

ELEMENTS OF SUCCESSFUL PHILANTHROPY

Building a Comprehensive and Sustainable Development Program

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ELEMENTS OF SUCCESSFUL PHILANTHROPY



Welcome & Introductions

Please share:

- ❖ Your name and your organization
- ❖ A brief description of your organization and your current fundraising activities
- ❖ What you hope to learn from this session, or from a full day session on Elements of Successful Philanthropy
- ❖ Description of the full day "Elements of Successful Philanthropy" Workshop

AGENDA – Wednesday, January 10th, 2018



MORNING: DEVELOPMENT 101 (9-11:45 am)

Philanthropy – The Beginnings and Trends Today
Making the Case – The "Why" and the "How"
The Fundamentals of Development & Fundraising

10:30 a.m. Break

The Development Process
The Development Plan

11:45 a.m. Lunch

AFTERNOON: THE NUTS & BOLTS (12:15-4pm)

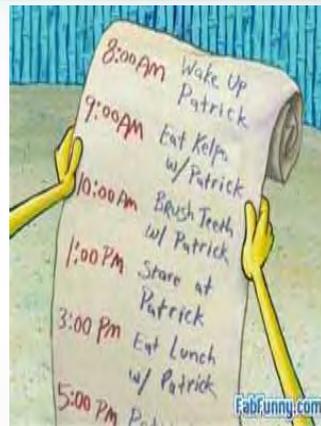
Individual Giving – An Overview
The Annual Fund Program
Corporate Partnerships and Sponsorships
Cultivating Relationships for Major Gift Fundraising

2:00 p.m. Break

Foundation Fundraising
Developing the "Ask"
Grant Proposals How-to
Preparing the Budget
Research and Resources

3:30 Discussion/Q&A

4:00 p.m. Adjourn



Philanthropy – The Beginnings and Trends Today

! PHILANTHROPY – THE BIG PICTURE

Philanthropy was coined in ancient Greece by Aeschylus, the playwright of Prometheus Bound. Prometheus, a Titan, out of his humanity loving character gave the caveman-like humans fire and “blind hope” or optimism.

*Philo: “loving” as in “caring for”
Anthropos: humanity*

Philanthropia – the love of humanity, in the sense of caring, nourishing, developing, and enhancing what it means to be human..



Prometheus Brings Fire to Mankind, 1817, by German artist Heinrich Föger

! PHILANTHROPY – THE BEGINNINGS

1620: Mayflower Compact - Beginnings of Philanthropy in America

“Now the only way to avoid this shipwreck and to provide for our posterity is to follow the counsel of Micah: to do justly, to love mercy, to walk humbly with our God. For this end, we must be knit together in this work as one man. We must entertain each other in brotherly affection; we must be willing to abridge ourselves of our superfluities, for the supply of other’s necessities; we must uphold a familiar commerce together in all meekness, gentleness, and liberality.

We must delight in each other, make other’s conditions our own, rejoice together, mourn together, labor and suffer together; always having before our eyes our commission and community in the work, our community as members of the same body.”



! PHILANTHROPY – THE BEGINNINGS

1630 John Harvard, Harvard University

John Harvard (1607 – 1638) bequeaths library and half of his estate to newly founded school in Cambridge, Massachusetts

1643 Ann Radcliffe & Lady Mowson, Harvard University

Volunteers called it “begging” when Harvard conducted what is believed to be America’s first recorded fund drive. It raised 500 pounds and was thought a “great success.” That same year Harvard creates the first scholarship fund with a gift from Ann Radcliffe & Lady Mowson.

1644 Harvard University

Four of the New England Colonies recommended that each family contribute a peck of wheat or a shilling in cash to Harvard for the support of students. For a decade or so, the revenues of the “College Come” were sufficient to support the entire teaching staff of the college as well as a dozen students.

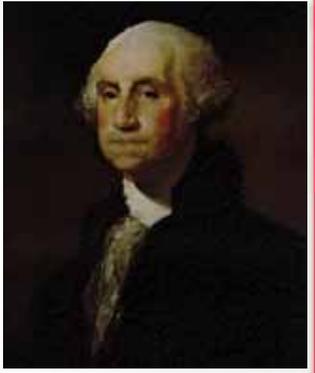


! AN AMERICAN TRADITION

George Washington’s Endowment

In 1796, George Washington saved struggling Liberty Hall Academy when he gave the school its **first major endowment - \$20,000 worth of James River Canal stock**. The Board of Trustees changed the name of the school to Washington Academy as an expression of their gratitude. In a letter to the Trustees, Washington responded, “To promote the Literature in this rising Empire, and to encourage the Arts, have ever been amongst the warmest wishes of my heart.”

This gift – one of the largest to any educational institution at that time – continues to contribute to the institution’s operating budget today. It is now called Washington & Lee University.



! AN AMERICAN TRADITION

Benjamin Franklin's Bequest

2006 marked the 300th anniversary of Benjamin Franklin's birth. "A penny saved is a penny earned," Franklin wrote, and he proved it when he prepared his will. Although not usually listed among his remarkable professional accomplishments, Franklin's concern for the public good was central to his life and continued as part of his legacy. "I wish to be useful even after my death," he stated in the 1789 Codicil to his bequest.

Franklin donated £1000 (about \$4,400 at the time) to endow funds in Boston and Philadelphia. Today, these gifts are worth millions of dollars and are still supporting charities in each city.

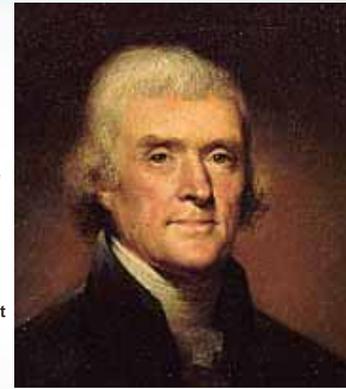


! AN AMERICAN TRADITION

Mr. Jefferson and His Legacy

At key points in his life, Thomas Jefferson wrote lists of his achievements. Just before he died, he designed his gravestone epitaph: "Author of the Declaration of Independence [and] of the Statute of Virginia for religious toleration & Father of the University of Virginia." He did not mention that he had been President of the United States.

Jefferson spent the last 17 years of his life at Monticello. **During this period, his book collection became the nucleus of the Library of Congress and he embarked on his last great public service at the age of 76, when he founded the University of Virginia. He led funding efforts, spearheaded the legislative campaign for its charter, designed the buildings, planned the curriculum, and served as the first rector.**



! AN AMERICAN TRADITION

Paul Newman & Newman's Own

Actor Paul Newman, who died in 2008 at the age of 83, took steps before his death to ensure that 100% of the profits from Newman's Own would continue to benefit charity. Newman and his foundation have given more than \$250 million to a wide range of charitable causes and groups.

"We will miss Paul, but we will honor his vision for the common good through dedicated stewardship of his company that will perpetuate his philanthropic legacy," reads a statement on the Newman's Own website. "Paul wouldn't have it any other way."



! AN AMERICAN TRADITION

Ima Hogg and the Bayou Bend House Museum

Miss Ima had a vision for an American decorative arts collection of the finest quality for the people of Texas. With a fortune made in oil **she carefully collected the rarest examples, housed them in her home Bayou Bend, and donated it all to The Museum of Fine Arts in Houston.** Renowned as the finest collection of American decorative arts west of the Mississippi, she continued to add rare pieces until her death.



! PHILANTHROPY FIRSTS (from National Trust for Philanthropy)

"Friendly society" – Scots Charitable Society (1657)
 Orphanage – Ursuline Convent (1729)
Public library – Library Company of Philadelphia (1731)
 General hospital – Pennsylvania Hospital (1751)
African-American church - African Baptist or "Bluestone" Church (1758)
 Abolition Society - Pennsylvania Abolition Society (1775)
 Free school for the deaf – American School for the Deaf (1817)
School to receive state aid grant for education – American School for the Deaf (1819)
 Juvenile reform school – New York House of Refuge (1825)
Charitable Gift Annuity issued – American Bible Society (1843)
 Humane Society established – ASPCA (1866)
Foundation – Peabody Fund (1867)
"United Way" – Established in Denver, Colorado, originally known as Charity Organizations Society (1887)
Conservation/Environmental organization – Sierra Club (1892)

! MORE PHILANTHROPY FIRSTS (from National Trust for Philanthropy)

Private Family Foundation – Russell Sage Foundation (1907)
 Community Chest – Cleveland, Ohio (1913)
Community Foundation – Cleveland Foundation (1914)
 Corporate Foundation – Dayton Hudson Foundation (1918)
 Donor Advised Fund – Winston-Salem Foundation (1935)
Matching Gifts Program – General Electric (1954)
Cause-Related Marketing Campaign – American Express (1983)
Mail Merge available in desktop word processing (1997)
First Major Political Fundraising Campaign using Social Media (2008)

! PHILANTHROPY, DEVELOPMENT & FUNDRAISING

Philanthropy means voluntary action for the common good¹. It is the act of imagining, and implementing through strategic investment, systems and methods that elevate programs to the highest standards of excellence in order to enhance the quality of human life, for every human life.

¹ *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, by Tom Ahern & Simone P. Joyaux

! PHILANTHROPY – THE BEGINNINGS

- ❖ 1620: Mayflower Compact – The Beginnings of Philanthropy in America
- ❖ 1630 John Harvard, Harvard University
- ❖ 1643 First Fund Drive; Scholarship Fund by Ann Radcliffe & Lady Mowson, Harvard
- ❖ 1644 College Corner, Harvard University
- ❖ 1796 – George Washington’s Endowment
- ❖ 1789 – Ben Franklin’s Bequest
- ❖ Thomas Jefferson’s Legacy – The Library of Congress & University of Virginia
- ❖ Paul Newman & Newman’s Own
- ❖ Ima Hogg – The Varner-Hogg Plantation; Bayou Bend House Museum

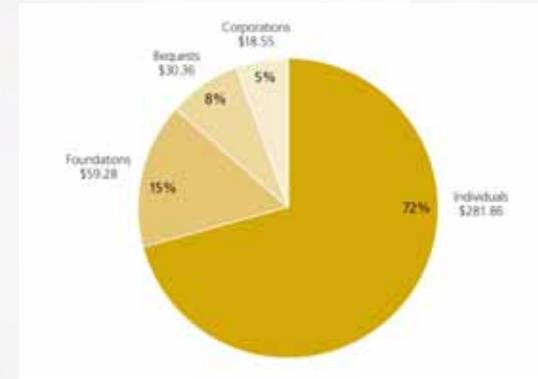


ACTIVITY – Questions about philanthropic trends/trend in giving

- What is the largest donor type in absolute \$s?
- what is the sector that gets the largest share of contributions?

PHILANTHROPY TODAY – TRENDS

2016 contributions: **\$390.05 billion** by source
(in billions of dollars – all figures are rounded)



Source: Giving USA Foundation | Giving USA 2017

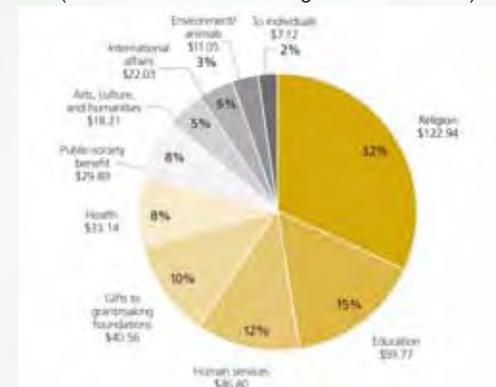
PHILANTHROPY TODAY - TRENDS

- ❖ 2016 contributions: **\$390.05 billion**
- ❖ Americans give **\$1 Billion** a day to help others, on average
- ❖ All-time high for the 3rd consecutive year – up 4.1% from 2015
 - ❖ 72% giving by individuals, up 3.9% from 2015
- ❖ 15% giving by foundations, up 3.5% from 2015 (7% family foundations)
 - ❖ 8% giving by bequests, down 9% from 2015
 - ❖ Individuals + Bequests = 80% of total
 - ❖ 5% giving by corporations, up 3.5% from 2015
- ❖ The single largest contributor to the increase in total giving was in increase of **\$10.53 Billion** in **GIVING BY INDIVIDUALS**

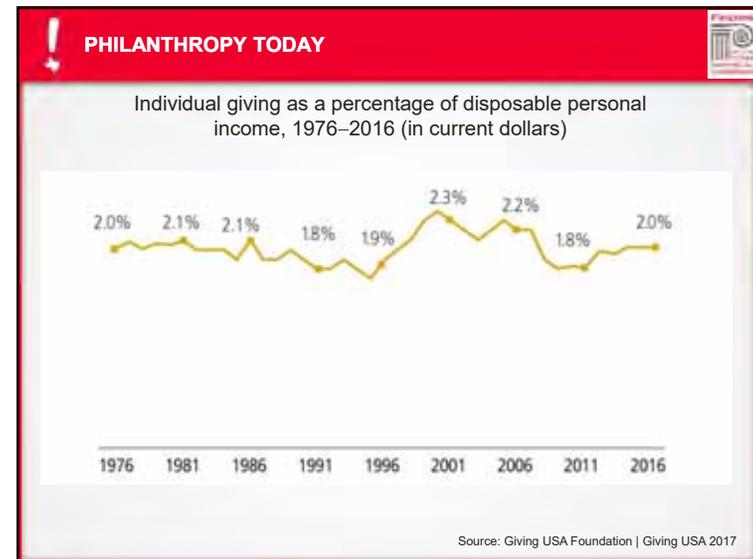
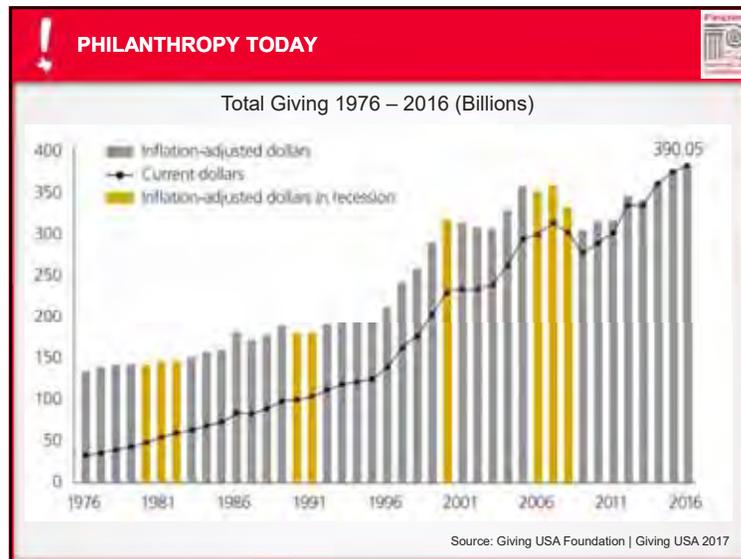
Source: Giving USA Foundation | Giving USA 2017

PHILANTHROPY TODAY - TRENDS

2016 Contributions: **\$390.05 billion** by Type of Recipient
(in billions of dollars – all figures are rounded)



Source: Giving USA Foundation | Giving USA 2017



- PHILANTHROPY TODAY**
- From 2015 to 2016, giving to
- ❖ Religion up 3%
 - ❖ Education up 3.6%
 - ❖ Human Services up 4.0%
 - ❖ Foundation up 3.1%
 - ❖ Health Organizations up 5.7%
 - ❖ Public-Society Benefit Organizations up 3.7%
 - ❖ Arts, Culture and Humanities up 6.4%
 - ❖ International Affairs up 5.8%
 - ❖ Environment and Animal Organizations up 7.2%
 - ❖ Individuals up 8.53%
- Source: Giving USA Foundation | Giving USA 2017

**Making the Case – The “Why”,
and the “How”**

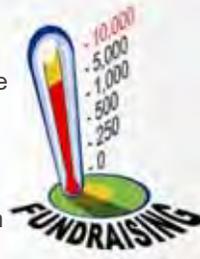
! MAKING THE CASE – WHY DO WE NEED TO RAISE MONEY?

Mission Support

- ❖ Fundraising enables hundreds of thousands of organizations across the world to serve billions of people – serve their mission
- ❖ Helps connect people to the vital work of the organization

Organizational Sustainability & Stability

- ❖ Need capacity to get the job done
- ❖ Perpetual crisis management in conflict with effective mission delivery
- ❖ A stable funding base, an ongoing and predictable income, fundraising opportunities for special projects critical for long term mission delivery



! SOURCES OF FUNDING FOR NONPROFITS

- ❖ **Earned Income**
 - Sales of products
 - Services for a fee
 - Special events
- ❖ **Philanthropy/Fundraised Income**
 - Individuals
 - Foundations
 - Organizations
 - Corporations
 - Government
- ❖ **Investment Income**
 - Interest
 - Equities/Bonds/Real Estate



! PHILANTHROPY, DEVELOPMENT & FUNDRAISING

Philanthropy means voluntary action for the common good¹. It is the act of imagining, and implementing through strategic investment, systems and methods that elevate programs to the highest standards of excellence in order to enhance the quality of human life, for every human life.

¹ Keep Your Donors: The Guide to Better Communications and Stronger Relationships, by Tom Ahern & Simone P. Joyaux

! PHILANTHROPY, DEVELOPMENT & FUNDRAISING

Development is the essential partner of philanthropy. Fund development makes philanthropy possible by bringing together a particular cause and the prospects and donors who are willing to invest in the cause. The goal is to acquire donors of time and money who stay with the charity. This is done through the process of **relationship building**. With the donor at the center, fund development nurtures loyalty and lifetime value, thus facilitating philanthropy¹.

Fund development is concerned not only with raising money, but doing so in a way that develops reliable sources of income that will sustain the organization through the realization of its long term mission and vision. It requires a strategic plan that relates funding to the purpose and programs of the organization.

¹ Keep Your Donors: The Guide to Better Communications and Stronger Relationships, by Tom Ahern & Simone P. Joyaux

Fundraising is the activity that is conducted with the intention of raising money for a nonprofit organization or charity. It usually involves asking people for donations, using a variety of communication methods, asking people to purchase a product or service that supports the charity, or having people participate in an event of some sort.²

¹ *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, by Tom Aherm & Simone P. Jolyaux
² *Fundraising or Fund Development – What's the Difference*, by Ron Strand

Our Job/Goal as Fundraisers

Engage people who are very interested in, preferably passionate about, our organization (**philanthropists**), build lasting relationships between them and our organization (**development**), with the goal of matching their interest with our organization through a gift (**fundraising**).

The Fundamentals of Development & Fundraising

People

Fundraising is all about people and building relationships



Participation

Involving and engaging potential supporters in your mission

Process

“Fundraising is not an event; it is a process.” - Edgar D. Powell

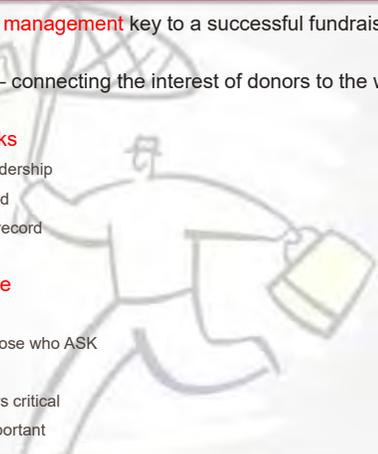


Plan

Your organization needs a good fundraising plan in place in order to succeed

! THE FUNDAMENTALS

- ❖ **Good organizational management** key to a successful fundraising program
- ❖ **Relationship based** – connecting the interest of donors to the work of the organization
- ❖ **Critical building blocks**
 - > Commitment and leadership
 - > A clearly defined need
 - > Credibility and track record
 - > Constituency
- ❖ **People give to people**
 - > Peer asks
 - > Success comes to those who ASK
 - > Stability in diversity
 - > Strong base of donors critical
 - > Timing of the ask important



! GUIDING PRINCIPLES – PHILOSOPHY

Donor-Centered Development

The process of coordinating a donor's involvement with causes that person is passionate about.

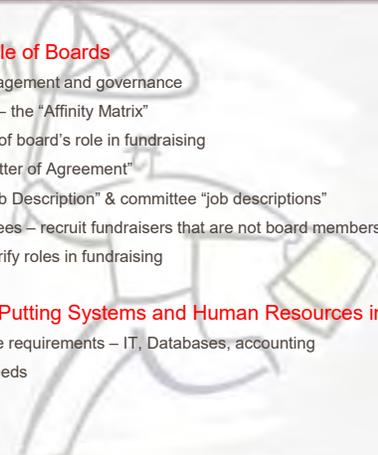


! A Strong Development Program – Capacity, Case & Strategy

! A STRONG DEVELOPMENT PROGRAM - CAPACITY, CASE, STRATEGY

The Tools

- ❖ **Leadership & the Role of Boards**
 - > Building strong management and governance
 - > Board development – the "Affinity Matrix"
 - > Clarify expectations of board's role in fundraising
 - > Board members' "Letter of Agreement"
 - > Board members' "Job Description" & committee "job descriptions"
 - > Build board committees – recruit fundraisers that are not board members
 - > Staff vs. Board – clarify roles in fundraising
- ❖ **The Infrastructure – Putting Systems and Human Resources in Place**
 - > Identify infrastructure requirements – IT, Databases, accounting
 - > Human Resource needs



! A STRONG DEVELOPMENT PROGRAM - CAPACITY, CASE, STRATEGY

The Tools (cont'd)

❖ The Vision - Planning to Prevent Poor Performance

- Strategic plan a "road map" – the path from "where we are" to "where we are going"
- Strategic planning process to be "stakeholder-based" – involve constituents, leadership, and possibly donors
- Strategic plan to be supported by a long-term development plan and annual fundraising plans
- Donors need to see the "return on investment"
- People invest in causes and organizations that support their personal goals

! A STRONG DEVELOPMENT PROGRAM - CAPACITY, CASE, STRATEGY

The Story

❖ Building a Strong Case/Narrative for Support

- Does the constituency understand the need and the urgency?
- Outreach – Is there an awareness problem?
- Is the outreach of the organization an isolated aspect of the organization's work?
- Are you speaking the language of your audience?
 - Make issues simple to understand, not simplistic
- Invest in outreach
- Important AND urgent
- Community engagement a priority

! A STRONG DEVELOPMENT PROGRAM - CAPACITY, CASE, STRATEGY

The Sources

❖ Diversity in Fundraising

- Diversify fundraising sources

❖ The "pots" people give from

- Income to income – Annual program
- Assets to assets – acquisition campaigns
- Estate to estate – planned gifts for stewardship and endowments

! A STRONG DEVELOPMENT PROGRAM - CAPACITY, CASE, STRATEGY

The Strategy

❖ Understanding the "two-way symmetrical relationship model" *

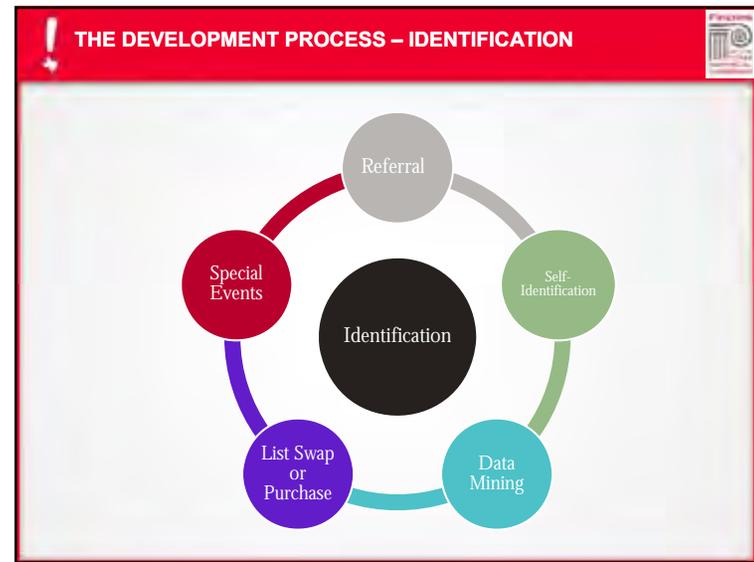
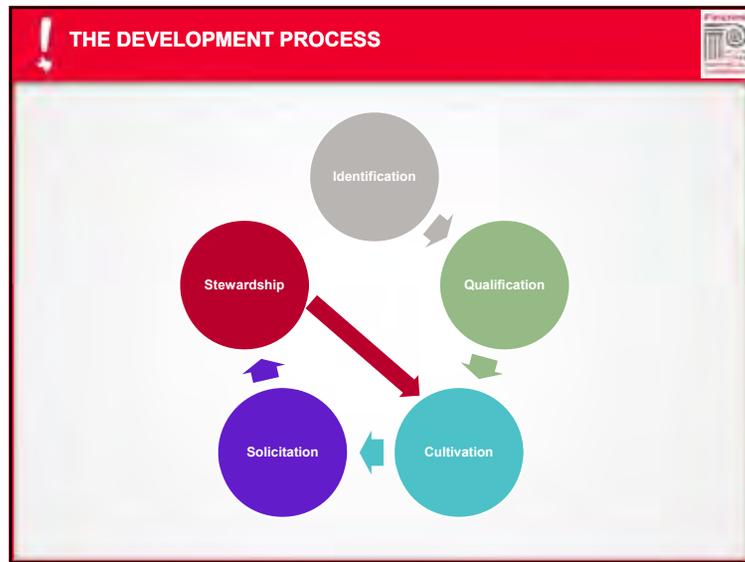
- There should be a mutual understanding between donor and organization (through fundraiser)
- Donor share's the organization's commitment to the mission
- A relationship characterized by fairness, honesty, mutuality and collaboration

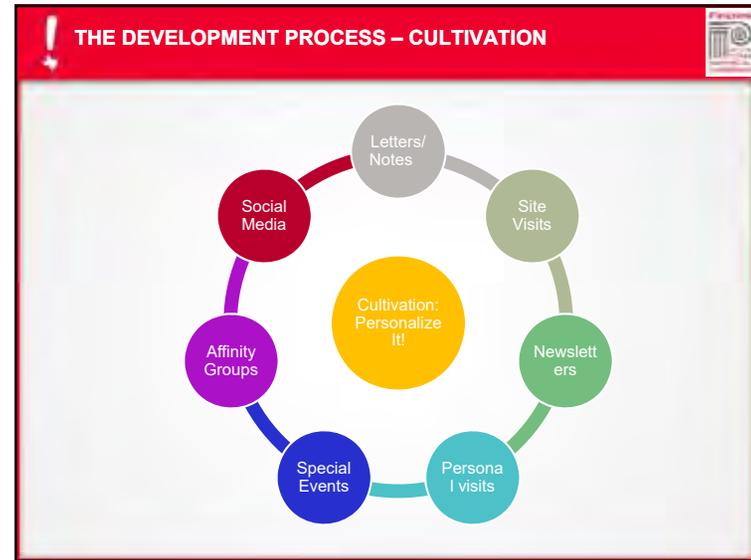
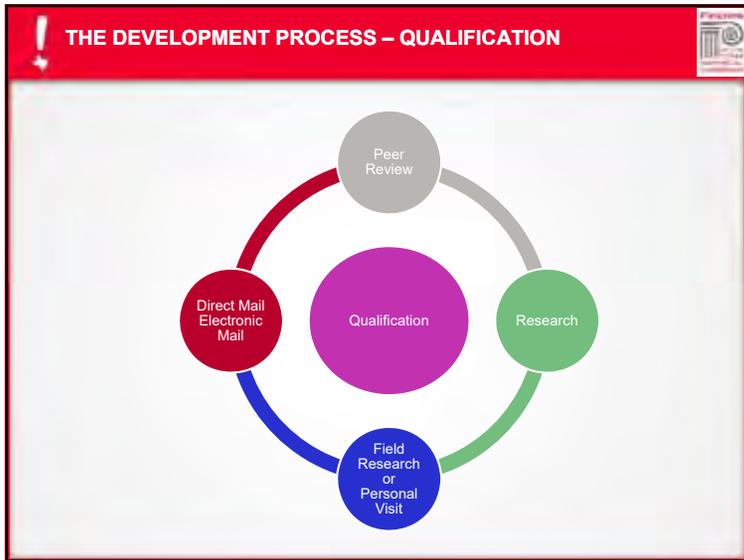
❖ The GIVES model: Five fundamental strategies for fundraising. Which one to use based on the organization's mission:**

- Growth: Increase the amount raised, to support critical programs
- Involvement: Increase the number of people connected to the organization and engaged to its work
- Visibility: Increase the community's awareness of need and the land trust's work addressing that need
- Efficiency: Increase the cost effectiveness of programs
- Stability: Increase the certainty of funding support

* Effective Fund-Raising Management, by Kathleen Kelly

** The Five Strategies for Fundraising Success: A Mission-based Guide to Achieving your Goals, by Mal Warwick





! THE DEVELOPMENT PROCESS – CULTIVATION

It's Just Like Dating!

With an important difference: Instead of looking for your one personal soul mate, you are looking for **multiple lifetime friends** for your organization!

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When she said she was "Involved", she forgot to mention it was with the environment.

! THE DEVELOPMENT PROCESS – CULTIVATION

First "Date"

- ❖ Staff/natural partner
- ❖ Get to know each other
- ❖ Inquire about the donor's interests
- ❖ Share your vision
- ❖ See if there is mutual interest to continue the conversation...

"WE'VE BEEN ON THIS DATE FOR TWENTY MINUTES... ISN'T IT A LITTLE SOON TO TELL ME YOU LOVE ME?"

! THE DEVELOPMENT PROCESS – CULTIVATION

Second “Date”

- ❖ Do something together! Create shared experiences between the donor, your nonprofit, key volunteers & staff
- ❖ Communicate with your donor
- ❖ Get to know each other really well so that you understand each other’s needs
- ❖ Don’t try to do it all in one date! Invest some time!
- ❖ Involve your donors in the decision making process
- ❖ Include them in focus groups
- ❖ Visit them one-on-one to ask their opinion or seek feedback



! THE DEVELOPMENT PROCESS – CULTIVATION

Making your contacts meaningful

- ❖ **Communicate**
 - Thank you letters and phone calls, holiday cards, annual report, email updates, print newsletter, website, social media...be thoughtful
- ❖ **Provide Substance**
 - What kind of impact are you making?
 - Accomplishments
 - Challenges your organization faces
 - Appreciation for their support
- ❖ **Engage**
 - Invite your donors to participate



! THE DEVELOPMENT PROCESS – CULTIVATION

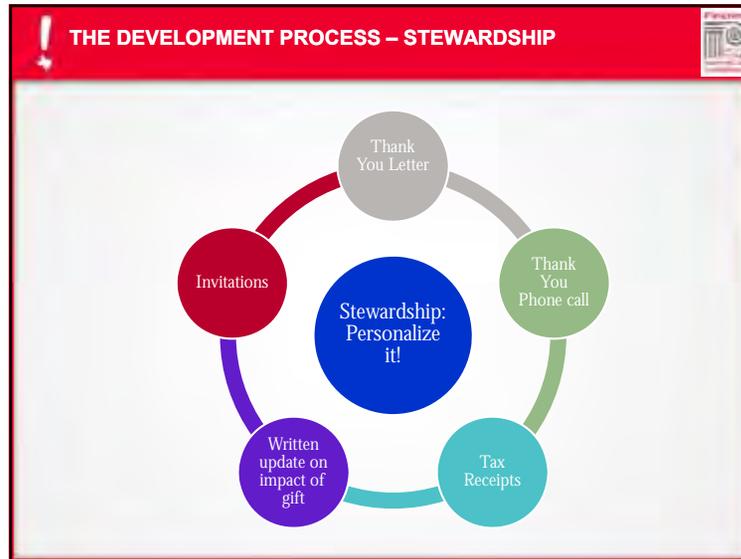
Remember.....

- ❖ The **amount of time** you spend dating is in direct correlation to the **size of the gift** you intend to solicit. Major gift cultivation is usually an 18 to 24 month process – based on the definition of a major gift and purpose.
- ❖ To **make each donor feel special and important to your organization** (because they are) no matter their gift potential, while allocating your limited resources effectively.
- ❖ Donor retention - **be a friend** to your donor in **good times and in bad** and **when you don't have a request**
- ❖ The goal is not to get a *gift* but a lifelong **donor** (James Gregory Lord, "The Raising of Money")



! THE DEVELOPMENT PROCESS – SOLICITATION





! THE DEVELOPMENT PROCESS – STEWARDSHIP

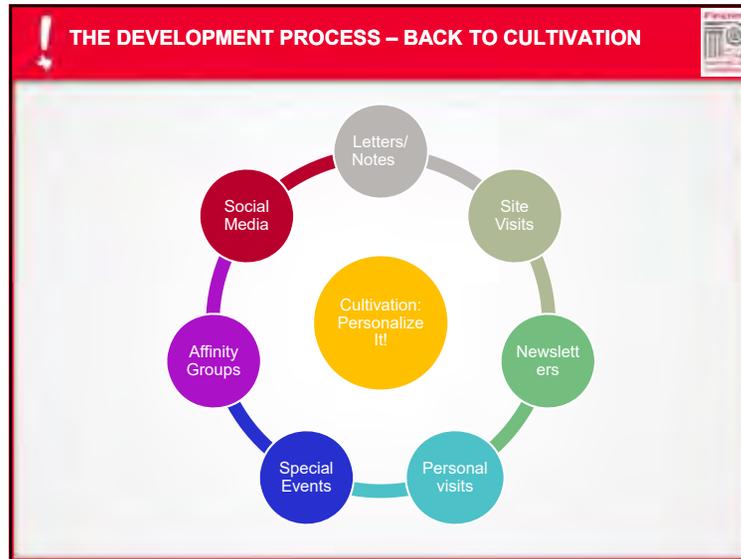
Never forget that you are using other people's money to accomplish your organization's goals!

- ! THE DEVELOPMENT PROCESS – STEWARDSHIP**
- Three things a donor needs to know:**
- ❖ That the gift was received.
 - ❖ That the gift was "set to work" as intended.
 - ❖ The impact of the gift.
 - ❖ Provide the documentation
-

! THE DEVELOPMENT PROCESS – STEWARDSHIP

Tax Receipts

- ❖ Include name and address of the donor, date gift received, amount of gift and purpose of gift.
An example:
Thank you for your gift of <\$100,000> on <January 30, 2012> to support <the graduate interns in collection conservation program>.
- ❖ Proof of your non-profit status:
The Friends of the Texas Historical Commission is a 501c(3) non-profit organization. Your gift is tax deductible to the extent allowed by law.
- ❖ Be sure to personalize the thank you letter/tax receipt. Add a personal handwritten note. "Thanks!"
- ❖ Each letter is part of an ongoing conversation – so converse!



! THE DEVELOPMENT PROCESS – MANAGING THE PROCESS



Relationship Management....

- ❖ Applies to all of your constituencies (board, staff, volunteers, donors)
- ❖ Offers a framework for management of resources
- ❖ Develops and reinforces shared values between you and your donors
- ❖ If good relationship management is absent, the relationship deteriorates
- ❖ Managing relationships is everyone's job – it cannot be delegated

! THE DEVELOPMENT PROCESS – MANAGING THE PROCESS

At the Board Level

- ❖ Recruit a **development chair** from the board
- ❖ Assign a **committee** to assist the chair in managing the process

At the Staff level

- ❖ Hire a **development officer OR**
- ❖ Hire a **development coordinator OR**
- ❖ Hire a **development consultant** to manage the process



! THE DEVELOPMENT PROCESS – MANAGING THE PROCESS

The Process Varies

- ❖ **Individuals**
 - Few or no formal guidelines
 - No unsolicited proposals
 - Less formal proposal (if at all)
- ❖ **Institutional donors**
 - **Foundations**
 - Formal guidelines, deadlines
 - May not be as personal
 - **Corporations**
 - Strategic – marketing/community relations-based proposal
 - Local gift vs. corporate foundation
- ❖ All of these may inter-relate – know your donor

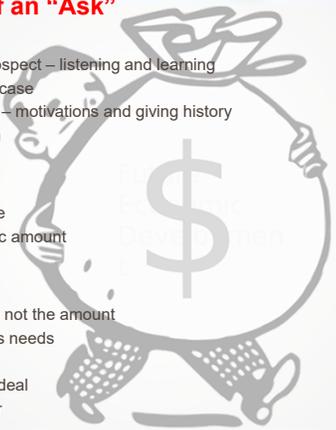




Never forget that **fundraising is the primary responsibility of all boards.**
It cannot be delegated.
Everyone must participate for success.
The person managing the development process is not solely responsible for fundraising.

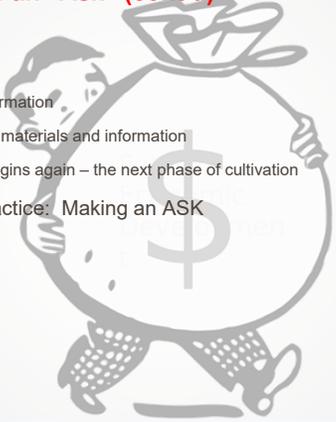
The Anatomy of an “Ask”

- ❖ Preparing
 - Cultivate the prospect – listening and learning
 - Understand the case
 - Know the donor – motivations and giving history
 - Know your team
- ❖ Asking
 - Warm up
 - Present the case
 - Ask for a specific amount
 - Pass the floor
- ❖ Negotiating
 - Focus on terms, not the amount
 - Meet the donor’s needs
 - Find a “yes”
 - Summarize the deal
 - Thank the donor



The Anatomy of an “Ask” (cont’d)

- ❖ Following up
 - Thank again
 - Capture key information
 - Send necessary materials and information
 - And the cycle begins again – the next phase of cultivation
- ❖ Putting it into Practice: Making an ASK



The Development Plan

! THE DEVELOPMENT PLAN

**A DREAM IS JUST A DREAM.
A GOAL IS A DREAM WITH
A PLAN AND A DEADLINE.**

The Pre-requisites

- ❖ Board Leadership
- ❖ A Coherent Vision for the Future
- ❖ Trust and Confidence in the Leadership and Frontline Staff
- ❖ Track Record of Fiscal Responsibility and Sound Financial Management

Source: Planning for Success by Jeri Alcock, MSW, CFRE

! THE DEVELOPMENT PLAN

The Process

- ❖ **Self Assessment** - Evaluate fundraising capacity
 - Current sources – capacity to grow?
 - Diversity of sources
 - Type of sources
 - Staff capacity – current and future
 - Existing fundraising activities
 - Established prospects and relationships
- ❖ **Fundraising is a team sport**
 - Staff leadership
 - Board Role – each person is engaged in the process at some level
 - Engaging current donors
 - Maximize the ask
 - Build a team of ambassadors

Source: Planning for Success by Jeri Alcock, MSW, CFRE

! THE DEVELOPMENT PLAN

The Process

- ❖ **Review Organizational Strategic Plan**
 - Long-range and immediate strategic program and organizational priorities
 - Your "Case for Giving" – Unrestricted (a "menu" of giving opportunities), Restricted programs
- ❖ **Develop Goals – Big Picture**
 - Establish a 3-year budget for fundraising
 - The Funding Source Matrix
- ❖ **The Annual Fundraising Plan**
 - Explicit goals
 - \$s to be raised for the year
 - Sources (prospects) and revenue projections
 - Timeline
 - Assign responsibilities
 - Processes
 - Monitor progress and evaluate success
 - Changes to be made

Source: Planning for Success by Jeri Alcock, MSW, CFRE

Lunch – 30 mins

Out to lunch




Individual Giving – An Overview




CHALLENGES IN FUNDRAISING

- ❖ **Competition**
 - More organizations need more money!!
 - Over a 13% increase in the number of 501(c)(3) organizations from 2005 to 2015
 - Non-profits filling vital gaps in service – lower costs+greater efficiency
 - Greater responsibility to existing organizations; formation of new ones
- ❖ **It ain't easy, AND it takes time!**
 - Fundraising a long term investment in organizational capacity
 - Fund development takes time, with results seen way down the road
 - Balance between immediate and urgent needs and important long term sustainability
- ❖ **"I don't like to ask for money!"**
 - Perceived taboo
 - Handout versus investment
 - Pushing outside the comfort zone




CHALLENGES IN FUNDRAISING – KEY PRINCIPLES

- ❖ **There are people who give and those that don't - the engaged vs. the disengaged**
 - Philanthropy a personal culture
 - Demonstrating a desire to give
- ❖ **People that give will continue to give**
 - A trend towards increasing generosity
 - Question – not whether they will give but how much and to whom
- ❖ **People that give, do so freely and happily**
 - Personal choice; voluntary
 - Making a difference in the community
 - Would do more if they could
- ❖ **People who given will seek out wise "investment" opportunities**
 - Organizations that show effectiveness and efficiency will succeed
- ❖ **Attitude more that strategy**
 - Fundraising an honorable tradition
 - An opportunity for donors to make a difference
 - Fundamentally an exchange – investment of resources for a "piece of action"

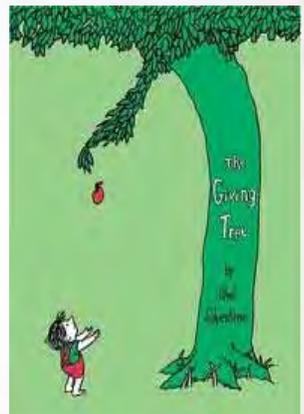



UNDERSTANDING MOTIVATIONS – THE FACES OF PHILANTHROPY

- ❖ **The Communitarian**
 - A sense of belonging to the community; Consider non-profits to be effective in delivering services and in tune with needs; History in, ties to, the community; Typically support cultural, human service, educational and religious organizations
- ❖ **The Devout**
 - Its God's will; Moral obligation – a responsibility to create a better world
- ❖ **The Investor**
 - Philanthropy as "good business"; Motivated by personal tax and estate benefits; Looking for non-profit caused and organizations which are business-like and effective
- ❖ **The Socialite**
 - Its fun – entertainment and socializing; Typically charitable at heart, but motivated more by the social visibility
- ❖ **The Altruist**
 - A sense of purpose and fulfillment - giving promotes spiritual growth; Unfettered by business considerations or personal gain
- ❖ **The Repayer**
 - Do good in return for all received – for example, gratitude for medical or educational benefits received; Insist on cost effectiveness and a focus on clients' needs
- ❖ **The Dynasts**
 - Philanthropy a family tradition; Philanthropy provides a positive self identity and strong family values

! UNDERSTANDING MOTIVATIONS – WHY DO PEOPLE GIVE?

- ❖ **Personal belief** in project/organization
- ❖ **Personal involvement** with the organization
- ❖ **Gratitude** – “I have been served”
- ❖ Image or **appeal of association** with the organization
- ❖ **Recognition**, tax deduction, parties
- ❖ **Guilt**



! UNDERSTANDING MOTIVATIONS – WHY DO PEOPLE GIVE?

Because you **ASKED** them to!



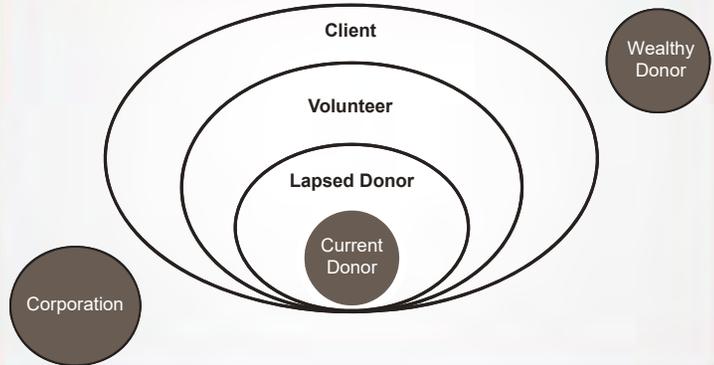
! WORDS OF WISDOM

Ask me. I am going to give it to you, to another non-profit or to taxes. And frankly, the government has enough of my money.
- Anonymous Donor



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Who is most likely to give next?



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Ways to fund your gift – offer a menu of options for individuals

- ❖ Cash
- ❖ Grant/Reimbursable Grant/Matching Grant (from family foundations)
- ❖ Securities (stock)
- ❖ Bequest
- ❖ Life Insurance
- ❖ Planned Gifts
 - Charitable Gift Annuity
 - Charitable Lead Trust
 - Pooled Income Fund
 - Charitable Remainder Trust
 - Life Estate Contract
- ❖ Donor Advised Fund
- ❖ Real Estate



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation

Overall US charitable giving increased 1.6% in 2015, while online giving increased 9.2%

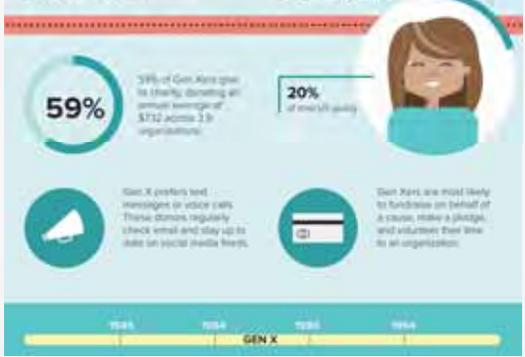
Millennials (born 1981-1996) 21.3% of US population



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation

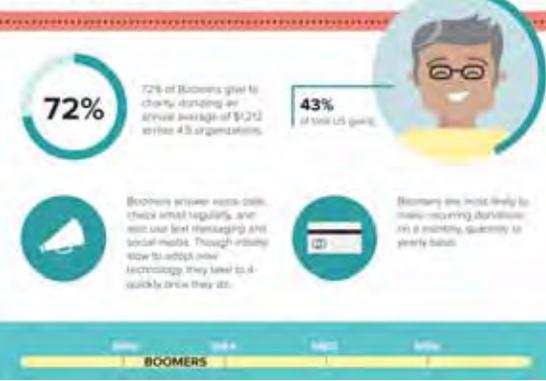
Gen X (born 1965-1979) 20.4% of US population



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation

Boomers (born 1946-1964) 23.8% of US population



! INDIVIDUAL DONORS – BUILDING YOUR LIST

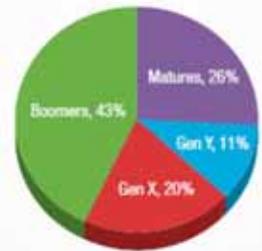
Adapt your strategy based on the donor's generation



! INDIVIDUAL DONORS – BUILDING YOUR LIST

Generational Giving

Of the \$143.6 billion estimated annual contributions, each generation will contribute:



Generational contribution of total giving

Source: The Next Generation of American Giving, published by Blackbaud

! INDIVIDUAL DONORS – BUILDING YOUR LIST

Generational Giving

Transaction Channels

	GEN Y	GEN X	BOOMERS	MATURES
Make monetary donations	53%	50%	46%	31%
Donate goods	41%	56%	63%	72%
Make a donation in honor of, in memory of, or in tribute	11%	16%	20%	34%
Donate through a monthly giving program	12%	16%	21%	15%
Include in will	0%	2%	3%	9%

Shading indicates statistical significance among solutions.

Source: The Next Generation of American Giving, published by Blackbaud

! INDIVIDUAL DONORS – BUILDING YOUR LIST

The Annual Fund Program

! INDIVIDUAL DONORS – ANNUAL FUND PROGRAMS

- ❖ **Definitions**
 - Annual Giving
 - Annual Campaigns
 - Annual Fund
- ❖ **Why is Annual Giving Important?**
 - Covers Operational Expenses
 - Supplements other more focused fundraising efforts
 - Mission-focused rather than project-focused
 - Increases donor retention
 - Opportunities for donor “upgrades”
- ❖ **The Myths and the Truth**
 - The Size of the campaign will be proportionate to the size of the organization
 - Donors will give for mission support and for specific projects
 - An average of 70% of giving is from individuals – focus on individuals
 - An investment well worth making



Source: www.Neoncsm.com

! INDIVIDUAL DONORS – ANNUAL FUND PROGRAMS

- ❖ **Objectives**
 - Funds for the organization
 - Establish and track giving habits
 - Identify major gift prospects
 - Increase donor participation rates
 - Clean and updated data
 - Stewardship tool for deeper donor relations
- ❖ **Building Blocks**
 - A clear goal
 - Fundraising team
 - An analysis of existing base
 - A calendar
 - Infrastructure
 - Best practices
 - Components
 - Marketing & Outreach
 - Fundraising events
 - Direct asks



Source: www.Neoncsm.com

! INDIVIDUAL DONORS – ANNUAL FUND PROGRAMS

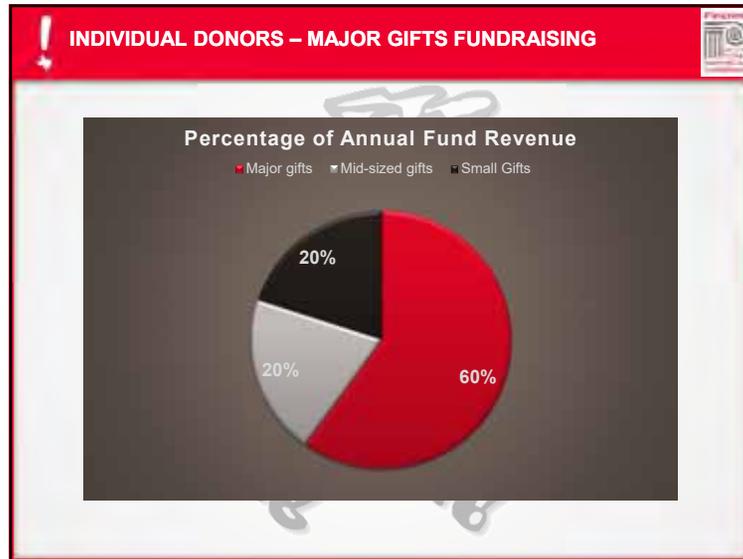
- ❖ **Start From Scratch**
 - Identify your current donors and likely prospects
 - Know your donor profile
- ❖ **Direct Mail**
 - Far from dead, but will not last forever
 - Use to acquire new donors and information
 - Get familiar with other channels
- ❖ **Strengthen Communications**
 - Build/acquire email lists
 - Strong online presence
 - Online giving platform
 - Multi-channel = the new normal
 - Don't forget social media
- ❖ **People give to people**
 - Peer-to-peer giving
 - Crowd funding



Source: The Next Generation of American Giving, published by Blackbaud

! INDIVIDUAL DONORS – ANNUAL FUND PROGRAMS

Cultivating Relationships for Major Gift Fundraising



! INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING

- ❖ **Set a goal**
 - How much do you want to raise from major gifts
 - What constitutes a major gift?
 - How many gifts and what size
 - How many asks

Major Donor Gift Range Chart & Prospects: \$120,000 Goal

	Gifts	Size of Gifts	Number of Prospects	Total
Major Gifts	1	\$20,000	4	\$20,000
	2	\$10,000	(x)4	\$20,000
	5	\$5,000	(x)3	\$25,000
	10	\$2,500	(x)3	\$25,000
	20	\$1,000	(x)2	\$20,000
	20	\$500	(x)2	\$10,000
Total	58 Gifts = 137 individual prospects			

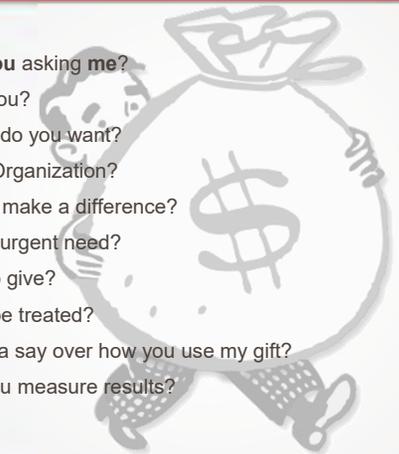
Source: www.Nonprofitquarterly.org

! INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING

- ❖ **Training for the ask**
 - Core group of staff and volunteers (board)
 - You are asking for your organization and its mission, not for yourself
- ❖ **Identifying Major Gift Prospects**
 - Start with your existing donor base
 - Board member relationships
 - Donors as relationship builders
- ❖ **Cultivating Major Gifts – the 4 pillars**
 - Meeting face-to-face
 - Seeing program in action
 - Volunteering
 - Communicating

Source: www.Nonprofitquarterly.org

! 11 QUESTIONS EVERY DONOR ASKS



- ❖ Why Me?
- ❖ Why are **you** asking **me**?
- ❖ Do I trust you?
- ❖ How much do you want?
- ❖ Why your Organization?
- ❖ Will my gift make a difference?
- ❖ Is there an urgent need?
- ❖ Is it easy to give?
- ❖ How will I be treated?
- ❖ Will I have a say over how you use my gift?
- ❖ How will you measure results?

Source: The Eleven Questions Every Donor Asks, by Jerold Panas

ACTIVITY

Donor: Mr. John Appleseed, principle of a large redevelopment company, that does a lot of work refurbishing older buildings, not always in the best possible way. Has attended 2-3 events and has actively indicated interest in the supporting the Museum capital campaign. In conversations at the events, he has talked about his trips with his family to visit the museums in DC and in Europe. He has responded positively to your letter, and has agreed to meet to talk more about the project. Your research shows that he lives in a 9,000 sq. ft house appraised at 3.2 million, and owns a second home in Vale, valued at \$1.7 million. Also, he has donated \$5000 to the local house museum, and \$75,000 to the Bob Bullock Museum. You have 14 months to get \$3.5 million together for the project. What is your strategy?

What information do you have? What does that tell you about the donors' inclinations regarding preservation?

What additional information do you need? What information can you get from the donor?

Are you ready to make the ask? What will the ask include?

HOW SUCCESSFUL WAS THE ASK? WHAT DO YOU NEED TO WORK ON?

! CORPORATE PARTNERSHIPS & SPONSORSHIPS

Corporate Partnerships

- ❖ **Clarify your goals for the partnership**
 - > What are you looking for? Long term relationship, funding, etc.
 - > This is a give and take – brand alignment; symbiotic relationship
- ❖ **Find the right partner**
 - > Not every company is a good fit
 - > Identify mission alignment, in order to offer brand alignment
- ❖ **Tell your story**
 - > Articulate why you are good for each other
 - > Identify benefits/solutions that create value for both parties
 - > Identify how the partnership will achieve business objectives, engage employees, add brand value, and impact a social cause
- ❖ **Engage at all levels**
 - > Build a solid relationship that can withstand turnover
 - > Connect deeply with employees at all levels
- ❖ **Communicate and connect**
 - > Create benchmarks and track progress
 - > Measure successes and communicate regularly
 - > Celebrate successes
 - > Find solutions jointly

Source: www.raffa.com

! CORPORATE PARTNERSHIPS & SPONSORSHIPS

Building Sponsorships

- ❖ **Important distinctions**
 - > Sponsorships are event/program specific, and not necessarily long term
 - > Payment by a business to further a non-profit's mission
 - > Usually with a quid-pro-quo
 - > Can offer public recognition of a business's connection with a certain cause; may help bolster customers to the business
- ❖ **Be aware**
 - > In order for a corporate sponsorship to be legal and appropriate, the benefits to the sponsor should not outweigh the benefits to the non-profit
 - > There may be tax implications if the sponsorship does not qualify as a charitable contributions
 - > Impact of goods and services received in lieu of contribution
- ❖ **Are you ready to solicit sponsorships?**
 - > What is your value/unique selling proposition to the potential sponsor?
 - > What are your goals? Contributions/publicity/volunteers/pro-bono assistance/in-kind gifts?
 - > Document expectations (both sides) in writing
 - > Find natural allies

Source: www.raffa.com

!



Understanding Grants & Grantors

!

CONTRACTS OR GRANTS – WHAT'S THE DIFFERENCE?



Contract

- ❖ The agency **defines the project**, and writes the **specifications**.
- ❖ The Contractor proposes a way to fulfill the **organization's design** for the **organization's project**, to the **organization's specifications** – gets paid.

Grant

- ❖ The Grantor **defines their goals**, with basic **guidelines**, but with **few specifics**.
- ❖ Grantee **designs a project** to meet **grantee specifications** that fulfills **grantee's mission**, and meets the objectives of both.



!

TYPES OF GRANTS



- ❖ Operating Grants
- ❖ Planning Grants
- ❖ Program Development/Project Support
- ❖ Capital Grants
 - Bricks and Mortar
 - Endowment
- ❖ Technical Assistance Grants



!

TYPES OF GRANTORS





Government



Tax-Exempt Organizations
(Foundations, Organizations)

! GOVERNMENT GRANTORS

Federal

- ❖ 26 federal agencies offer more than 1,000 grant programs in 21 categories.
- ❖ NEH: National Endowment for the Humanities
- ❖ National Park Service
- ❖ IMLS: Institute of Museum and Library Services
- ❖ National Science Foundation

State

- ❖ Texas Historical Commission
- ❖ Texas Parks and Wildlife
- ❖ Humanities Texas

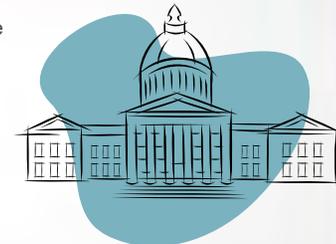
Local

- ❖ Austin Parks Foundation
- ❖ Capital Metro Transit Authority
- ❖ City of Austin



! GOVERNMENT GRANTORS

- ❖ Potential for very large grants
- ❖ Have been diminishing overall for decades
- ❖ Future prognosis: More of the same
- ❖ Subject to Congressional and Legislative influences
- ❖ Often judged by panels of reviewers
- ❖ Competition is fierce and becoming fiercer
- ❖ Staff time and administration in managing government grants



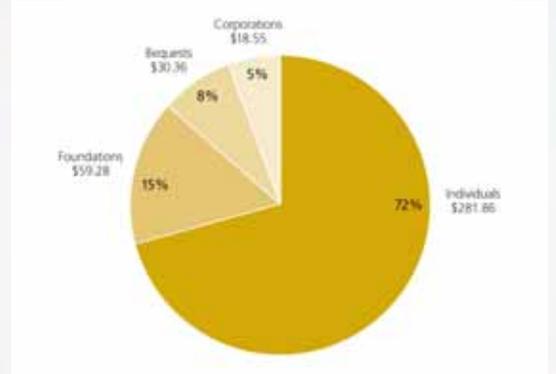
! FOUNDATION FUNDRAISING

! TYPES OF FOUNDATIONS

- ❖ **Public Foundations**
 - Another name for a public charity
- ❖ **Private Foundations (Non-Operating Foundations)**
 - A nonprofit corporation or a **charitable** trust
 - Principal purpose – making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other **charitable** purposes
 - Derive their funding support from a single individual, or family
 - Managed by their own Board of Directors
- ❖ **Corporate Foundations**
 - Derive their funding support from a corporation
- ❖ **Operating Foundations**
 - Undertakes charitable activities
 - Significantly engaged in own projects in a continuing and sustained fashion
- ❖ **Community Foundations**
 - Non-profit philanthropic org, charities
 - Builds permanent named funds for the benefit of residents in a given area
- ❖ **Family Foundations**
 - Funds derived from a single family
 - Family members as trustees

PHILANTHROPY TODAY – TRENDS

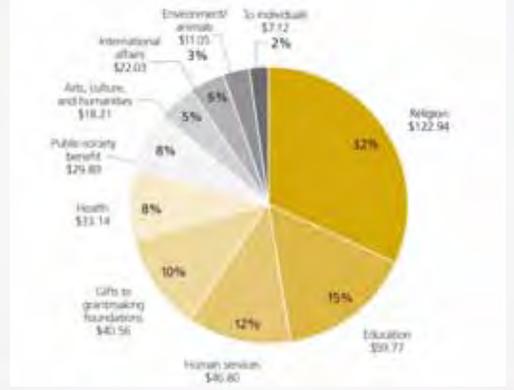
2016 contributions: **\$390.05 billion** by source
(in billions of dollars – all figures are rounded)



Source: Giving USA Foundation | Giving USA 2017

PHILANTHROPY TODAY - TRENDS

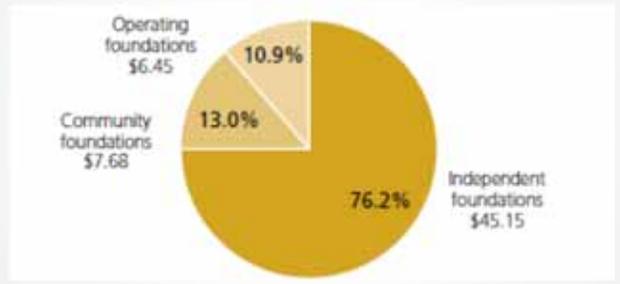
2016 Contributions: **\$390.05 billion** by Type of Recipient
(in billions of dollars – all figures are rounded)



Source: Giving USA Foundation | Giving USA 2017

FOUNDATION GIVING - 2016

Share of Foundation Grant-making by Type
(independent, community, and operating) – 2016
(in billions of dollars – totaling **\$59.28**)



Source: Giving USA Foundation | Giving USA 2017; Data provided by the Foundation Center

THE NATURE OF FOUNDATIONS

- ❖ They have a mission to accomplish too.
- ❖ They “hire” you through the proposal process to conduct a project that meets your mission and theirs.
- ❖ They exist to give money away.
- ❖ They provide billions of dollars in funding annually.
- ❖ They thrive on relationships with grantees.



! THE NATURE OF FOUNDATIONS



- They have to give it away!**
- ❖ The grant managers are required under the tax code **to give away** their grant monies by the end of the year
 - ❖ **Offer them a great project to fund** at an organization they trust to do an excellent job
 - ❖ Your goal should be to develop a reputation for **your organization as a great place to support projects**
 - ❖ **Build relationships with foundations**, so that you can work collaboratively with the grants officer on a request for funding

! WHAT DO FOUNDATIONS LOOK FOR?

- ❖ Capable Leadership
- ❖ High Quality Programs
- ❖ Innovation
- ❖ Impact
- ❖ Collaboration
- ❖ Evaluation
- ❖ Accountability
- ❖ Sustainability
- ❖ Giving by peers



Break – 10 Minutes

A cartoon illustration on a red background. It features two yellow, round characters with faces and arms. One character is smiling and holding a small object, while the other is shouting or talking on a mobile phone. In the center is a steaming cup of coffee on a saucer.

! Developing the “Ask”

! STORYTELLING



Stories are to nonprofits what statistics are to corporations.

! BUILD YOUR CASE FOR SUPPORT



You need to be able to talk about

- Why **your mission** is unique
- What you are trying to accomplish - a **measurable goal**
- How your work relates to the **donor's interest**
- The **impact** a gift will have in the community, on the constituents you serve, on people's lives. How you will contribute to a better world

! DEVELOPING THE ASK – THE CASE STATEMENT

The Case Statement....

- ❖ Is donor-oriented / donor-facing (written for donors)
- ❖ Clearly illustrates your organization's mission and vision for the future
- ❖ Tells donors why you need funding and what outcomes you are seeking from their investment
- ❖ Offers strong reasons why prospects should make gifts to your organization.
- ❖ Is a 2-7 page document that tells donors who your organization is, what it has accomplished in the past, outlines your vision for the future, tells the donor why your organization's vision matters and why the donor should care, and gives the donor a chance to get involved by making an investment in your non-profit.

Case statements cast a bold vision for a better future, and invite donors to get caught up in that vision.

Source: How to Write a Case for Support for Your Organization, by Joe Garecht

! DEVELOPING THE ASK – THE CASE STATEMENT

Key Elements of a Strong Case Statement

- ❖ What is the need?
 - Manageable so that the grantor feels they can make a difference
- ❖ What evidence is there that this is a pressing need?
 - Why now?
- ❖ How is your organization uniquely qualified to address this need?
 - Track record; alignment with mission and past programs
- ❖ What will be the benefits of your action?
 - Talk about positive consequences, big and small
 - Be realistic about what can be guaranteed and what can fail
- ❖ What are the consequences if you fail?
 - Clearly lay out negative consequences, major and minor, of you do not act

Source: How to Write a Great Case Statement, by Joanne Fritz

Reminder – share example of a case statement in process

DEVELOPING THE ASK – THE CASE STATEMENT

The Structure of a Case Statement

- ❖ An emotional opening
 - The first one or two paragraphs are critical – pack an emotional punch
- ❖ Your mission and vision
 - Why does your organization exist? What is your big, bold vision for the future?
- ❖ History of the organization
 - Talk about accomplishments till date
- ❖ A description of current programs and proof of impact
 - Talk about the impact of these programs; why are they worthwhile? Build credibility
- ❖ What is the critical need in your “community” that you have to address
 - How much money does your organization need? What will it be used for? Why now?
- ❖ Clear programmatic goals and Objectives
 - SMART objectives – Specific, Measureable, Achievable, realistic, Time-bound
- ❖ How will you evaluate success?
 - What are the changes you will see if you program is successful?
- ❖ Use the case statement to develop proposals

Source: *How to Write a Case for Support for Your Organization*, by Joe Garecht

DEVELOPING THE ASK – KEY TO SUCCESSFUL PROPOSALS

- ❖ The reputation and successful projects of the nonprofit organization
- ❖ The innovative nature or critical importance of the proposed project
- ❖ The appropriateness of a funding source
- ❖ The number of prospects/donors
- ❖ The competition in a particular grant making cycle
- ❖ The grant writer’s skill in building a compelling case
- ❖ Relationships



Source: www.GrantProposal.com

ACTIVITY

Describe project or program you are working on , and need to raise funds for. How would you describe what makes your site/museum/project/program unique? What is the impact your program or project is making in the community you are serving?

Questions to answer:

- What is your “hook”?
- What do you want the visitor to your project/site take away from your site, and therefore the reader from your narrative?
- What makes your project/program/site relevant today?
- Is there something you want visitors to find that is relevant to their own lives?
- Who is your audience?

Take 5 and write answers/thoughts

! PROGRAM VERSUS PROJECTS

Tree or Ornament?

Programs are like Christmas trees

- ❖ Based on the strategic goals of the organization
- ❖ They are present, need funding every year and never end
- ❖ Budget, space, personnel, equipment

Projects are like ornaments

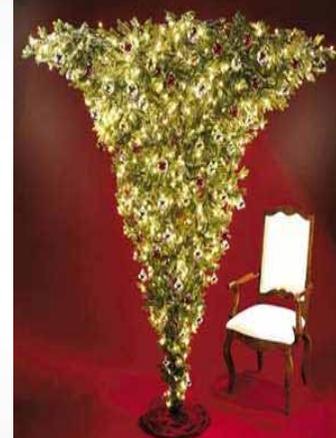
- ❖ Beginning and end date
- ❖ Specific goal, deliverables, self-contained
- ❖ People don't like to give ornaments (project grants) to people who don't have a good Christmas tree (program).



! PROGRAM VERSUS PROJECTS

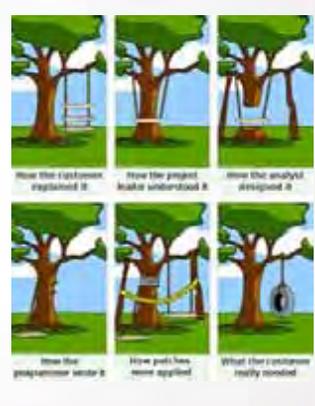
Key Questions about Projects

- ❖ Does your project complement other work at your organization?
- ❖ Is your project a *new twist* on a tried and true idea?
- ❖ Does your prospect support similar projects?



! PROGRAM / PROJECT DEVELOPMENT

- ❖ Look to the strategic plan for direction
- ❖ Work with program staff to identify priority programs and specific needs
- ❖ Work with program staff to develop narrative; build consistency in narrative
- ❖ Identify funding requirements for the program/project
- ❖ Timeline for establishing the program/completing the project
- ❖ Project/program review by internal leadership (Board and staff)
- ❖ Endorsement by organizational leadership
- ❖ Ready to approach the foundations with LOIs



! PROGRAM VERSUS PROJECTS – THE LITMUS TEST

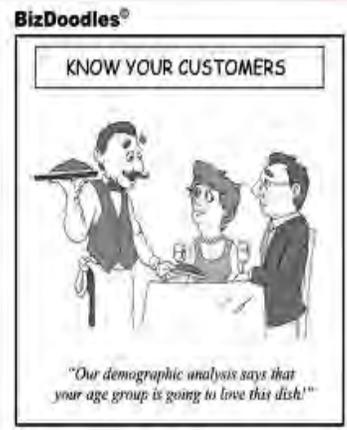
Mission is everything!

- ❖ Does this project fit with your mission statement?
- ❖ Does the project fulfill a strategic goal or objective of the organization?
- ❖ Beware of “Mission Creep” caused by letting the tail wag the dog! DO NOT CHASE THE MONEY!



! KNOW YOUR CONSTITUENTS

- ❖ Community demographics
- ❖ Community needs
- ❖ Target audience demographics
- ❖ Service statistics
- ❖ Partners
- ❖ Competitors



! PROJECTS DETAILS – GATHER INPUT

Once the **project manager** has answered these basic questions, and can **articulate the vision** for the project, then it is **time to involve others to think through the details.**



! PROJECTS DETAILS – GATHER INPUT

- Is it a Major project?**
Does it require significant funds?
Does it require multiple funders?
- If **yes**-consider establishing a **planning committee** to:
- ❖ Develop the project details
 - ❖ Seek internal input and buy-in
 - ❖ Seek external collaboration in support of the project
 - ❖ Help connect you with resources



! PROJECTS DETAILS – GOALS & OBJECTIVES

Define your project in measurable terms

- ❖ State your **Goals and Objectives** for the **project** as they relate to the mission.
 - Specific
 - Measurable
 - Achievable
 - Realistic
 - Time-bound
- ❖ What is the **purpose** of your project?
- ❖ What are the expected outcomes? What do you hope to **accomplish** with the grant funds?
- ❖ **When** will your project be completed?



! PROJECTS DETAILS – GOALS & OBJECTIVES

Define your project in measurable terms

- ❖ Who will be **responsible for implementing** the project?
- ❖ Will **implementation affect other staff**, volunteers, or require outside contractors?
- ❖ What **percentage of time** will be needed from each staff, contractor, vendor?
- ❖ **How many** will it impact/help?



! EVALUATION – MEASURING OUTCOMES

Why conduct an evaluation?

- ❖ Was the **hypothesis correct?** Did you actually do what you set out to do?
- ❖ Determine if the **methods** specified were used, and if the **objectives** were met.
- ❖ To find out if an impact was made on the identified **need**.
- ❖ **Obtain feedback** from the people served and other members of the community.
- ❖ **Maintain control** over the project (evaluations are done at various points in the project).
- ❖ **To make changes** in the program mid-stream, if necessary, to ensure the program's success.



Carlson and O'Neal-McElrath, authors of Winning Grants, Step by Step

! EVALUATION – MEASURING OUTCOMES

Funders want to know if their gift helped you accomplish your goals.

- ❖ Develop an **evaluation plan** for your project.
- ❖ Include **evaluation measures in your proposal/ask**
- ❖ Measure **outcomes, not output** – funders want to see impact, not effort
- ❖ **Conduct an internal evaluation** with your own staff
- ❖ **Hire outside expertise** to conduct your evaluation? If so, designate 5-10% of the total project **budget** for evaluation.



! EVALUATION – MEASURING OUTCOMES

Outcomes

- Benefits for participants during or after involvement in your program
- Relate to changes in knowledge, skills, attitudes, values, behavior

- ❖ How will you define concrete, **measurable outcomes** for your program?
- ❖ What **data-collection strategies** will you use?
- ❖ What **uses** will you make of your findings?
- ❖ **Qualitative vs. quantitative** data – use those anecdotes!
 - Describe the qualitative and quantitative methods used; rationale for use
 - Make sure the evaluation component of your proposal connects with the proposal's objectives and methods. If those objectives and methods are measurable and time-specific, the evaluation will be easier to design



! EVALUATION – MEASURING OUTCOMES

Questions to ask as you design the evaluation

- ❖ What is the evaluation's purpose?
- ❖ How will you use the findings?
- ❖ What will you know after the evaluation that you didn't know before?
- ❖ What will you do as a result of the evaluation that you couldn't do before because you lacked the relevant information?
- ❖ How will the program better serve the clients and community?



ACTIVITY
Measuring outcomes

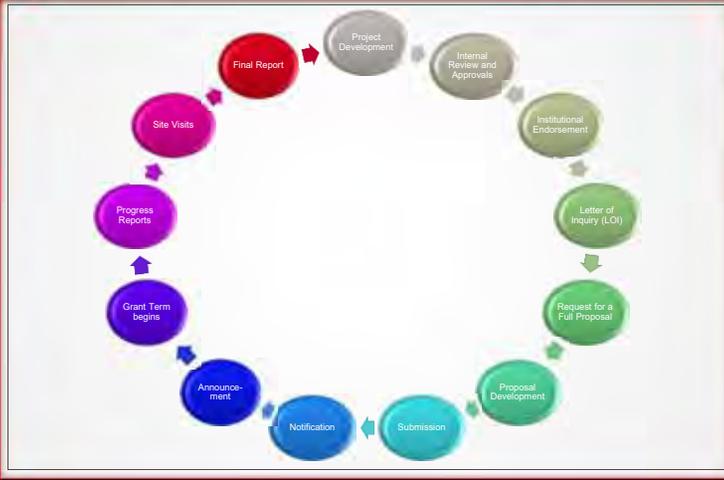
- Having described your project/program/site, how would measure the accomplishment of your goals for the said program/project?
- How would you evaluate its success?

Take 5 and write answers/thoughts

! Grant Proposals How-To

Grant Proposals How-To

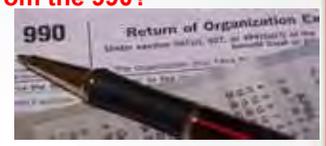
! LIFE CYCLE OF A GRANT



GRANT PROPOSALS – RESEARCH THE FUNDER

What Can I Learn From the 990?

- ❖ Funding Categories
- ❖ Type of recently funded projects
- ❖ Funded similar organization?
- ❖ Determine high, low, and average award amounts
- ❖ Look for similarities between awarded grants and your project.



For a detailed, step by step guide to the 990:

<https://www.npccny.org/new990/>

GRANT PROPOSALS – RESEARCH THE FUNDER

Guidelines Tell You:

- ❖ Submission deadlines
- ❖ Eligibility
- ❖ Proposal formats
- ❖ Proposal review process
- ❖ Budgets
- ❖ Funding goals and priorities
- ❖ Grant awards levels
- ❖ Evaluation process and criteria
- ❖ Contact information
- ❖ Other submission requirements

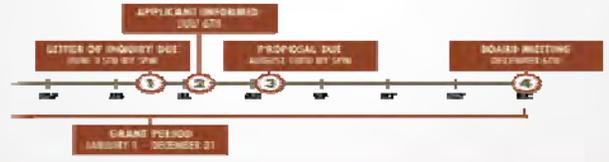


GRANT PROPOSALS – MAPPING GRANT CYCLES

Spring Cycle Foundation A:



Fall Cycle Foundation A:



GRANT PROPOSALS – TIMELINES

Example of a Prospect Timeline Worksheet

Department/Project	Prospect Name	Deadline	Ask	Natural Partner	Comments	Status
Education	John Doe Foundation	1-Jun	\$75,000	Board Member Cindy Contributor is on their board	last gift: \$50k in 2009; largest gift: \$150k in 2000	Set up meeting with Cindy Contributor to inform her of the project and discuss best strategy
	Jane and John Donor					
	George Friend	15-Oct	25000 planned gift for the education dept.	long time volunteer in education department	Gave an annual gift of \$500 for past five years	Share planned giving material with George and offer to show him how he can save some estate taxes with a planned gift.
Gala	Beneficent Construction	10-Apr	\$10k	Presenting Sponsor: VP is on the gala committee	Have been a \$5k contributor of Gala for two years. Presenting Sponsor is a new level	Spoke with VP about next steps. She will set up a meeting with the CEO to present a proposal.
	Design Showcase	5-Jan	in-kind design services for invitations, emails, program	Our Marketing Manager	Designer for the Organization's annual report and general brochure.	Agreed to provide in-kind design for all event related materials
	Betty Boop	1-Mar	table host: \$1500	Betty's daughter attended last year and offered to help	Betty is well connected in town	

! GRANT PROPOSALS – SECRETS TO SUCCESS

- ❖ Just like a recipe, carefully **read the directions** all the way through before beginning.
- ❖ Then **read them again**.



! GRANT PROPOSALS – BUILD RELATIONSHIPS

- ❖ Think of the **funder as a resource**.
- ❖ **Identify a grant officer** who will address your questions.
- ❖ **Don't guess** - ask your grant officer.
- ❖ Remember the **contacts** you make may prove **invaluable**, even if not for now.



! GRANT PROPOSALS – BUILD RELATIONSHIPS

- ❖ Inquire about how proposals are reviewed and **how decisions are made**.
- ❖ Inquire about **budgetary requirements** and preferences. Are **matching** funds required? Are **in-kind** contributions acceptable as all or a portion of the applicant's share?
- ❖ Learn about **payment processes**, including cash flow.
- ❖ Some funders offer **technical assistance**, others do not. Ask for technical assistance, including a review of proposal drafts.
- ❖ Find out **how the funder will notify you** about the receipt of the proposal and status after review.

Questions to ask your Grants Officer



! Grant Proposals – Letter of Intent (LOI)

The LOI is submitted before you complete your proposal. It is an introduction to your project, your contact information, a description of your organization, a statement of need, your methodology, a brief discussion of other funding sources and a final summary.

In 1-2 pages, in a formal-style letter, your LOI should:

- ❖ Tell the **Who**
- ❖ Tell the **What**
- ❖ Tell the **Why**
- ❖ Tell **Why Now**
- ❖ Tell **How Much**



Then...review the given guidelines *again* to **assure that you have answered all the required questions**.

! 

Writing Your Proposal



On the advice of his readers, Jeffery decided to adopt a more formal writing style.

! **GRANT PROPOSALS** 



*"We are absolutely overwhelmed by grant proposals. The cover letter better be good, because sometimes we never get beyond it when we review proposals."**

*Actual quote from a foundation executive

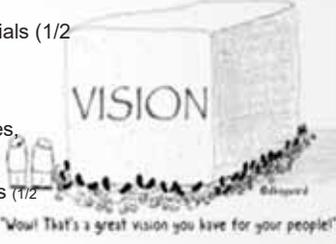
! **GRANT PROPOSALS – OUTLINE** 

Cover Letter (1 page, signed by one or more VIPs – not you)

Executive Summary (1 page, 3 paragraphs)

Proposal Narrative (5 pages)

- ❖ Organization/Program history/credentials (1/2 page)
- ❖ Case Statement (1/2 page)
- ❖ Project Description, Outline of activities, Timeline, Personnel (2 1/2 pages)
- ❖ Goals, Objectives, Outputs, Outcomes (1/2 page)
- ❖ Planning and Evaluation (1/2 page)
- ❖ Reporting and Recognition (1/2 page)
- ❖ Project Budget (1 page)



"Wow! That's a great vision you have for your people!"

! **GRANT PROPOSALS – ATTACHMENTS** 

- ❖ IRS Determination Letter
- ❖ Texas Secretary of State Letter
- ❖ Audit, IRS 990 Tax Return
- ❖ Board of Directors and affiliation
- ❖ By-laws
- ❖ CVs of key staff and consultants
- ❖ Letters of support
- ❖ *Annual Report* and/or brochures
- ❖ Media coverage
- ❖ Photos
- ❖ FOLLOW INSTRUCTIONS, CHECK AND DOUBLE CHECK

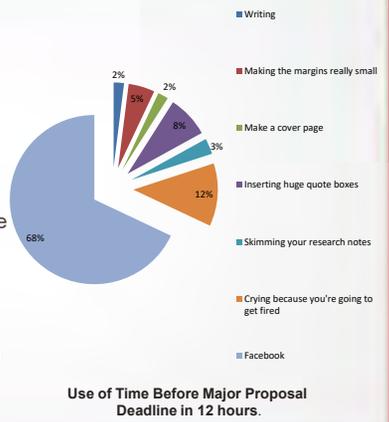


"When writing your essays, I encourage you to think for yourselves while you express what I'd most agree with."

GRANT PROPOSALS – VISUALS

Include Charts and Graphs!

- ❖ More charts and graphs rather than more narrative.
- ❖ Use a chart to plan the work.
- ❖ Organizational chart allows the grantor to find the program in the agency and the project in program.
- ❖ Baseline data would best be collected prior to the project and used as a basis of the project.



GRANT PROPOSALS – TOP TEN TIPS

1. **Be sure:** review the application **guidelines** at least twice to be sure you understand them
2. **Be obedient:** follow the **funder's instructions** and formats, even if they are not logical
3. **Be concise:** a Council on Foundations study states that the average proposal is reviewed for **5 – 7 minutes**
4. **Be focused:** don't lose sight of your mission or the project goals
5. **Be factual:** be certain that your assertions, statistics, and citations can be **backed up**



GRANT PROPOSALS – TOP TEN TIPS (Cont'd)



6. **Be positive:** don't whine or be overly dramatic, even when discussing serious issues
7. **Be fiscally responsible:** check your numbers several times to **be sure the figures are correct**; don't try to "pad" the budget
8. **Be humble:** ask a colleague or "The Person from Mars" to review your draft – remember, even Hemingway had editors!
9. **Be clear:** avoid jargon, slang and unexplained acronyms – if they don't understand it, they won't fund it
10. **Be a partner:** invite the foundation to be your collaborator in planning, implementing, and evaluating the project, as well as being a funder

GRANT PROPOSALS – CAN'T SAY IT ENOUGH.....

EDIT!
Many Times!
Many Eyes!

Get rid of:

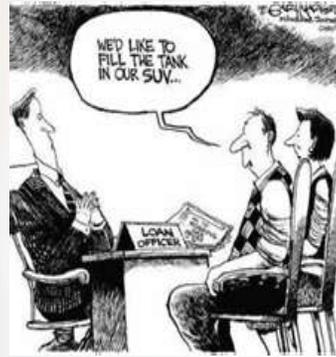
- ❖ Negativity
- ❖ Fluff
- ❖ Acronyms
- ❖ Redundancy
- ❖ Jargon
- ❖ Errors



! GRANT PROPOSALS – THE “WRITE” STUFF



! GRANT PROPOSALS – SECRET TO SUCCESS



Self Assess Like a Banker

- ❖ Could you get a bank loan for this project?
- ❖ Does your application look professional?
- ❖ Would you stake your personal reputation and credit on a project like this with your bank?
- ❖ Would you drag your boss, and your boss's boss with you to the bank for this application?

! BUDGETS – THE MANTRA



Preparing the Budget



! BUDGETS – THE MANTRA

Never forget that you are using **other people's money** to accomplish your organization's goals!



! BUDGETS – WHY DO YOU NEED ONE?



Funders Ask; Grantors Need to Know

- ❖ Can the project be completed with this budget?
- ❖ Are expenses reasonable for the market and project – or too high or too low?
- ❖ Is the budget consistent with proposed activities?
- ❖ Is there sufficient budget detail and explanation?

A LOOK at the BUDGET

! BUDGETS – WHY DO YOU NEED ONE?

- ❖ **Grantor needs to know**
 - How much money is required for the project
 - Exactly how their money will be spent
- ❖ **Grantee must**
 - Know the project components and associated costs
 - Have the ability to
 - Track the progress of the project and
 - Complete the interim and final reports
 - Be able to answer any financial question the donor may have at any time during the project.



Grantors have a right to question each line item

! BUDGETS – WHAT DO THEY LOOK LIKE

Budgets and formats will vary by grantor

- ❖ Federal Grants
- ❖ State Grants
- ❖ Private Foundations
- ❖ Corporate Foundations
- ❖ Individual Donors



Types of grants will vary with grantor

- ❖ Immediate disbursement
- ❖ Reimbursement grants

Some are simple, some are complicated

- ❖ Requested amount in a letter
- ❖ General budget on donor's form with narrative
- ❖ Specific budget that auto-populates another part of the application
- ❖ Capital vs. programmatic vs. operating



! BUDGETS – ACCURATE AND REALISTIC

- ❖ Prepare the **Revenue Budget**
 - The "known budget" and the "what if" budget
 - Know budget includes all revenue in hand
 - "What if" budget includes money that might come in
- ❖ Prepare the **Expenditure Budget**
 - Include all expenses (staff, services, rent and facilities, supplies, Utilities, etc.)
 - Include a line items for contingencies
 - Try breaking down into fixed and variable expenses
 - Include expenses in the time period they are incurred
- ❖ Prepare **Overall Budget**
 - Planning tool
- ❖ Prepare a **Budget Report**
 - Compare actuals to budgeted amounts
 - Controlling tool
- ❖ Avoid vague, all-encompassing categories

BUDGETS – MANTRA 2

**Do not pad your budget!
Do not underestimate!
Get bids/quotes!**



BUDGETS – WHAT SHOULD YOU INCLUDE?

Total Project Expenses

- ❖ Staff (who is responsible for the project)
 - > Project manager (hourly + benefits)
 - > Program staff (hourly + benefits)
 - > Project administration (hourly + benefits) (accounting staff, staff time for reports, bank fees)
- ❖ Services
 - > Marketing
 - > Design
 - > Printing
 - > Evaluator
 - > Sub grantees
- ❖ Facility rentals & Equipment
- ❖ Postage & Supplies
- ❖ Travel (mileage + gasoline + hotel + food)
- ❖ In-Kind supplies and services
- ❖ Other



BUDGETS – WHAT SHOULD YOU INCLUDE?

Total Project Revenues supporting the project

- ❖ **Cost share** (what YOU pay for)
 - > Project expenses you plan to cover
 - > Staff time & benefits used during project
 - > Volunteer time: in 2010, each volunteer hour was valued at \$21.36*
 - > Ergo, you must keep very specific records of volunteer time
- ❖ **Match**
 - > Other monies you have secured or requested for this project
 - > In-kind contributions of supplies and services
- ❖ **Donor** (what THEY will pay for)
 - > The specific amount requested
 - > What that amount will pay for
 - > Donor's grant should apply to the overall project budget; do not restrict it to a specific item in the budget

*Average value for volunteer hours. If the volunteer is performing a **specialized skill** for the nonprofit, their value per hour may be higher. Attorney = \$54.21; CEO = \$79.37; Computer/IT: \$55.67; PR/Fundraising Managers = \$49.96; Financial = \$49.96; Architectural/Engineering = \$57.34

www.independentsector.org



BUDGETS – ORGANIZING BASED ON NEED

Example – Five-Year Summary Budget

	2001	2002	2003	2004	2005
REVENUE					
Memberships/Contributions	\$127,200	\$130,950	\$133,763	\$135,872	\$144,954
Major Donors	105,000	80,000	40,000	30,000	50,000
Workplace Giving	3,000	0	0	0	0
Grants	138,500	170,000	170,000	170,000	170,000
Other Income	90,508	90,049	73,040	72,661	72,608
TOTAL REVENUE	\$464,208	\$470,999	\$416,803	\$408,533	\$437,561
EXPENSE					
Salaries, Taxes, and Benefits	\$328,834	\$352,583	\$360,782	\$364,062	\$367,342
Professional Services	18,300	18,550	9,800	9,800	10,100
Telephone	2,400	3,000	3,000	3,000	3,000
Occupancy	7,300	6,900	6,900	6,900	6,900
Equipment	4,020	4,200	4,200	4,200	4,200
General / Misc.	7,300	5,900	5,700	5,700	5,700
Postage	8,545	8,333	8,643	8,950	9,386
Travel	0	0	0	2,500	0
Project Expenses	10,150	10,120	65,135	10,146	10,355
TOTAL EXPENSES	\$386,849	\$409,586	\$464,160	\$415,259	\$416,982
TOTAL REVENUES - EXPENSES	\$77,359	\$61,413	(\$47,358)	(\$6,725)	\$20,579

BUDGETS – ORGANIZING BASED ON NEED

Example – Five-Year Strategic Plan Budget

	2001	2002	2003	2004	2005
REVENUE					
Memberships/Contributions	\$127,200	\$130,950	\$133,763	\$135,872	\$144,954
Major Donors	105,000	80,000	40,000	30,000	50,000
Workplace Giving	3,000	0	0	0	0
Grants	138,500	170,000	170,000	170,000	170,000
Other Income	90,508	90,049	73,040	72,661	72,608
TOTAL REVENUE	\$464,208	\$470,999	\$416,803	\$408,533	\$437,561
Goals					
Conservation	\$127,294	\$135,582	\$138,082	\$139,345	\$140,609
Outreach	132,194	141,731	144,937	148,788	147,638
Development	99,183	102,679	107,778	103,544	104,935
Administration	24,678	27,844	23,363	23,582	23,800
Capital					
Waterfall	1,500	0	0	0	0
Lookout	0	1,750	0	0	0
Bluff	2,000	0	50,000	0	0
TOTAL EXPENSES	\$386,849	\$409,586	\$464,160	\$415,259	\$416,982
TOTAL REVENUES - EXPENSES	\$77,359	\$61,413	(\$47,358)	(\$8,725)	\$20,579

BUDGETS – ORGANIZING BASED ON NEED

Example – One-Year Gen. Operating & Capital Budget

	Conservation	Outreach	Development	Administration	Waterfall	Lookout	Bluff	TOTAL
REVENUE								
Memberships/Contributions	\$38,160	\$25,440	\$83,600	\$0	\$0	\$0	\$0	\$147,200
Major Donors	71,000	9,000	0	0	25,000	0	0	105,000
Workplace Giving	3,000	0	0	0	0	0	0	3,000
Grants	96,500	30,000	0	0	12,000	0	0	138,500
Other Income	15,000	1,155	71,353	3,000	0	0	0	90,508
TOTAL REVENUE	\$223,660	\$65,595	\$134,953	\$3,000	\$27,000	\$0	\$0	\$464,208
EXPENSE								
Salaries, Taxes, and Benefits	\$115,774	\$123,707	\$88,480	\$20,874				\$328,834
Professional Services	4,500	0	8,800	1,500	1,500	0	2,000	18,300
Telephone	847	905	501	147				2,400
Occupancy	2,224	2,628	1,815	635				7,302
Equipment	1,419	1,516	839	245				4,029
General / Misc.	1,788	2,947	1,800	975	0	0	0	7,500
Postage	529	566	7,283	167				8,545
Travel	0	0	0	0	0	0	0	0
Project Expenses	212	228	9,575	137				10,152
TOTAL EXPENSES	\$127,294	\$135,194	\$99,183	\$24,678	\$1,500	\$0	\$0,000	\$386,849
TOTAL REVENUES - EXPENSES	\$96,366	(\$69,599)	\$35,770	(\$21,678)	\$25,500	\$0	(\$2,000)	\$27,359

BUDGETS – ORGANIZING BASED ON NEED

Keys to a successful budgeting process

- ❖ Clearly Identify objectives that are aligned with the mission and strategic plan
- ❖ Determine the financial resources that are needed and available to reach the goals and accomplish the objectives
- ❖ Involve staff and board in the process to improve accuracy and build commitment to the plan and project
- ❖ Document! Do not rely on memory. Write down assumptions and formulas. This will be very important in managing the budget throughout the life of the project
- ❖ Customize your process to your organization.

You are Ready to Submit!

! GRANT PROPOSALS – NOW WHAT

We conclude, as we have in the past, that, in making our final decisions, we are still able to choose between the excellent and the excellent.

While this sustains us in making difficult choices, it is of little solace to the five out of six applicants we must refuse. They understandably find it hard to be buoyant when their reward lies only in the good company they keep.

William H. Baldwin
Chairman of the Board
Kresge Foundation

- ❖ Competition is tough
- ❖ Follow up – Confirm receipt; inquire about the status
- ❖ If declined funding, request feedback; ask about resubmission
- ❖ Start again – different project, same funder
- ❖ Success is the ability to go from one failure to another with no loss of enthusiasm. – *Winston Churchill*

! BUDGETS – IT'S THE DONOR'S MONEY

What happens when unexpected costs come up or something changes??

CALL YOUR DONOR AND DISCUSS IT!

Hey! Great news. The workshops we have been conducting are actually costing us less than we estimated so we will be able to hold 10 more than we projected! Your grant will help us reach many more constituents than we had anticipated!

Um, yeah. We just found out that the conservators we had contracted with have a back log of work and will delay our project by 6 months which is going to push our project.....

We found asbestos when we pulled off the bricks! This dramatically changes the cost of the project!!

! BUDGET MANAGEMENT

Avoid needing to return money!

- ❖ **Maximize your award** by searching for most cost effective ways to deliver a quality project.
- ❖ **Launch the project as soon as possible after receiving funding** to avoid holding their funds too long and/or having an excess at the end without enough time to identify a legitimate way to spend it.
- ❖ Early on, **make sure sub-grantees are going to use all of their allotments.**
- ❖ If they **expect excess, immediately begin to plan how to expend the funds.** Can you serve more people? Can you acquire additional equipment that can be used now and in the future?
- ❖ **Get permission** first from the grantor if you want to spend the money on related expenses that are outside of what was specified in the original grant. Don't be afraid!!

• RESEARCH AND RESOURCES

Foundation Center:
<https://www.foundationcenter.org/>

Regional foundation library (locations):
<http://www.foundationcenter.org/about-us/locations>

Federal grants:
<https://www.grants.gov/>

WealthEngine:
<https://www.wealthengine.com/#/login>

GuideStar:
www.guidestar.org

THANK YOU!