ELEMENTS OF SUCCESSFUL PHILANTHROPY
Building a Comprehensive and Sustainable Development Program

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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 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 Füger

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."

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 Mowlson, 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 Mowlson.

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 Corne” were sufficient to support the entire teaching staff of the college as well as a dozen students.

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.
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.

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.

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.”

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 good. 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.

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 Mowlson, Harvard
❖ 1644 College Corne, 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
- 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
Total Giving 1976 – 2016 (Billions)

[Graph showing total giving from 1976 to 2016 with different colors for inflation-adjusted dollars, current dollars, and inflation-adjusted dollars in recession.]

Individual giving as a percentage of disposable personal income, 1976–2016 (in current dollars)

[Graph showing individual giving as a percentage of disposable personal income from 1976 to 2016 with fluctuating percentages between 2.0% and 2.3%.]

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%

[Text box with bullet points listing the percentage changes in giving by sector from 2015 to 2016.]

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.

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

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.

¹Keep 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. *Fundraising or Fund Development – What’s the Difference?,* by Ron Strand

**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

**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

- 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
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

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

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

The Strategy

Understanding the “two-way symmetrical relationship model” *
- There should be a mutual understanding between donor and organization (through fundraiser)
- Donor shares 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 people connected to the organization and engaged in 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 Development Process

Identification

Qualification

Cultivation

Solicitation

Stewardship

THE DEVELOPMENT PROCESS

The Development Process – Identification

Referral

Special Events

Identification

List Sweep or Purchase

Data Mining

Self Identification
THE DEVELOPMENT PROCESS – QUALIFICATION

Peer Review

Direct Mail
Electronic Mail

Field Research or Personal Visits

Research

Qualification

THE DEVELOPMENT PROCESS – CULTIVATION

Cultivation:

Letters/Notes

Social Media

Affinity Groups

Special Events

Personal Visits

Newsletters

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!

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…
**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**
Stewardship: Personalize it!

Thank You Letter
Invitations
Written update on impact of gift
Phone call
Tax Receipts

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 hand written note. “Thanks!”
- Each letter is part of an ongoing conversation – so converse!
THE DEVELOPMENT PROCESS – BACK TO CULTIVATION

Cultivation:

- Personalize It!
- Letters/Notes
- Site Visits
- Newsletters
- Special Events
- Affinity Groups
- Social Media

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 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 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

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

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
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 than 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**
  - It’s 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**
  - It’s 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

Because you ASKED them to!

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

WORDS OF WISDOM

Who is most likely to give next?

- Client
- Volunteer
- Lapsed Donor
- Current Donor
- Corporation
- Wealthy Donor

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

Adapt your strategy based on the donor’s generation

- **Millennials**
  - 84% of Millennials give to charity, spending an average of $140 across 2.3 organizations

- **Gen X**
  - 59% of Gen Xers donate to charity, spending an average of $372 across 13 organizations

- **Boomers**
  - 72% of Boomers give to charity, spending an average of $12% across 4.7 organizations

Adapt your strategy based on the donor’s generation.

Generational Giving

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

The Annual Fund Program

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

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

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

Cultivating Relationships for Major Gift Fundraising

Source: www.Neoncrm.com

Source: The Next Generation of American Giving, published by Blackbaud
**INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING**

- **Percentage of Annual Fund Revenue**
  - Major gifts: 20%
  - Mid-sized gifts: 20%
  - Small Gifts: 60%

- **Percentage of Total Gifts**
  - Major gifts: 10%
  - Mid-sized gifts: 20%
  - Small Gifts: 70%

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- **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?

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- **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

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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, and always sets his house 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 5,000 sq. ft house appraised at $1.7 million, and owns a second home in Yale, 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’ INCLINATION 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

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

**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.

**CONTRACTS OR GRANTS – WHAT’S THE DIFFERENCE?**

**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)
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

Foundation Fundraising

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

GOVERNMENT GRANTORS

- 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.
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

Developing the “Ask”
Stories are to nonprofits what statistics are to corporations.

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

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.

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, if you do not act
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 to 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 your 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
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).

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

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?
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?

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 midstream, if necessary, to ensure the program's success.

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?

Grant Proposals How-To

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

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/

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**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:

- [Diagram showing cycle]

- [Table with details]

### Fall Cycle Foundation A:

- [Diagram showing cycle]

- [Table with details]

---

**GRANT PROPOSALS – TIMELINES**

### Example of a Prospect Timeline Worksheet

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Timeline</th>
<th>Status</th>
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<tbody>
<tr>
<td>John Doe</td>
<td>1-Jun</td>
<td></td>
</tr>
<tr>
<td>Cindy</td>
<td>15-Oct</td>
<td></td>
</tr>
<tr>
<td>Jane</td>
<td>10-Apr</td>
<td></td>
</tr>
<tr>
<td>Betty</td>
<td>1-May</td>
<td></td>
</tr>
</tbody>
</table>

---
Just like a recipe, carefully read the directions all the way through before beginning.

Then read them again.

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.

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

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

“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**

- **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)

**GRANT PROPOSALS – OUTLINE**

- 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 seeking your essays, I encourage you to think for yourselves while you express what I’d most agree with.*
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.

Use of Time Before Major Proposal
Deadline in 12 hours.

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

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

EDIT!

Many Times!
Many Eyes!

Get rid of:

- Negativity
- Fluff
- Acronyms
- Redundancy
- Jargon
- Errors
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?

Preparing the Budget

BUDGETS – THE MANTRA

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

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 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

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

---

**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

---

**Example – Five-Year Summary Budget**

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<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<td><strong>REVENUE</strong></td>
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<td>Membership/Contributions</td>
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</table>

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*Average value for volunteer hours.  If the volunteer is performing a specialized skill for the nonprofit, their value per hour may be higher.  Attorney = $80.23; CEO = $79.25;  Computer IT = $55.40;  PR/ Fundraising Manager = $60.98;  Financial = $49.96;  Architectural/Engineering = $67.34

[www.independentsector.org](http://www.independentsector.org)
### Example – Five-Year Strategic Plan Budget

<table>
<thead>
<tr>
<th>Goals</th>
<th>Consolation</th>
<th>Outreach</th>
<th>Development</th>
<th>Administration</th>
<th>Stewardship</th>
<th>Gifts</th>
<th>Total</th>
<th>TOTAL EXPENSES</th>
<th>TOTAL REVENUE</th>
<th>TOTAL REVENUE - EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2001</td>
<td>2002</td>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Memberships/Contributions</td>
<td>$127,200</td>
<td>$130,950</td>
<td>$133,763</td>
<td>$135,872</td>
<td>$144,954</td>
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<tr>
<td>Major Donors</td>
<td>105,000</td>
<td>80,000</td>
<td>40,000</td>
<td>30,000</td>
<td>50,000</td>
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<tr>
<td>Workplace Giving</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Grants</td>
<td>138,500</td>
<td>170,000</td>
<td>170,000</td>
<td>170,000</td>
<td>170,000</td>
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<tr>
<td>Other Income</td>
<td>90,508</td>
<td>90,049</td>
<td>73,040</td>
<td>72,661</td>
<td>72,608</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$464,208</strong></td>
<td><strong>$470,999</strong></td>
<td><strong>$416,803</strong></td>
<td><strong>$408,533</strong></td>
<td><strong>$437,561</strong></td>
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<tr>
<td>Goals</td>
<td>Conservation</td>
<td>Outreach</td>
<td>Development</td>
<td>Administration</td>
<td>Stewardship</td>
<td>Gifts</td>
<td>Total</td>
<td>TOTAL EXPENSES</td>
<td>TOTAL REVENUE</td>
<td>TOTAL REVENUE - EXPENSES</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Taxes, and Benefits</td>
<td>$115,774</td>
<td>$123,707</td>
<td>$68,480</td>
<td>$20,874</td>
<td>$328,834</td>
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<tr>
<td>Professional Services</td>
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<td>Telephone</td>
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<td>501</td>
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<td>2,400</td>
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<td>Occupancy</td>
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<td>2,626</td>
<td>1,815</td>
<td>635</td>
<td>7,300</td>
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<tr>
<td>Equipment</td>
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<td>1,516</td>
<td>839</td>
<td>245</td>
<td>4,020</td>
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<tr>
<td>General / Misc.</td>
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<td>1,890</td>
<td>975</td>
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<tr>
<td>Postage</td>
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<td>566</td>
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<tr>
<td>Project Expenses</td>
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<td>226</td>
<td>9,575</td>
<td>137</td>
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<td>10,150</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$127,294</strong></td>
<td><strong>$132,194</strong></td>
<td><strong>$99,183</strong></td>
<td><strong>$24,678</strong></td>
<td><strong>$1,500</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>$2,000</strong></td>
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<tr>
<td><strong>TOTAL REVENUES - EXPENSES</strong></td>
<td><strong>$96,366</strong></td>
<td><strong>$65,595</strong></td>
<td><strong>$35,769</strong></td>
<td><strong>$35,500</strong></td>
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<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>$77,359</strong></td>
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</tr>
</tbody>
</table>
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

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

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!

BUDGET MANAGEMENT

- RESEARCH AND RESOURCES
  Foundation Center: https://fconline.foundationcenter.org/
  Regional foundation library (locations): http://foundationcenter.org/about-us/locations
  Federal grants: https://www.grants.gov/
  WealthEngine: https://wp.wealthengine.com/#/login
  GuideStar: www.guidestar.org
THANK YOU!