest- and highest-paid salaried employees is quite low, especially compared to other organizations. (That's doubly unusual given that David and Mark founded the organization over 15 years ago, and our newest employee has less than three years of tenure.) This demonstrates our commitment to employee retention and steady salary growth.



For additional background, back in 2012 Not For Sale had a total budget expenditure of ~\$5 million, and if that were the case today our salaries would represent only 8 percent of the total budget. So, what happened? We intentionally retooled our entire model. We were a conventional nonprofit in those days, we had not integrated social enterprises into our operating model.

In 2012, we started investing externally and broadened our focus beyond building Not For Sale as a stand-alone nonprofit.

Take, for example, our supply chain training and development investments in Peru.

That work has yielded over \$20 million in revenue for REBBL last year, and our impact sourcing with REBBL has reached to supporting grower-communities in 32 countries worldwide. Only a small trickle of that revenue reaches Not For Sale, but our impact has been widespread.

Beyond REBBL, we now see native communities in Peru selling goods that are “fair trade” and “organic” (their certifications paid for by Not For Sale) in large amounts to international retailers. In 2020, the communities that Not For Sale supports sold over 12 tons of Brazil nuts to Costco alone. Not For Sale lists none of that revenue in its budget reporting. Rather, this is money that goes directly to the indigenous communities to ensure their long-term stability and safety.



Our Amsterdam-based restaurants, Dignitá, are also a wonderful example of how we have generated impact and revenue that is not reported or reflected on our U.S. balance sheet.



Our funding helped support the creation of

DIGNITÁ

including four restaurants and a culinary school, that creates job training and opportunity for severely at-risk people.



0% of that revenue is distributed back to Not For Sale Headquarters in the USA.

These two examples are demonstrative of the type of impact we create, and the financial story behind that impact that is above and beyond the reporting on our audited financial reports.

WE CELEBRATE OUR SCALABLE IMPACT MODEL.



More than **72,347** vulnerable-situated people were provided access to an array of services such as:

- Jobs
- Skills training
- Access to capital
- Clean water
- Social services
- Education
- Trafficking prevention
- Created impact businesses
- And much more

The breadth of our work is wide, if a bit unique.

WE ARE
NOT FOR SALE



We are incredibly proud of our work. We hope you, our supporters, are also proud of our work – you have made it possible.

As always, if you have any questions or concerns, please reach out and ask us about our work and how we do it.

www.notforsalecampaign.org