

FUND DEVELOPMENT AND SUCCESSFUL STORYTELLING

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AGENDA – Wednesday, January 29th, 2020

9:00 am – 10:20 am

- ∞ Introductions
- ∞ Resources Review
- ∞ The Story of Philanthropy – Beginnings and Trends Today
- ∞ The “Why” and “How” of Fundraising
- ∞ The Development Process

10:20 am Break

10:30 – 12 noon

- ∞ Storytelling
- ∞ Developing your Story – in words, numbers and impact

12 Noon Lunch

12:30 – 2:00 pm

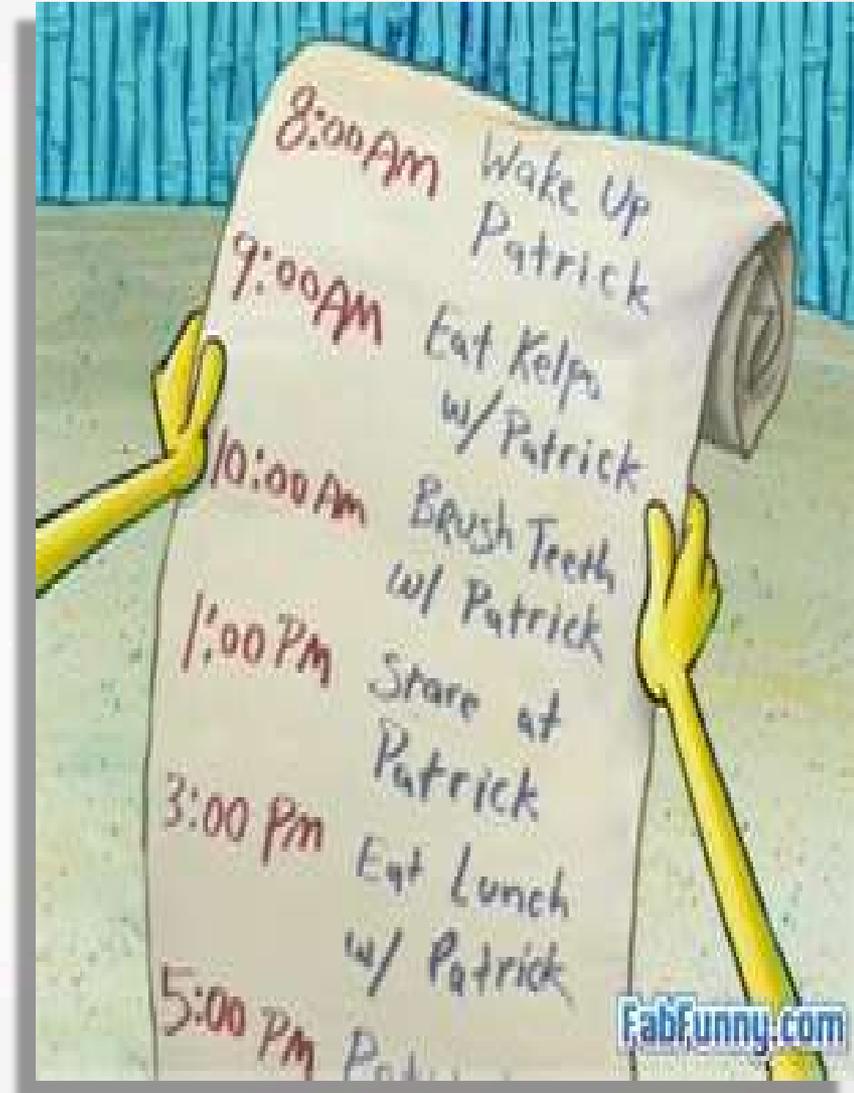
- ∞ Understanding grants
- ∞ Corporate Partnerships vs. Sponsorships

2:00 pm Break

2:10 pm – 4:00 pm

- ∞ Individual Giving
- ∞ Capital Campaigns

4:00 pm Adjourn



INTRODUCTIONS

Why do you care?

Pick a partner that you don't know, and take 2-3 minutes each to ask the following questions about each other:

- ☞ *Name and title/board role*
- ☞ *What is your dream job?*
- ☞ *Why are you here today?*
- ☞ *Why do you care about your organization's mission?
(One statement about why you think your job is important or interesting).*

Now introduce your partner to the group.

RESOURCES YOU WILL TAKE AWAY

Binder Review



The Story of Philanthropy
Beginnings
and
Trends Today



PHILANTHROPY

“*Philanthropia*” was coined in ancient Greece by Aeschylus, the playwright of Prometheus Bound.

Philo: “loving” as in “caring for”
Anthropos: mankind/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



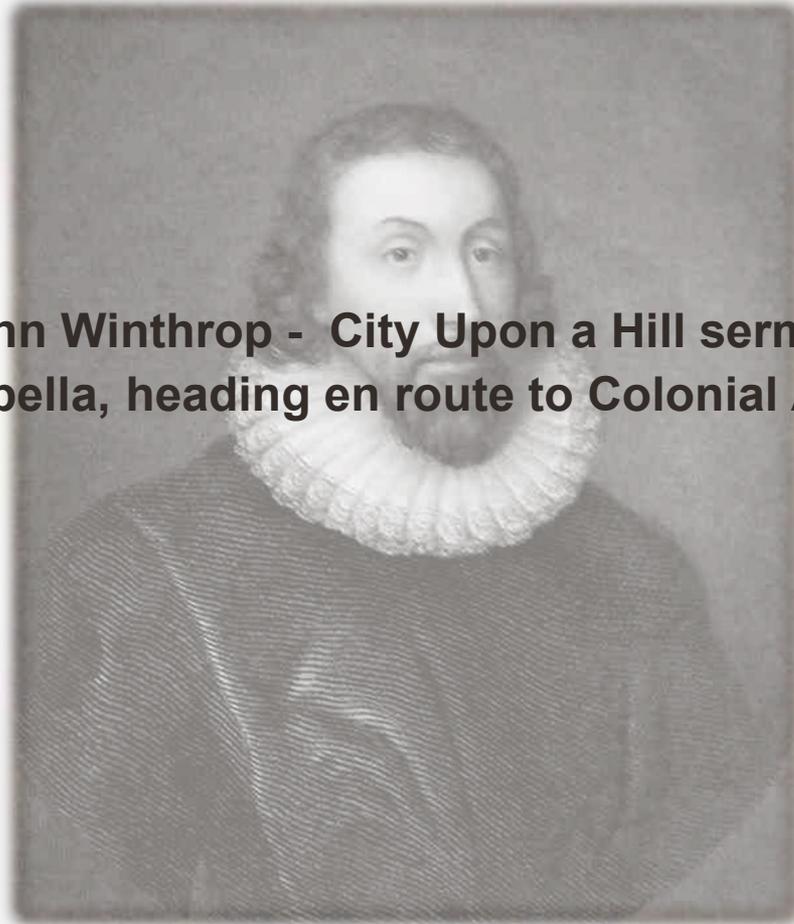
DEVELOPMENT & FUNDRAISING – THE “WHY” & THE “HOW”

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 IN AMERICA

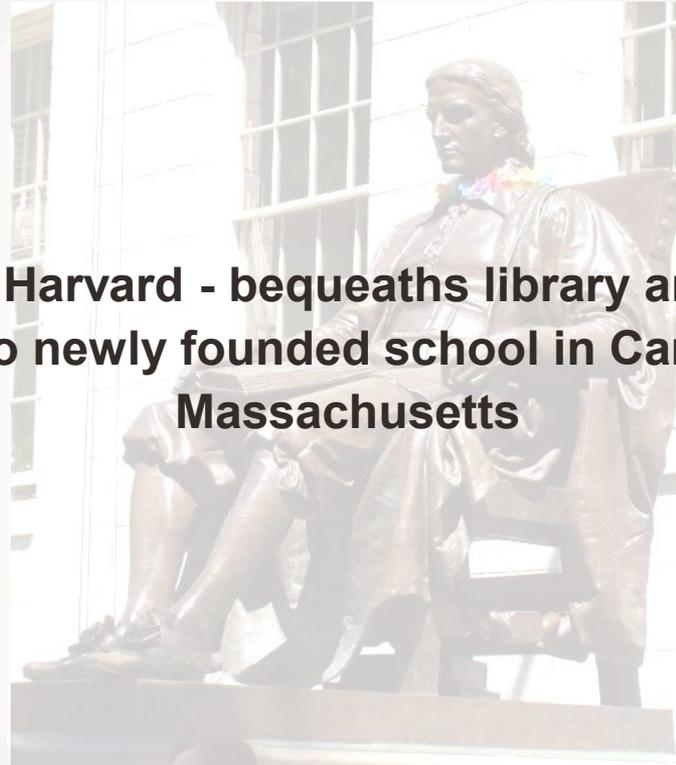


1630: John Winthrop - City Upon a Hill sermon aboard the Arbella, heading en route to Colonial America



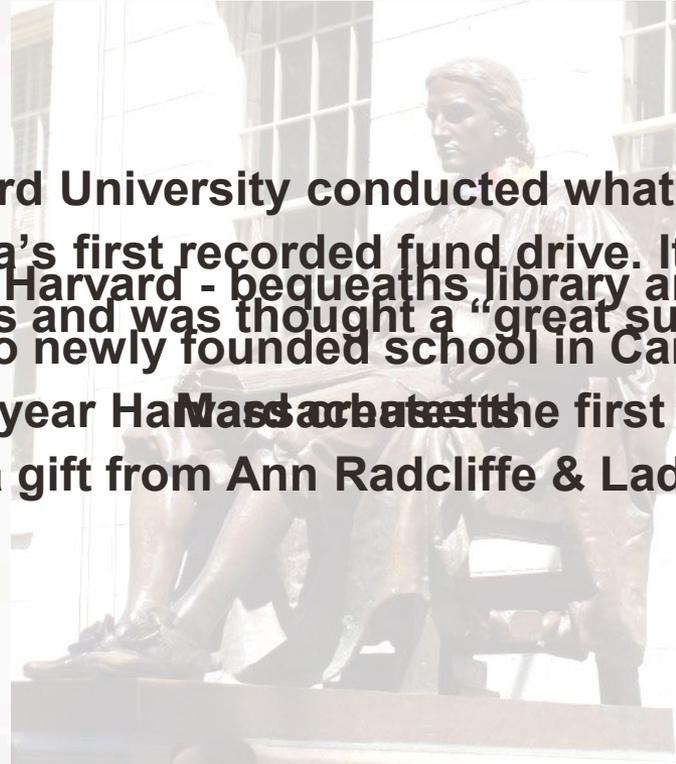
PHILANTHROPY IN AMERICA

1630: John Harvard - bequeaths library and half of his estate to newly founded school in Cambridge, Massachusetts





PHILANTHROPY IN AMERICA



1643 – Harvard University conducted what is believed to be America’s first recorded fund drive. It raised 500 pounds and was thought a “great success.”

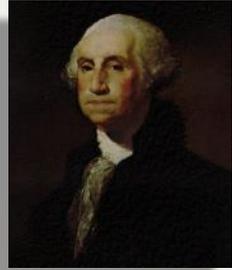
1630: John Harvard - bequeaths library and half of his estate to newly founded school in Cambridge, Massachusetts.

That same year Harvard creates the first scholarship fund with a gift from Ann Radcliffe & Lady Mowlson.



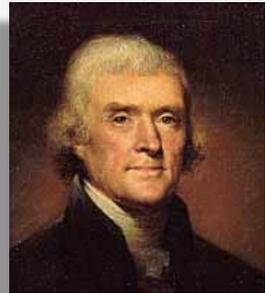
PHILANTHROPY IN AMERICA

George Washington's Endowment, 1796 – Liberty Hall Academy receives its first major endowment - \$20,000 worth of stock.



Benjamin Franklin's Bequest, 1789 – £1000 (about \$4,400 at the time) donated to endow funds in Boston and Philadelphia.

Thomas Jefferson's Legacy – Re-established the Library of Congress, 1814; founded the University of Virginia, in 1819, at the age of 76.



Paul Newman & Newman's Own – 100% of profits from Newman's Own to charity; Newman's Own Foundation – 35 years of giving, \$530 million in donations.

Ima Hogg – The Bayou Bend House Museum (American decorative arts); the Varner Hogg Plantation (donated to the state of Texas in 1958)



PHILANTHROPIC TRENDS

Donor types include:

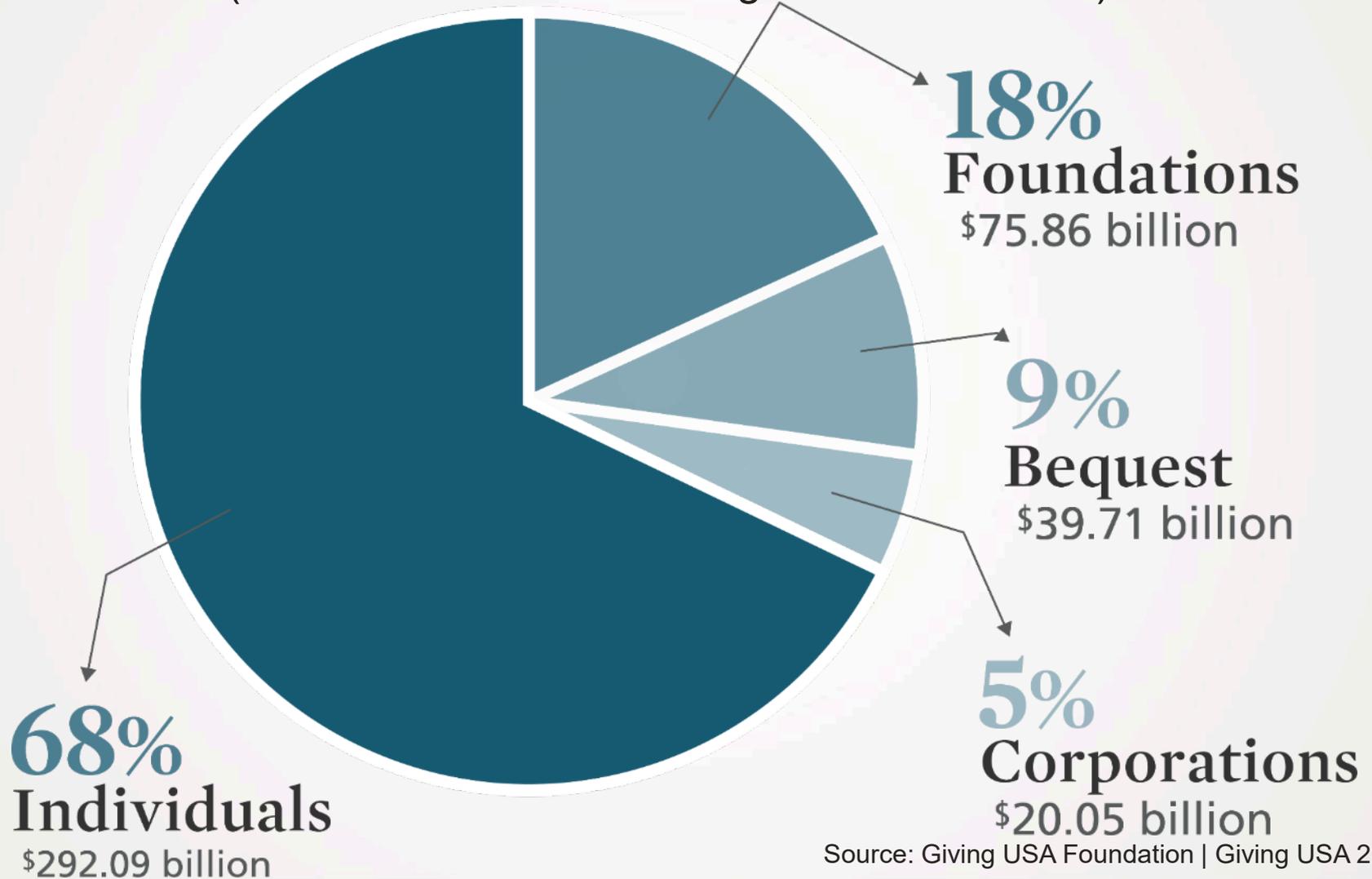
- ❖ **Individuals,**
- ❖ **Bequests,**
- ❖ **Corporations,**
- ❖ **Foundations.**

Which of these do you think donates the most annually?



PHILANTHROPY TODAY – TRENDS

2018 contributions: **\$427.71 billion** by source
(in billions of dollars – all figures are rounded)



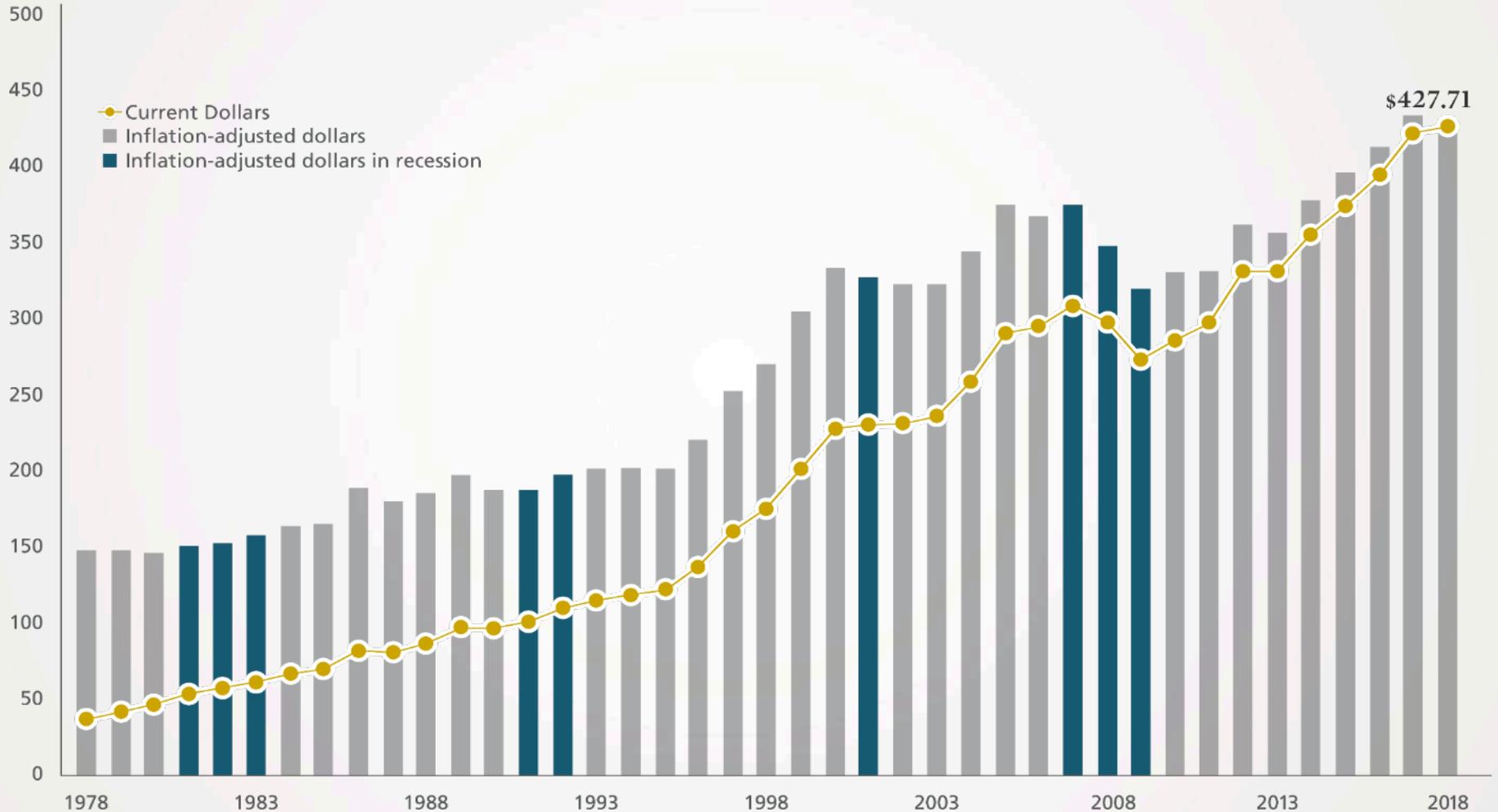
Source: Giving USA Foundation | Giving USA 2019



PHILANTHROPY TODAY



Total Giving 1978 – 2018 (in billions of dollars)



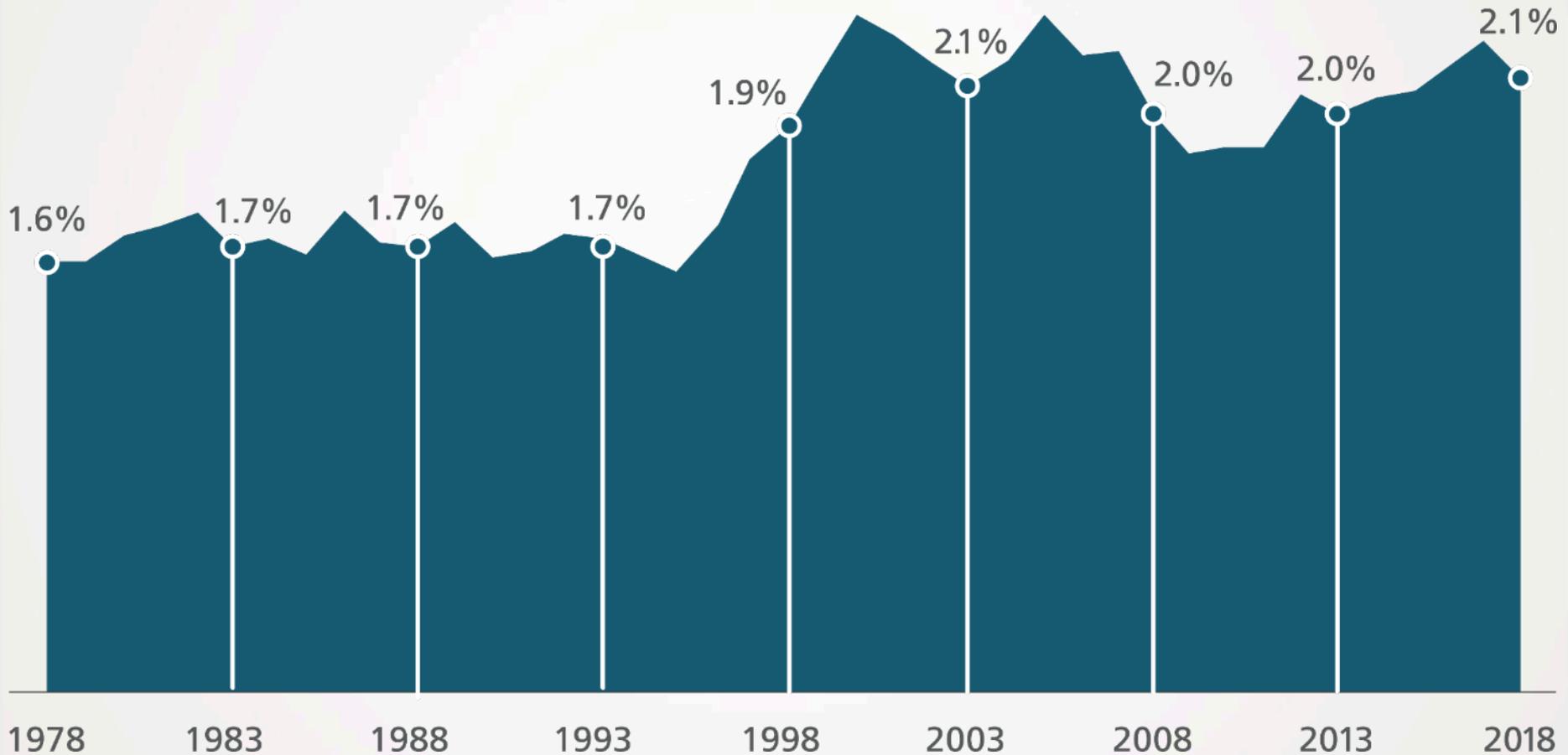
Source: Giving USA Foundation | Giving USA 2019



PHILANTHROPY TODAY



TOTAL giving as a percentage of Gross Domestic Product,
1978–2018 (in current dollars)

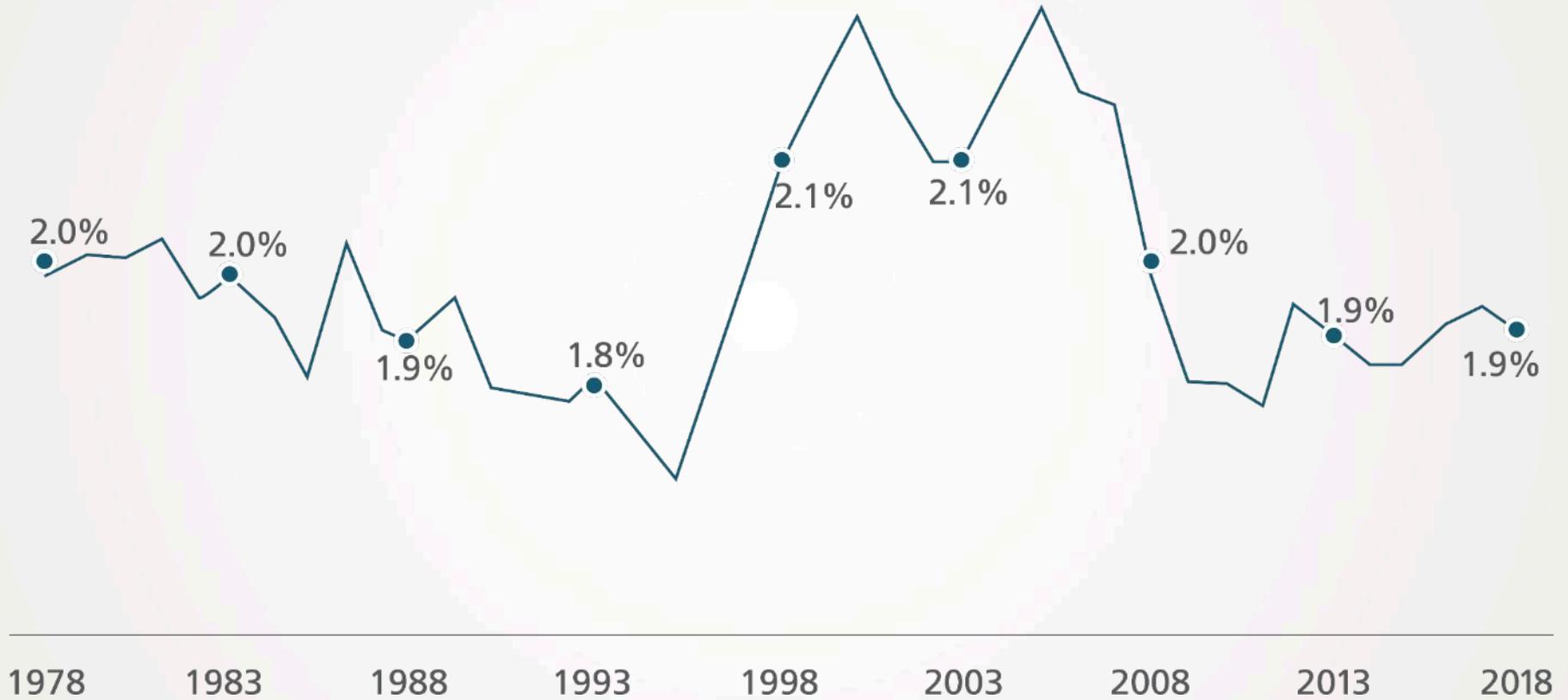


Source: Giving USA Foundation | Giving USA 2019



PHILANTHROPY TODAY

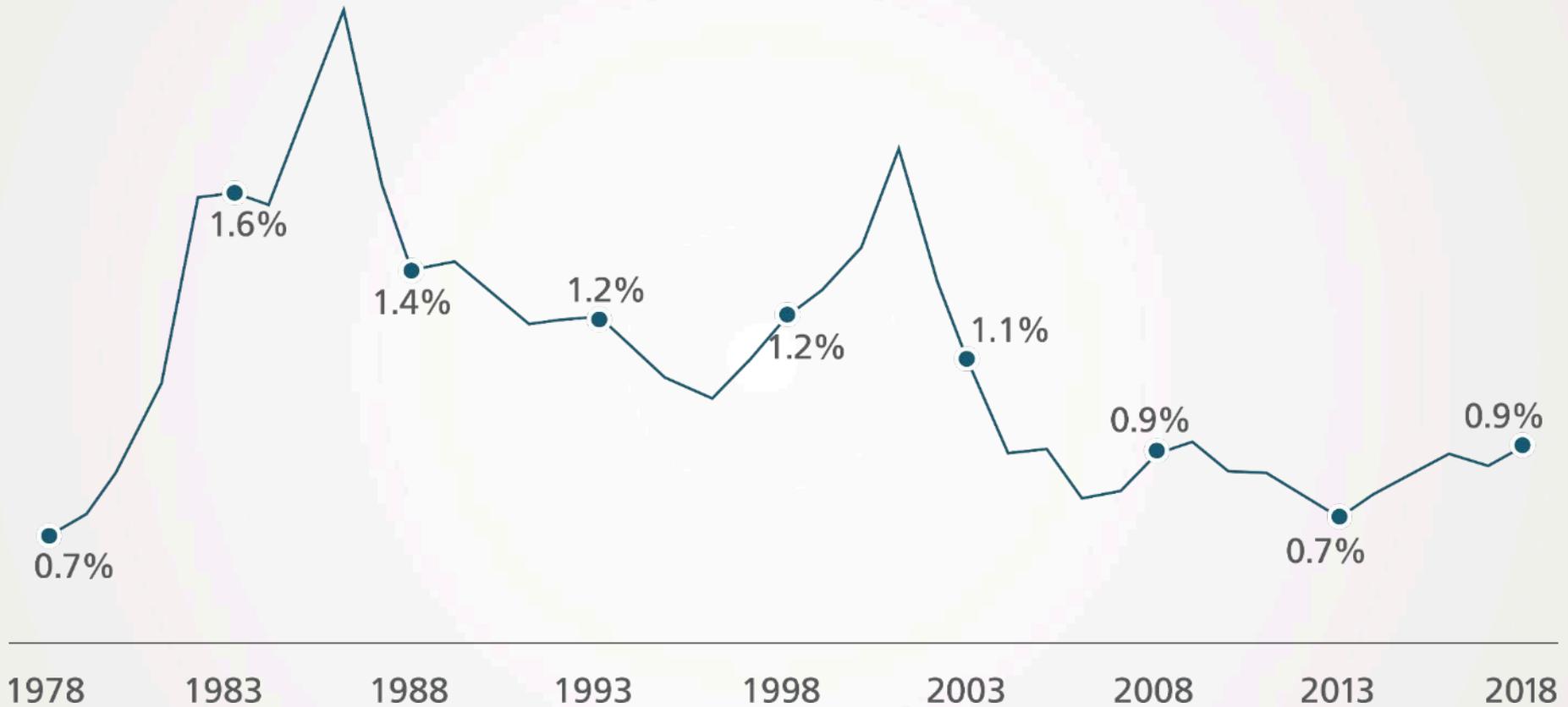
INDIVIDUAL giving as a percentage of disposable personal income, 1978–2018 (in current dollars)





PHILANTHROPY TODAY

CORPORATE giving as a percentage of pre-tax profits,
1978–2018 (in current dollars)



PHILANTHROPIC TRENDS

In the following pie chart, sectors/recipients are categorized as:

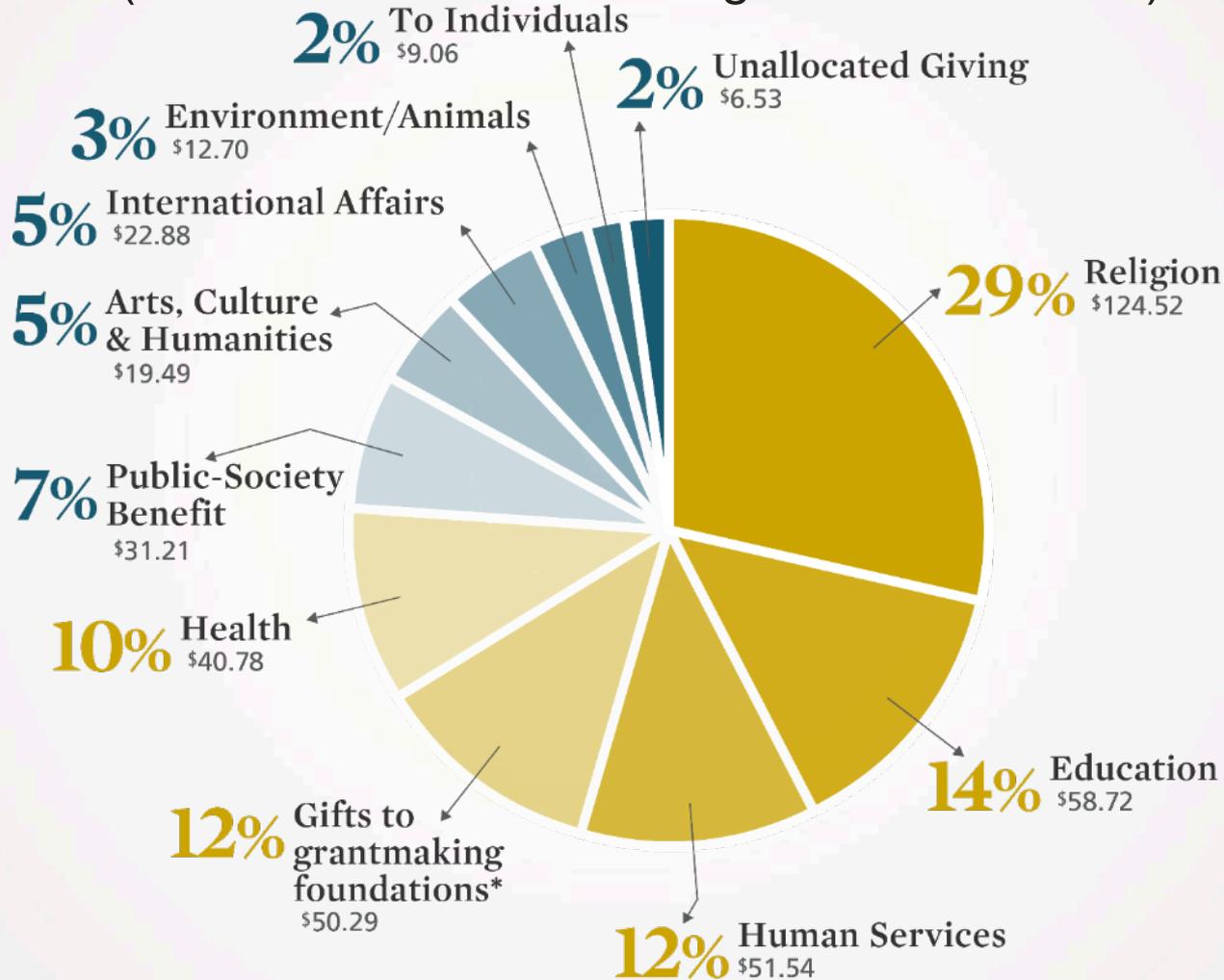
- Religion
- Education
- Human services
- Animal welfare
- Gifts to grantmaking Foundations
- Health
- Public society benefit
- Arts/culture and humanities
- International affairs
- Environment/animals
- Individuals

What sector gets the largest share of contributions?



PHILANTHROPY TODAY - TRENDS

2018 Contributions: **\$427.71 billion** by Type of Recipient
(in billions of dollars – all figures are rounded)





From 2017 to 2018:

- ❖ Total Giving **up 4.3%**, from \$410.02 billion to \$427.71 billion
 - ❖ Religion **down 1.5%**, to \$124.52 billion
 - ❖ Education **down 1.3%**, to \$58.72 billion
- ❖ Human Services **same as last year (-0.3%)**, to \$51.54 billion
 - ❖ Foundation **down 6.9%**, to \$50.29 billion
- ❖ Health Organizations **same as last year (-0.1%)**, to \$40.78 billion
- ❖ Public-Society Benefit Organizations **down 3.7%**, to \$31.21 billion
- ❖ **Arts, Culture & Humanities same as last year (+0.3%), to \$19.49 billion**
 - ❖ International Affairs **up 9.6%**, to \$22.88 billion
- ❖ Environment and Animal Organizations **up 3.6%**, to \$12.70 billion
 - ❖ Individuals **up 15.1%**, to \$9.06 billion



Development & Fundraising: *The “Why” and the “How”*



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



DEVELOPMENT & FUNDRAISING – THE “WHY” & THE “HOW”

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 sort².

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

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**).



DEVELOPMENT & FUNDRAISING – THE “WHY” & 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





The Fundamentals and Key Principles of Development & Fundraising



THE FUNDAMENTALS & KEY PRINCIPLES

SOURCES OF FUNDING FOR NONPROFITS

❖ Earned Income

- Sales of products
- Services for a fee
- Special events

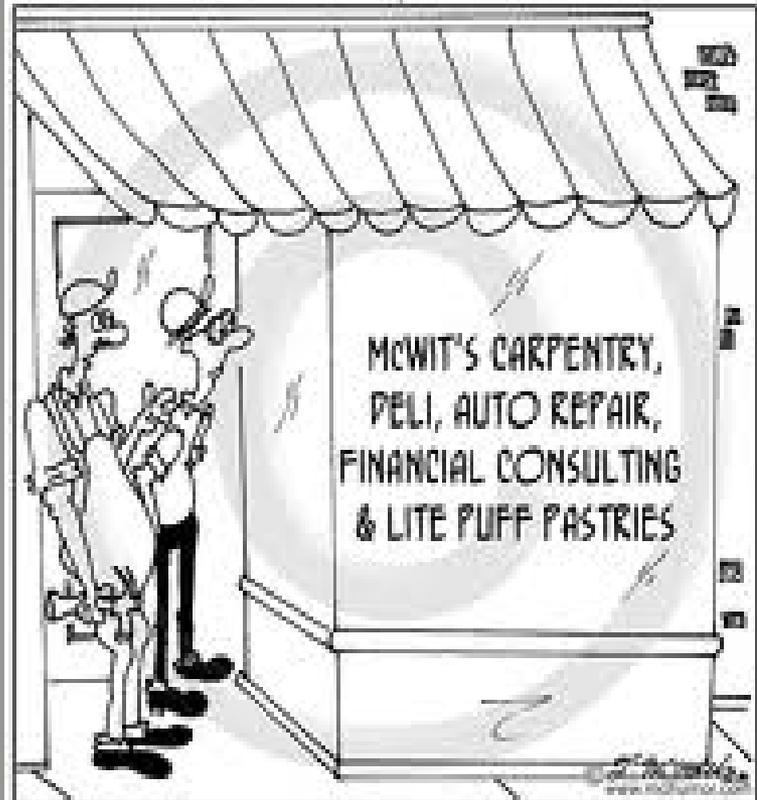
❖ Philanthropy/Fundraised Income

- Individuals
- Foundations
- Corporations
- Government
- Organizations

❖ Investment Income

- Interest
- Equities/Bonds/Real Estate

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"The only way to survive these days is to diversify."

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THE FUNDAMENTALS & KEY PRINCIPLES

People

Fundraising is all about people and building relationships



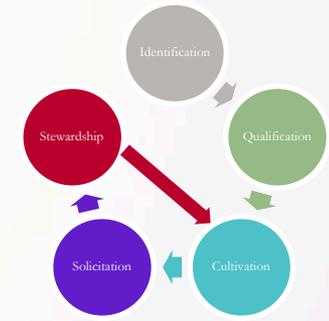
Participation

Involving and engaging potential supporters in your mission



Process

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



Plan

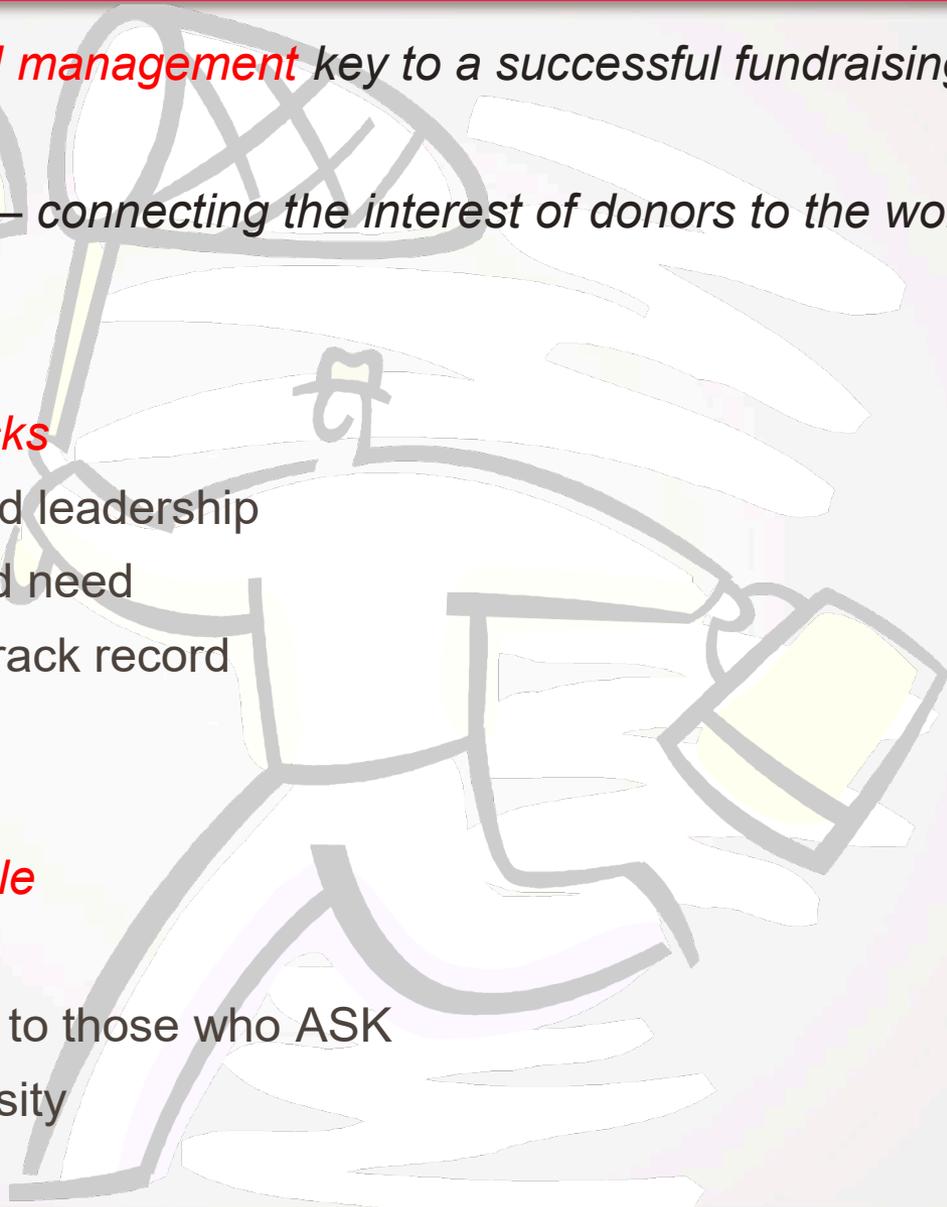
Your organization needs a good fundraising plan in place in order to succeed





THE FUNDAMENTALS & KEY PRINCIPLES

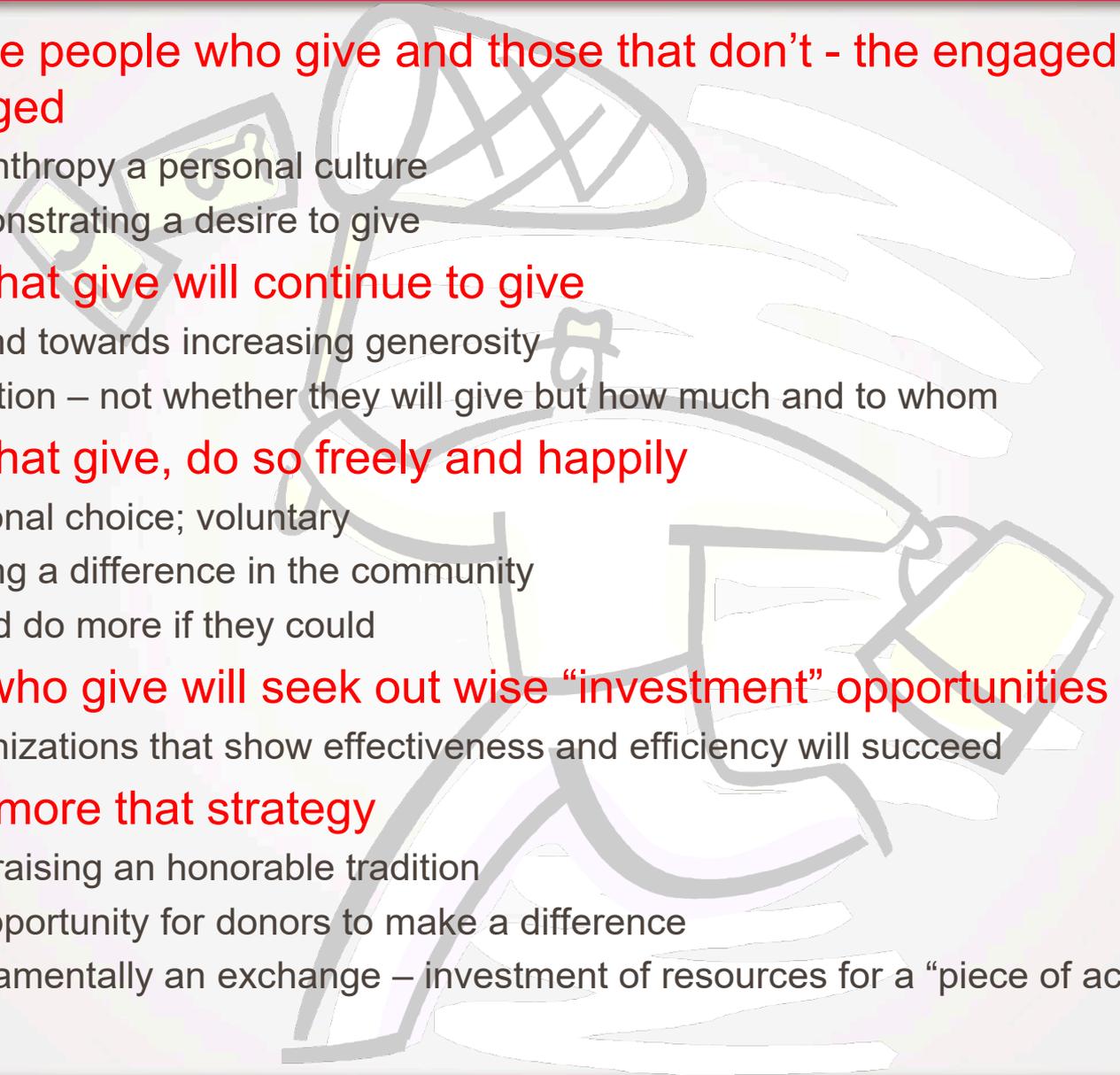
- ❖ *Good organizational management* key to a successful fundraising program
- ❖ *Relationship based* – connecting the interest of donors to the work of the organization
- ❖ *Critical building blocks*
 - Commitment and leadership
 - A clearly defined need
 - Credibility and track record
 - Constituency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





THE FUNDAMENTALS & 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 give 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”





THE FUNDAMENTALS & KEY PRINCIPLES

- ❖ In order to build a strong development program, an organization needs:
 - A well thought-through **strategy**
 - *What is your vision and mission*
 - *What are your long term funding needs*
 - *What are the immediate funding needs*
 - **Capacity to implement** the strategy
 - *Leadership*
 - *Infrastructure*
 - *Funding Sources*
 - **A strong story to tell**
 - *Case in words*
 - *Case in numbers*
 - *Case in impact*
-



Building Capacity



BUILDING CAPACITY - A STRONG DEVELOPMENT PROGRAM

Capacity

A 3-year development plan will identify resource needs in:

❖ Leadership

- Building strong management and governance; Board
- Clarify expectations of board/leadership's role in fundraising
- Staff vs. Board – clarify roles in fundraising

❖ Infrastructure – Putting Systems and Human Resources in place

- Human Resource needs – What level of staffing do you need?
- Identify infrastructure requirements – IT, Databases, accounting
- Guidelines for donor management

❖ Sources

- Prospects – Donors, grants, sponsorships



BUILDING CAPACITY – LEADERSHIP



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



BUILDING CAPACITY – LEADERSHIP

At the Board Level

- ❖ Every Board member has a role to play
- ❖ Recruit a **development chair** from the board
- ❖ Assign a **committee** to assist the chair in managing the process





BUILDING CAPACITY – LEADERSHIP

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.





BUILDING CAPACITY – INFRASTRUCTURE



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Infrastructure Needs

❖ Human Resources

- Hire a **development officer** OR
- Hire a **development coordinator** OR
- Hire **administrative staff**
- AND/OR (if you don't have staff)
- Hire a **development consultant** to manage the process OR
- Assign a **Board Fund Development Committee** to lead development efforts

❖ Information technology

- Database – what should you use
- Accounting systems
- Research resources



BUILDING CAPACITY – SOURCES

The Types of Sources

❖ Individuals

- Few or no formal guidelines
- No unsolicited proposals
- Less formal proposal (if at all)

❖ Institutional donors

➤ Government

- Formal guidelines, deadlines
- May not be as personal

➤ Corporations

- Strategic – marketing/community relations-based proposal
- Local gift vs. corporate foundation

➤ Foundations

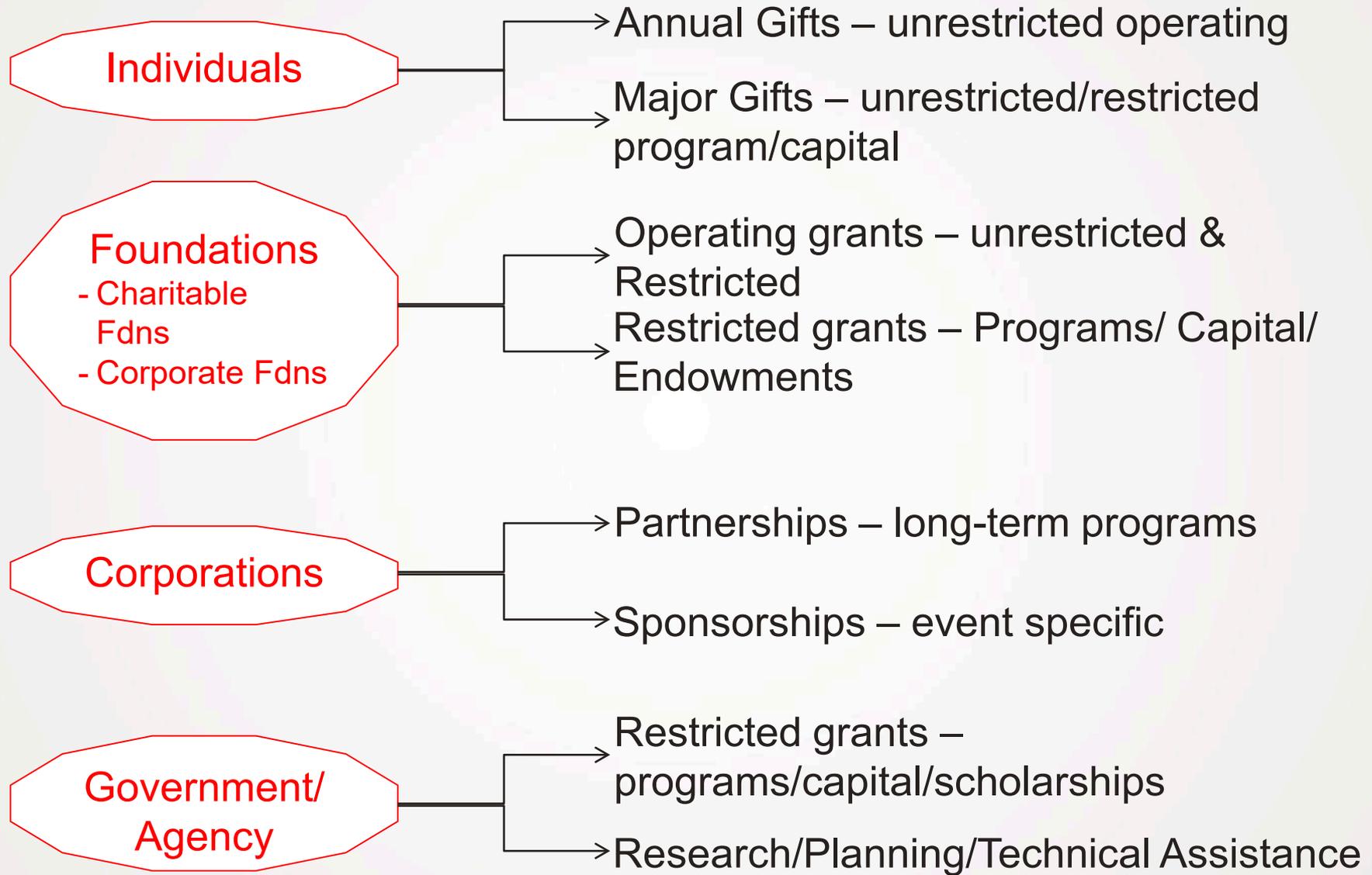
- Formal guidelines, deadlines
- Accessible grants administrators

❖ All of these may inter-relate – know your donor



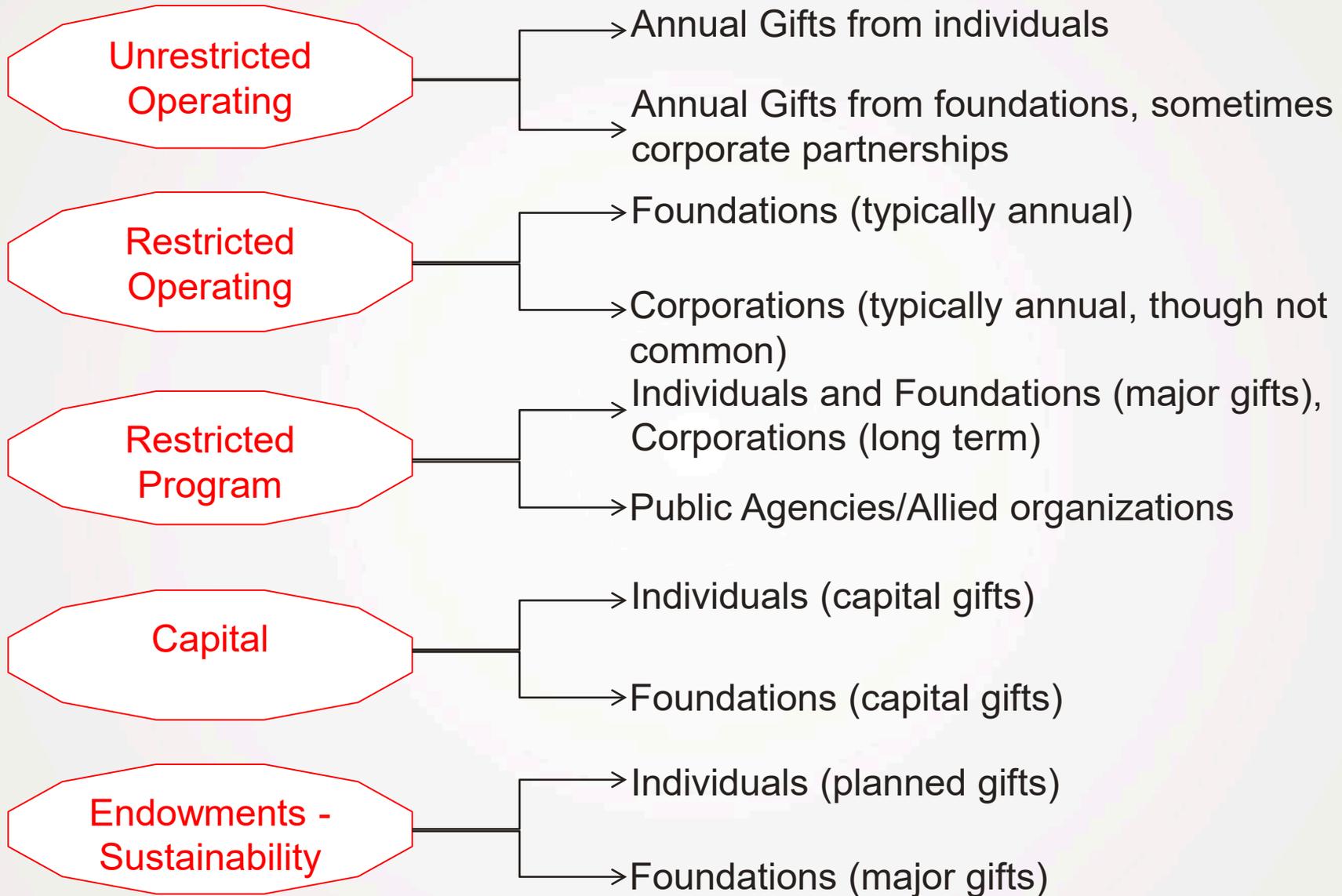


BUILDING CAPACITY – SOURCES





BUILDING CAPACITY – SOURCES





The Development Process





Development Vs. Fundraising

What's in a word? A lot, actually!!

A “fundraiser” is one who solicits contributions or pledges

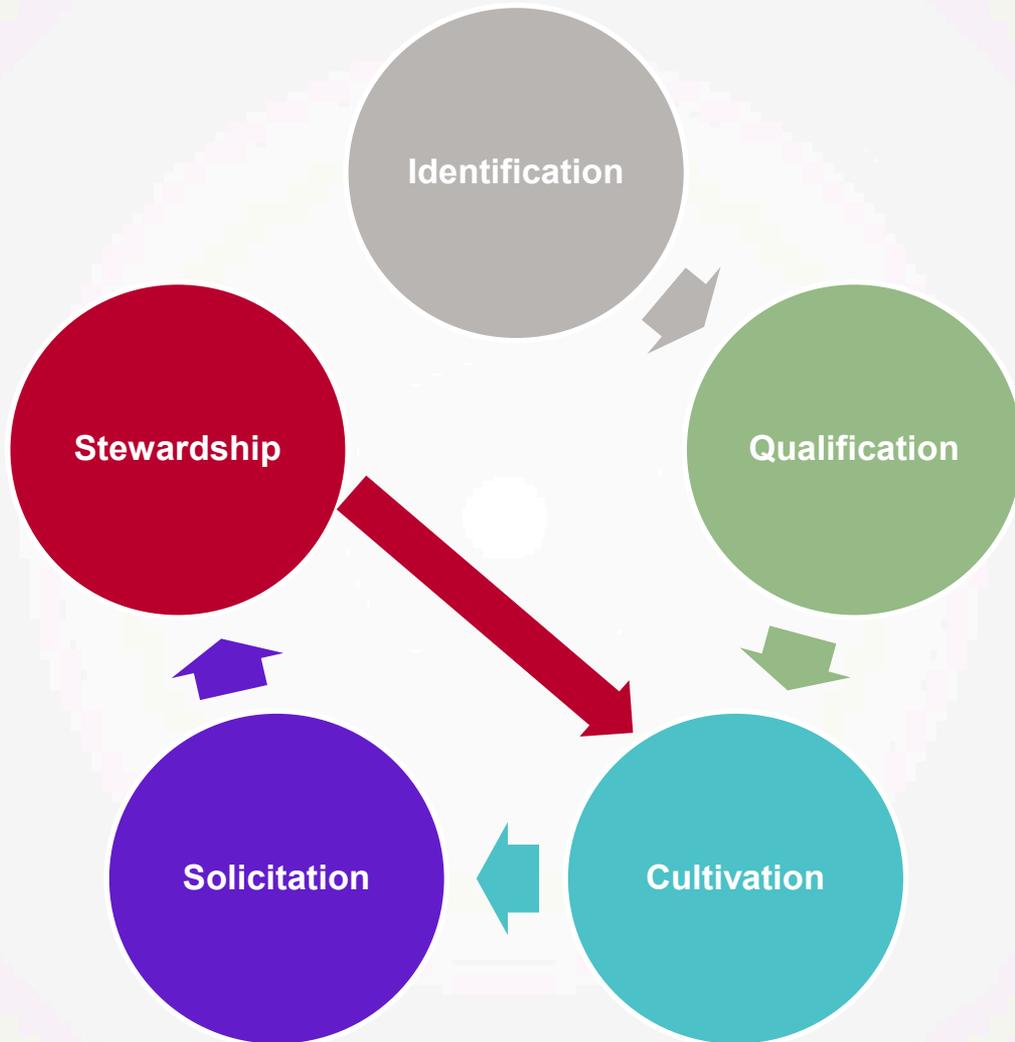
‘Development,’ on the other hand, encourages us to think about our work in ‘relational’ terms—the building, over time, of a continuous, powerful and life-long connection between a donor / philanthropist and the organization or cause we represent. When we approach our work as ‘development,’ the process includes extended cultivation, thorough education, and attentive stewardship — as well as appropriate solicitation!



**Whichever your donor type,
and what ever your funding
needs, the development
process is the same for all.**



THE DEVELOPMENT PROCESS





THE DEVELOPMENT PROCESS – IDENTIFICATION





THE DEVELOPMENT PROCESS – QUALIFICATION





THE DEVELOPMENT PROCESS – CULTIVATION





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!

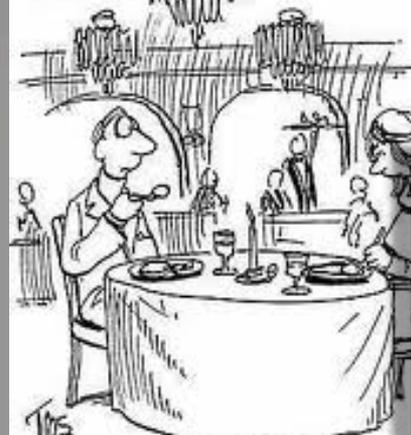
First "Date"

- ❖ 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...

Second "Date"

- ❖ Create shared experiences between the donor and your nonprofit
 - ❖ Communicate with your donor
 - ❖ Understand each other's needs
- ❖ Involve donors in decision making process
 - ❖ Ask their opinion or seek feedback

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NOISE TO SIGNAL
Rob Cottingham



EN ON THIS DATE FOR TWENTY
SN'T IT A LITTLE SOON TO TELL
ME YOU LOVE ME?"

I'm so glad you agreed to meet in person. There are some things that just can't be said in 140 characters.



THE DEVELOPMENT PROCESS – CULTIVATION



Make your contacts meaningful

❖ Communicate

- Thank you letters, phone calls, holiday cards, annual report, email updates, newsletter, website, social media...be thoughtful

❖ Provide Substance

- Impact made; Accomplishments; Challenges your organization faces; Appreciation for their support

❖ Engage

- Invite your donors to participate



Remember.....

- ❖ **Amount of time** spent with donor is in direct correlation to the **size of the gift** you intend to solicit.
- ❖ To make each donor feel **special and important to your organization** 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





THE DEVELOPMENT PROCESS – BACK TO CULTIVATION





THE DEVELOPMENT PROCESS

The Process

❖ Preparing

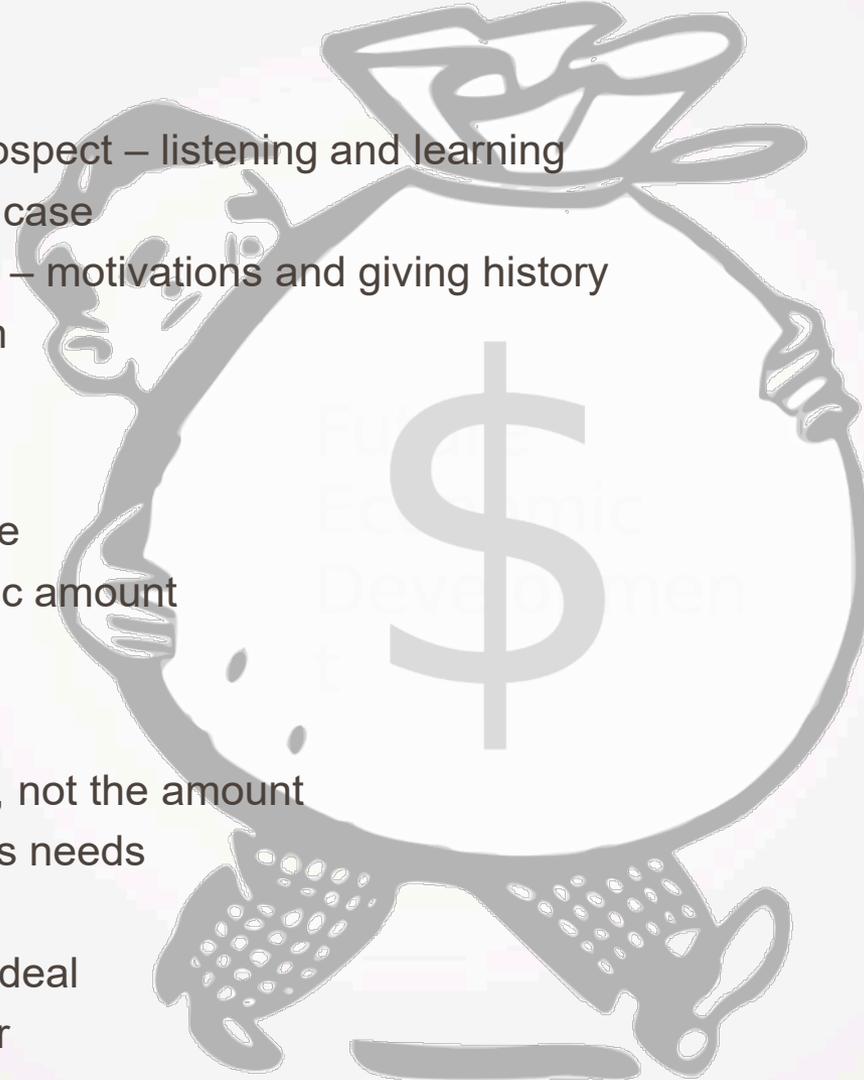
- Cultivate the prospect – listening and learning
- Understand the case
- Know the donor – motivations and giving history
- Know your team

❖ 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



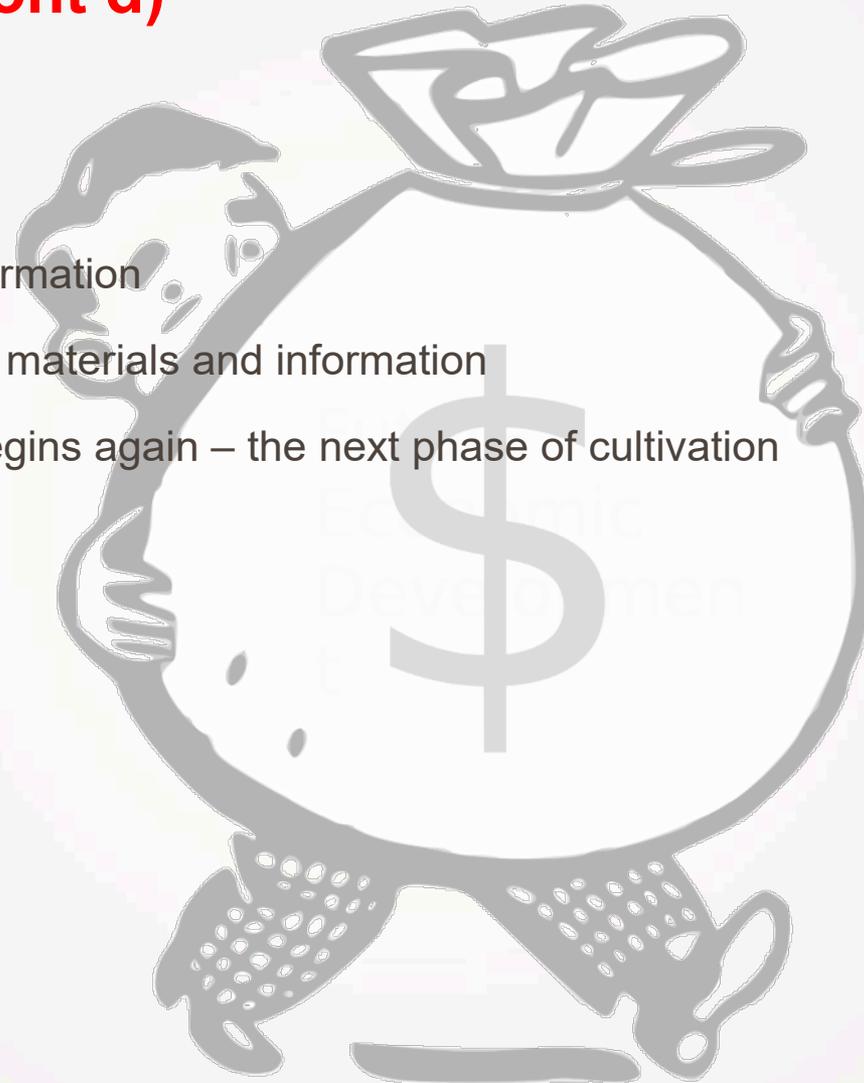


THE DEVELOPMENT PROCESS

The Process (cont'd)

❖ Following up

- Thank again
- Capture key information
- Send necessary materials and information
- And the cycle begins again – the next phase of cultivation



Break – 10 Minutes





STORYTELLING



Stories
are to
nonprofits
what
statistics
are to
corporations.



STORYTELLING – BUILDING A STRONG CASE

To be effective as a fundraiser, 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

To be effective as a fundraiser, you need to be able to be a great storyteller



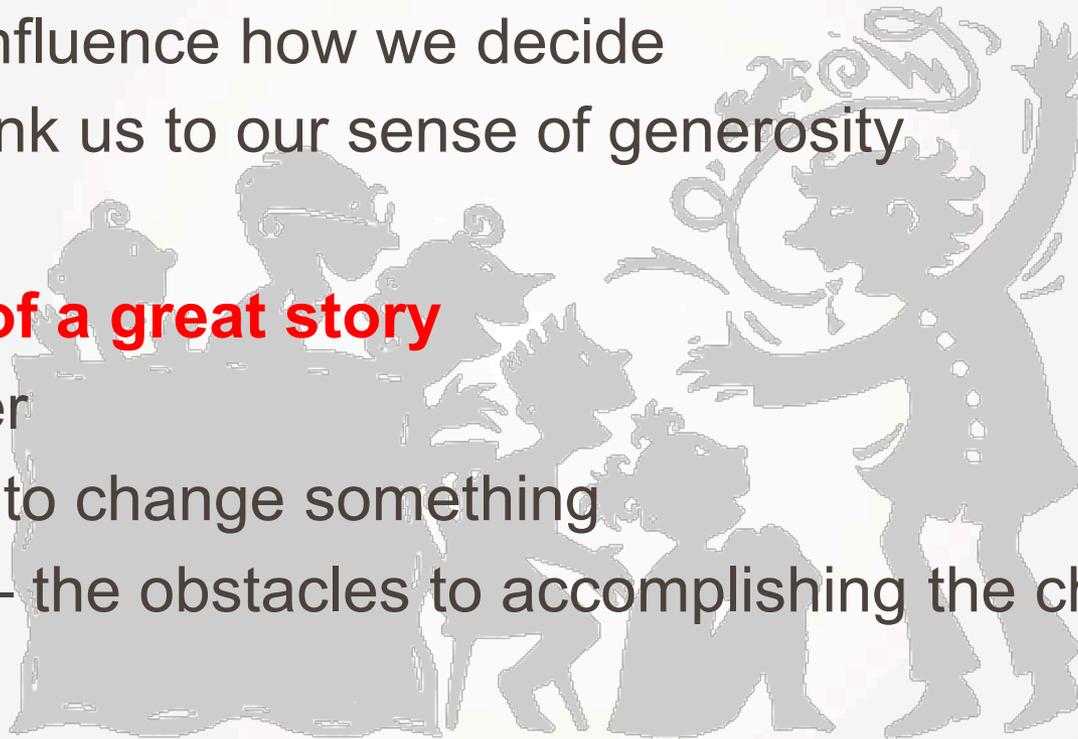
STORYTELLING – BUILDING A STRONG CASE

What makes narrative so powerful?

- Stories help us remember
- Stories influence how we decide
- Stories link us to our sense of generosity

Elements of a great story

- Character
- Desire – to change something
- Conflict – the obstacles to accomplishing the change

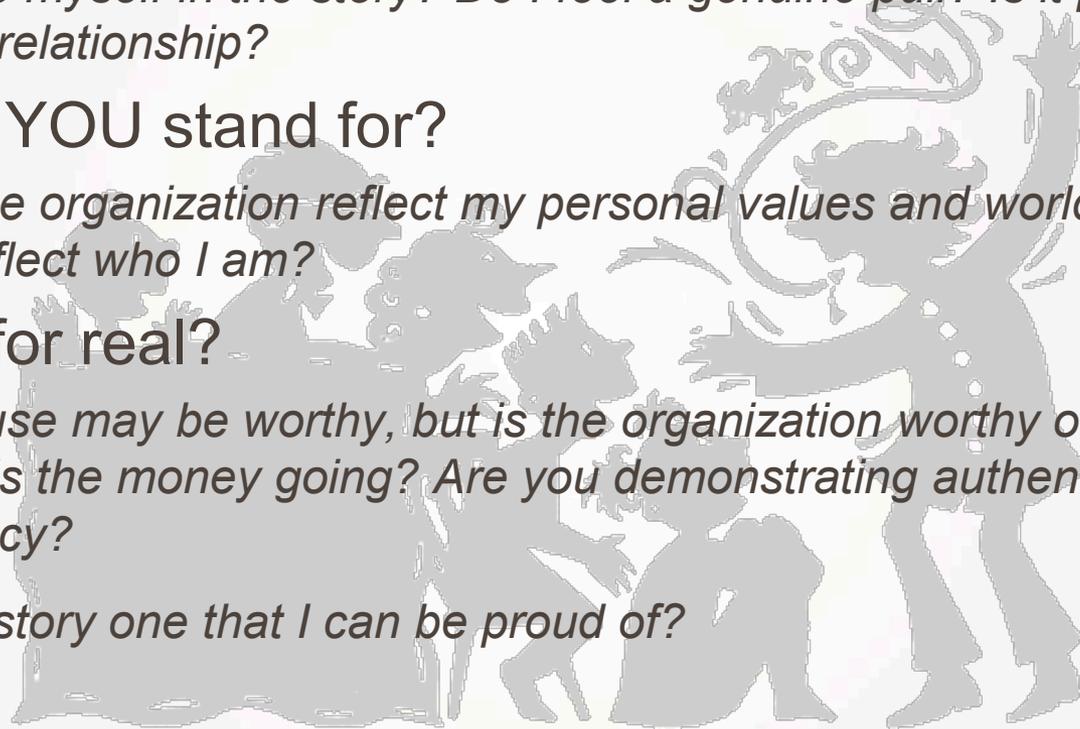




STORYTELLING – BUILDING A STRONG CASE

In developing and telling your story, think as the donor

- Do I belong here?
 - *Do I see myself in the story? Do I feel a genuine pull? Is it personal? Is there a relationship?*
- What do YOU stand for?
 - *Does the organization reflect my personal values and worldview? Does its work reflect who I am?*
- Are you for real?
 - *The cause may be worthy, but is the organization worthy of contribution? Where is the money going? Are you demonstrating authenticity and legitimacy?*
 - *Is your story one that I can be proud of?*





STORYTELLING – BUILDING A STRONG CASE

Developing a good story

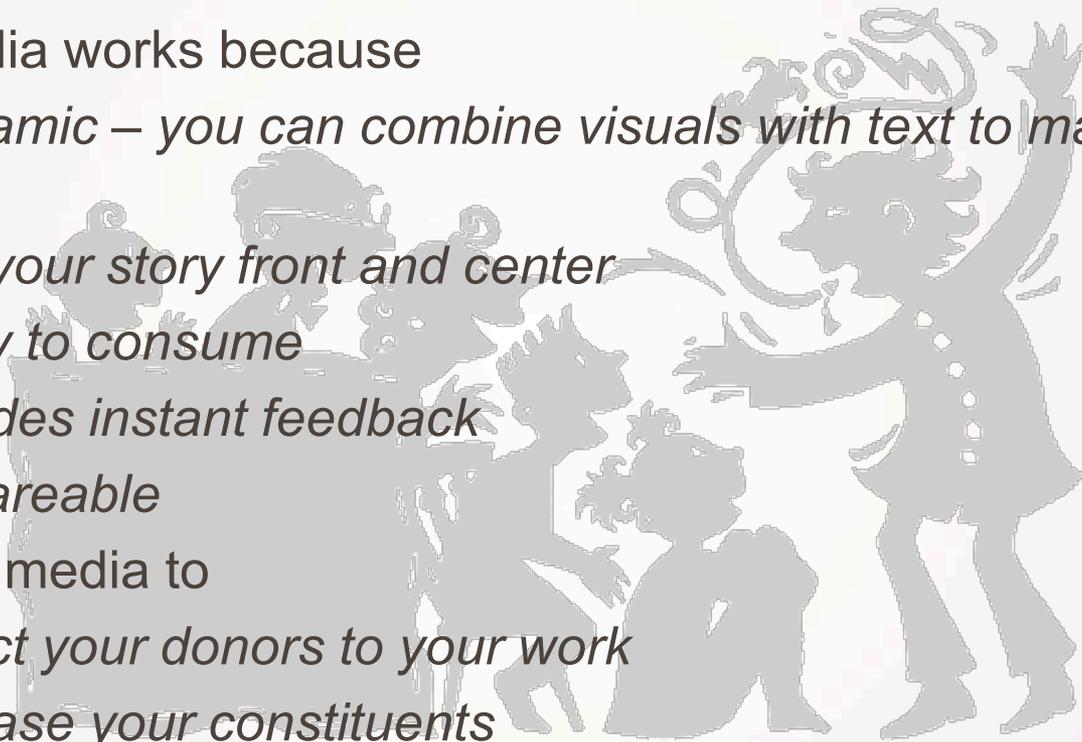
- Gather your information from people your organization has helped
- Storytelling is a craft – practice and perfect
- Giving is mostly emotional and sometimes irrational; Do not be afraid of emotion in your storytelling
- The hero of the story is the person who benefits from your organization's work, and not the organization itself
- Focus on your central narrative – do not overdo the stories
- Create a sense of urgency – set a goal and a deadline; make it close; create scarcity, an opportunity that is running out; be specific – make your call to action clear, quick and easy
- USE VISUALS – humans are visual first; good visuals make people feel first and think second; visuals are most effective in evoking emotion and getting people to take action – use them intentionally and strategically
- Listen to your donors' stories – they will tell you about their priorities and how to position your ask; listen to their stories before telling your own



STORYTELLING – BUILDING A STRONG CASE

Storytelling on Social Media

- Pair your storytelling with social media to engage supporters and to inspire them to take action
- Social media works because
 - *Its dynamic – you can combine visuals with text to make a story richer*
 - *It puts your story front and center*
 - *Its easy to consume*
 - *It provides instant feedback*
 - *It is shareable*
- Use social media to
 - *Connect your donors to your work*
 - *Showcase your constituents*
 - *Showcase your donors*





STORYTELLING – BUILDING A STRONG CASE

Emotion – The Premium Storytelling Fuel

“Storytelling is the language of emotion.” — *Mark Rovner, founder of Sea Change Strategies*

“The more vivid the story—through narrative or through imagery—the more emotionally arousing. And emotions are what triggers the impetus to help. The more surprising finding is that showing statistics can actually blunt this emotional response by causing people to think in a more calculative, albeit uncaring, manner.” — *Deborah Small, University of Pennsylvania*

Emotion is power. Remember:

- Give your donors the opportunity to feel good by doing good
- Don't just talk in numbers or statistics – a cerebral case for your cause is less effective than a heartfelt story
- Personal connections and stories have a big effect on a person's inclination to give – If you've got 'em, use 'em



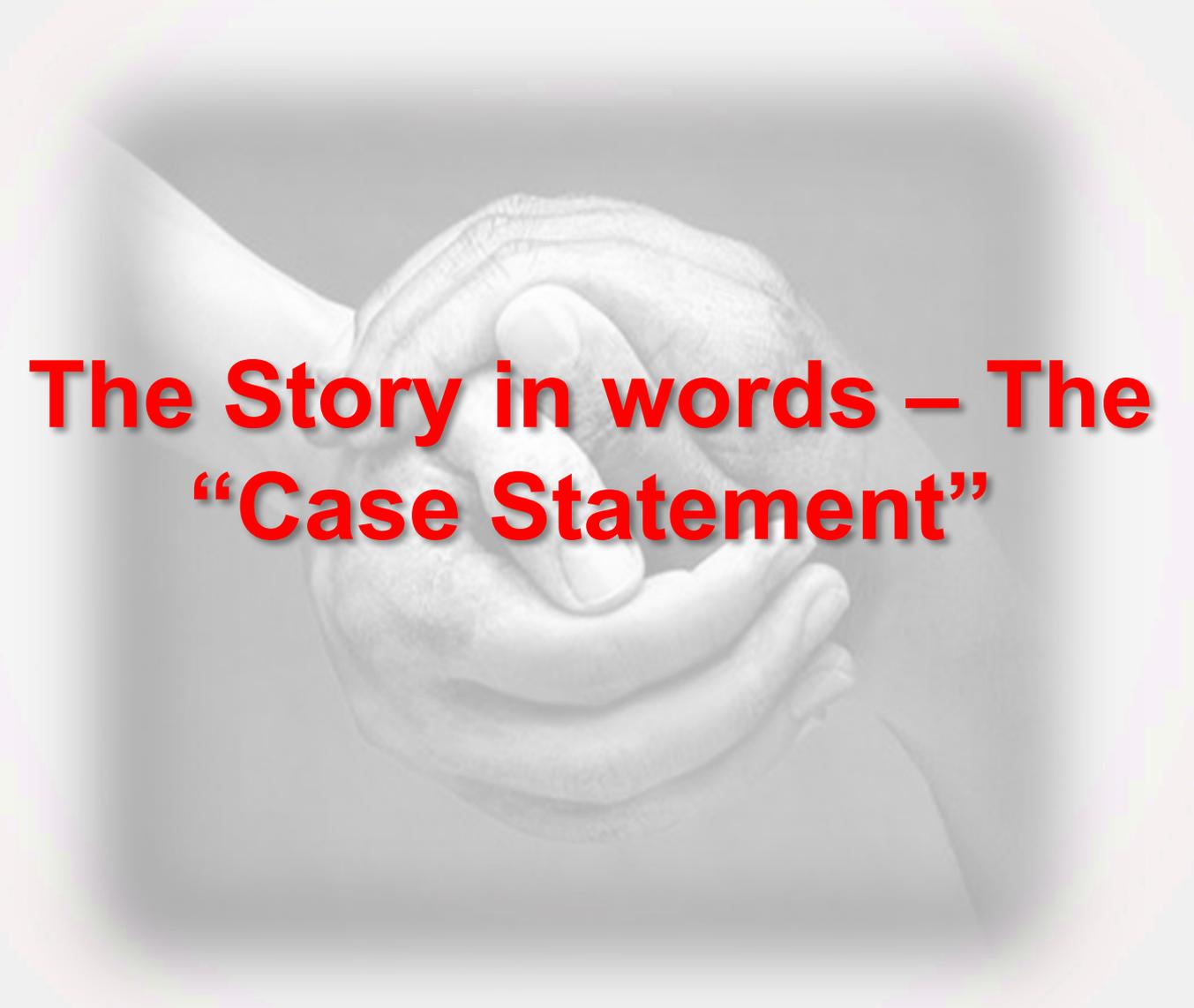
**The Case for Giving –
Developing Your Story**



The Story in words – The “Case”

The Story in numbers – Budget

The Story in impact - Evaluation



**The Story in words – The
“Case Statement”**



DEVELOPING THE ASK – THE CASE STATEMENT

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



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.



DEVELOPING THE ASK – THE CASE STATEMENT

Key Elements of a Strong Case Statement

- ❖ What is the need that you are trying to address?
 - 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



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



PROJECT DETAILS – GOALS & OBJECTIVES

Define your project in measurable terms

- ❖ State your **Goals and Objectives** for the project as they relate to the mission.

Specific

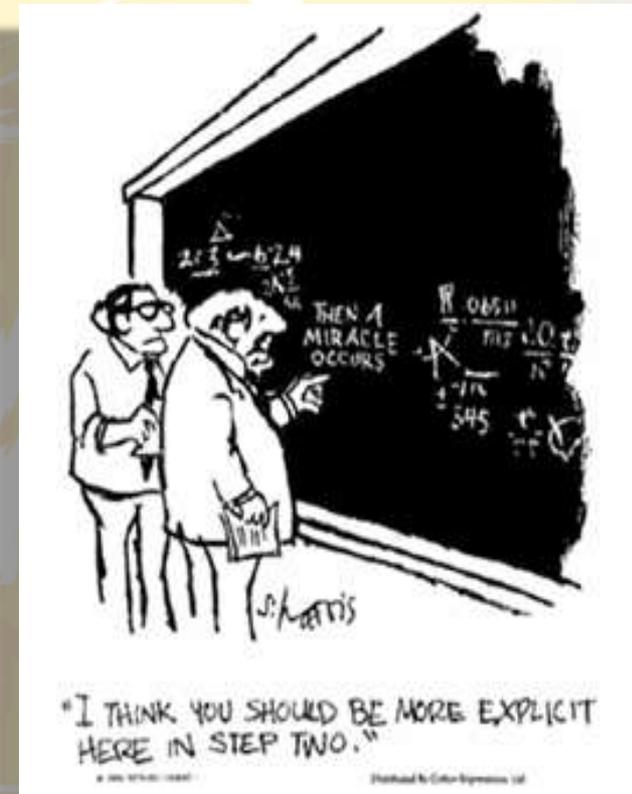
Measurable

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?





PROJECT 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?



“A lack of method is not the problem itself.”

Is this the Problem? Instead of:

- ***There is no tutoring program***
- ***Museum does not have enough space***
- ***There is no training program for avocational archeologists***
- ***There is no Museum at San Felipe***

Describe the current situation:

- ***Juvenile crime rate is increasing***
- ***Public does not have access to a large portion of an art collection***
- ***There are not enough professional archeologists in the state to address the research needs***
- ***The significance of San Felipe will be lost to future generations because there is no extant structures to be preserved, only the archeology and the archival research***



It's a bear!

The Story in Numbers - the Budget and Financials

What is the need in \$s?

**How is the financial health of your
organization?**



BUDGETS – WHY DO YOU NEED ONE?



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

- ❖ 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?

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.



"Play around with these figures, Harry. I've given you the total I want them to add up to."

Grantors have a right to question each line item



BUDGETS – ACCURATE AND REALISTIC

❖ Prepare the **Revenue Budget**

- The “known budget” and the “what if” budget
- Known budget includes all revenue in hand
- “What if” budget includes money that might come in

❖ Prepare the **Expenditure Budget**

- Include all projected expenses (staff, services, rent, utilities, supplies, 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**

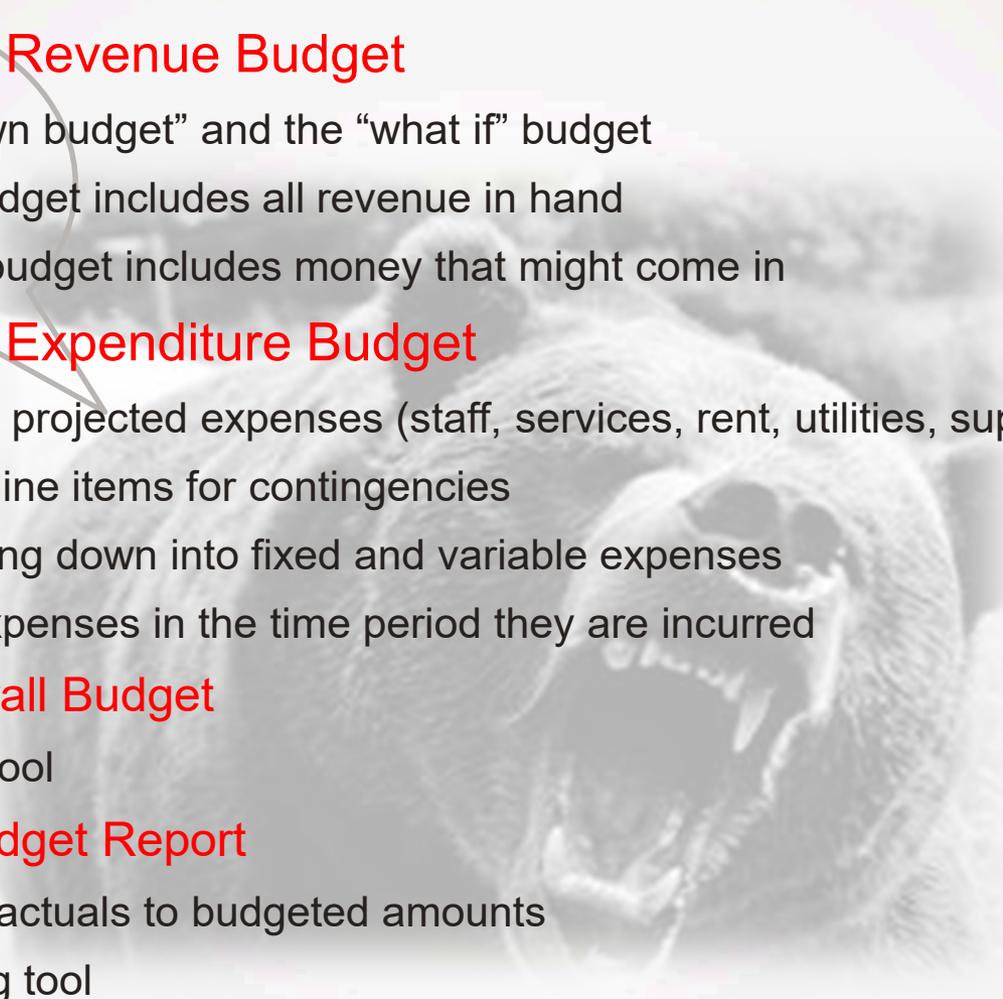
- Planning tool

❖ Prepare a **Budget Report**

- Compare actuals to budgeted amounts
- Controlling tool

❖ Avoid vague, all-encompassing categories

It's a bear!

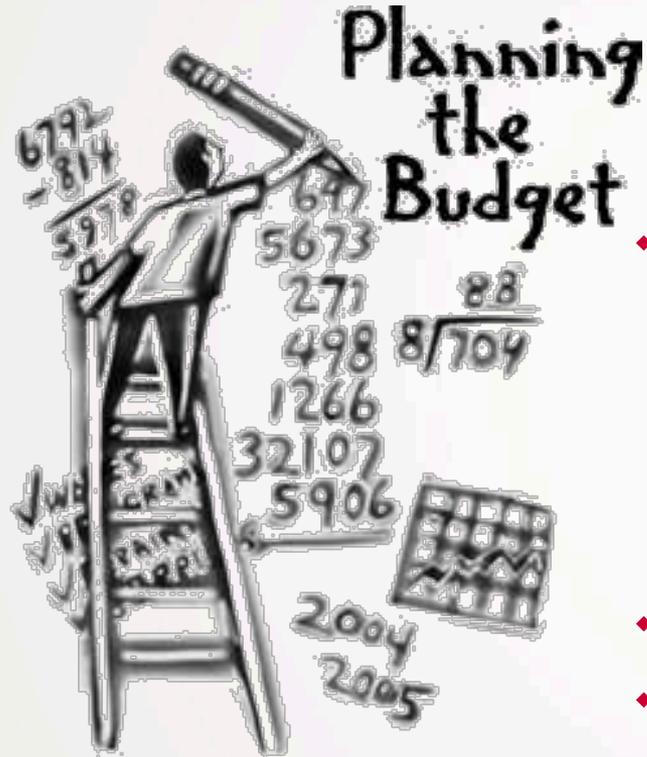




BUDGETS – WHAT SHOULD YOU INCLUDE?

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

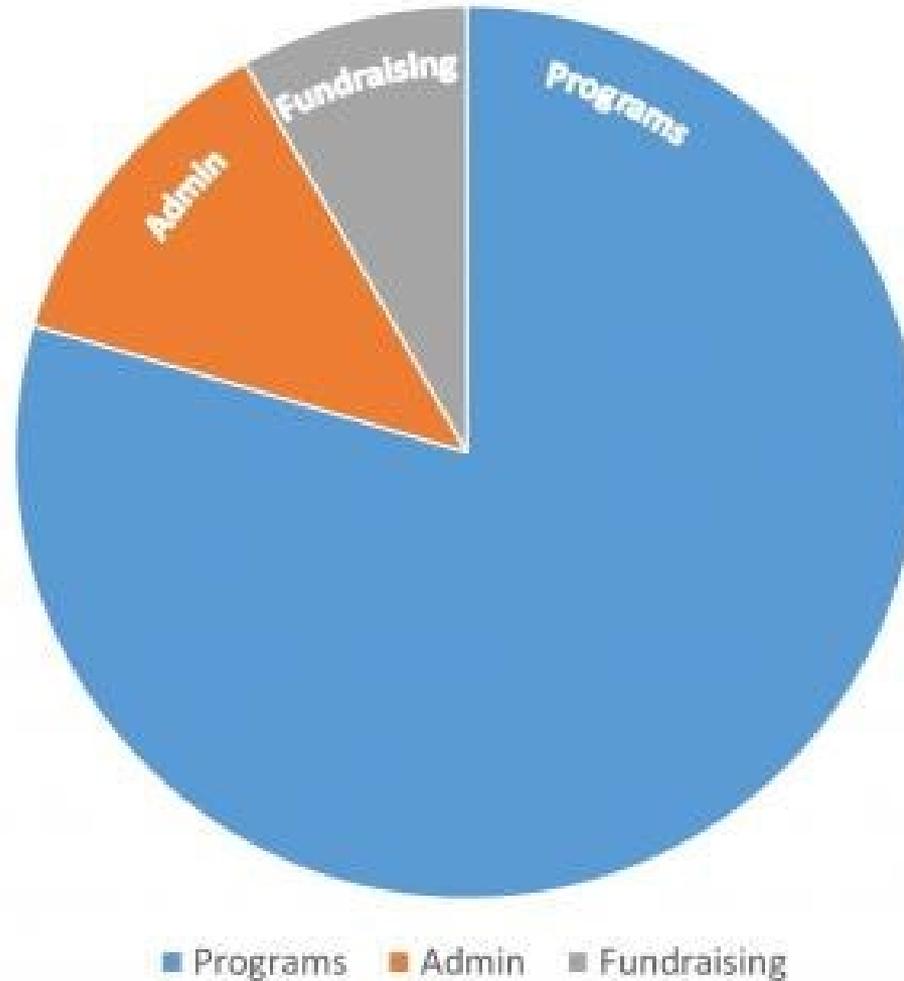
- ❖ **Match**
 - Other monies you have secured or requested for this project
 - In-kind contributions of supplies and services

- ❖ **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



BUDGETS – ACCURATE AND REALISTIC

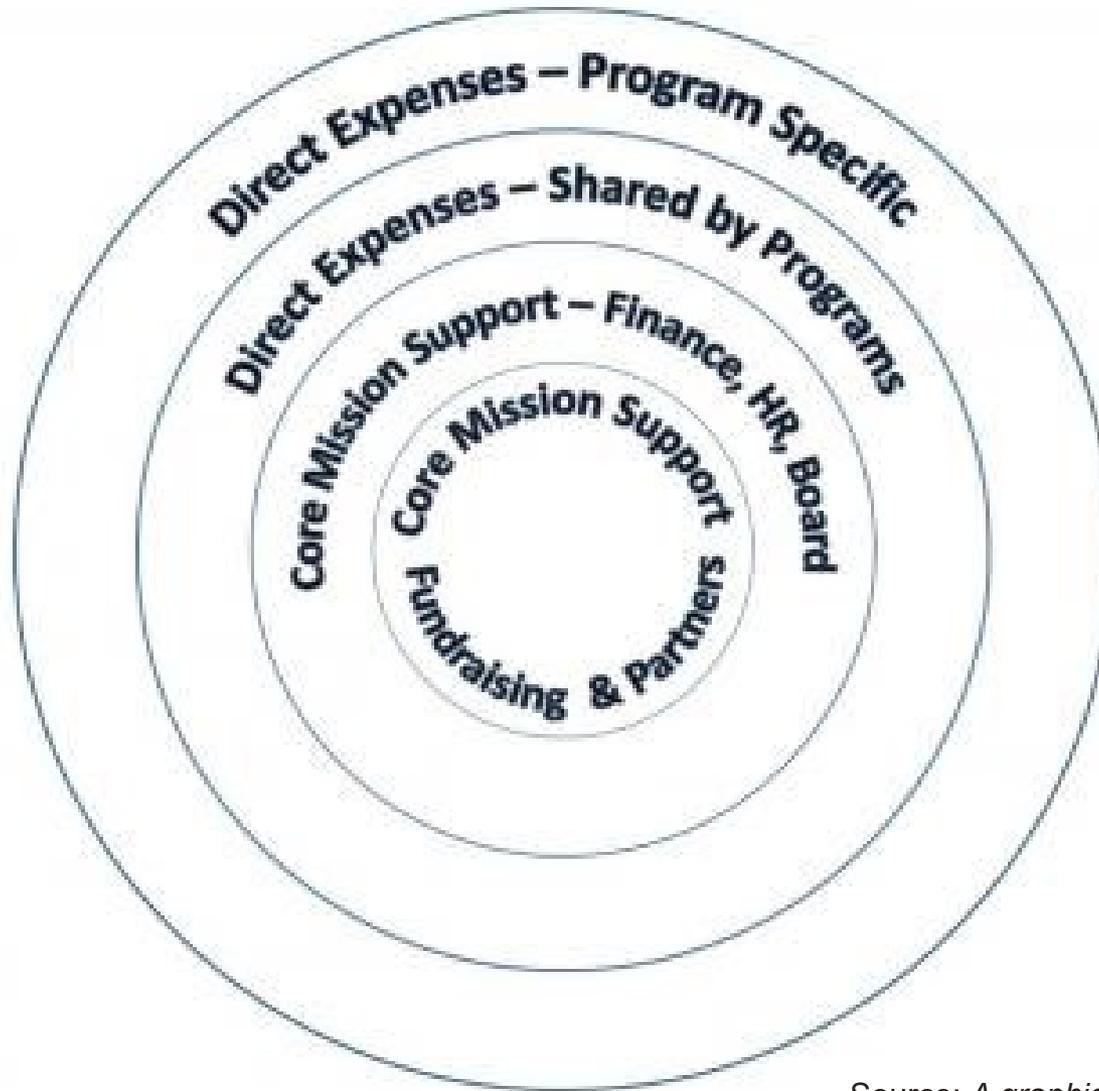
A Tired Old View of Our Organization



Source: *A graphic Revisioning of Non-profit Overhead* by Curtis Klotz, CPA



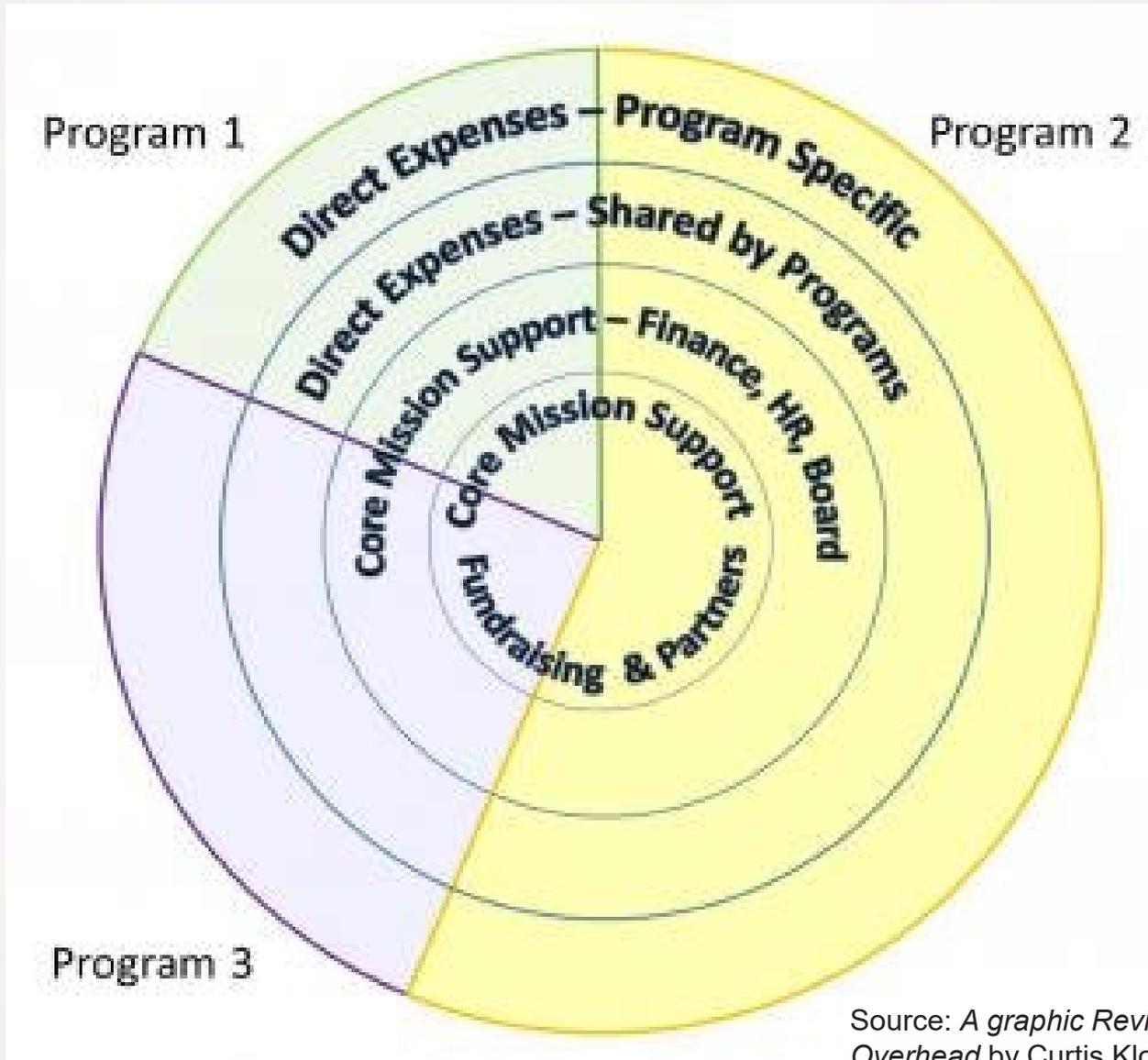
BUDGETS – ACCURATE AND REALISTIC



Source: *A graphic Revisioning of Non-profit Overhead* by Curtis Klotz, CPA



BUDGETS – ACCURATE AND REALISTIC



Source: *A graphic Revisioning of Non-profit Overhead* by Curtis Klotz, CPA



BUDGETS – ORGANIZING BASED ON NEED



Example – One-Year Operating & Capital Budget

	GOALS				PROGRAM/CAPITAL			TOTAL
	Conservation	Outreach	Development	Administration	Waterfall	Lookout	Bluff	
REVENUE								
Memberships/Contributions	\$38,160	\$25,440	\$63,600	\$0	\$0	\$0	\$0	\$127,200
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	\$37,000	\$0	\$0	\$464,208
EXPENSE								
Salaries, Taxes, and Benefits	\$115,774	\$123,707	\$68,480	\$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	2,626	1,815	635				7,300
Equipment	1,419	1,516	839	245				4,020
General / Misc.	1,788	2,647	1,890	975	0	0	0	7,300
Postage	529	566	7,283	167				8,545
Travel	0	0	0	0	0	0	0	0
Project Expenses	212	226	9,575	137	0	0	0	10,150
TOTAL EXPENSES	\$127,294	\$132,194	\$99,183	\$24,678	\$1,500	\$0	\$2,000	\$386,849
TOTAL REVENUES - EXPENSES	\$96,366	(\$66,599)	\$35,769	(\$21,678)	\$35,500	\$0	(\$2,000)	\$77,359



BUDGETS – MANTRA

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

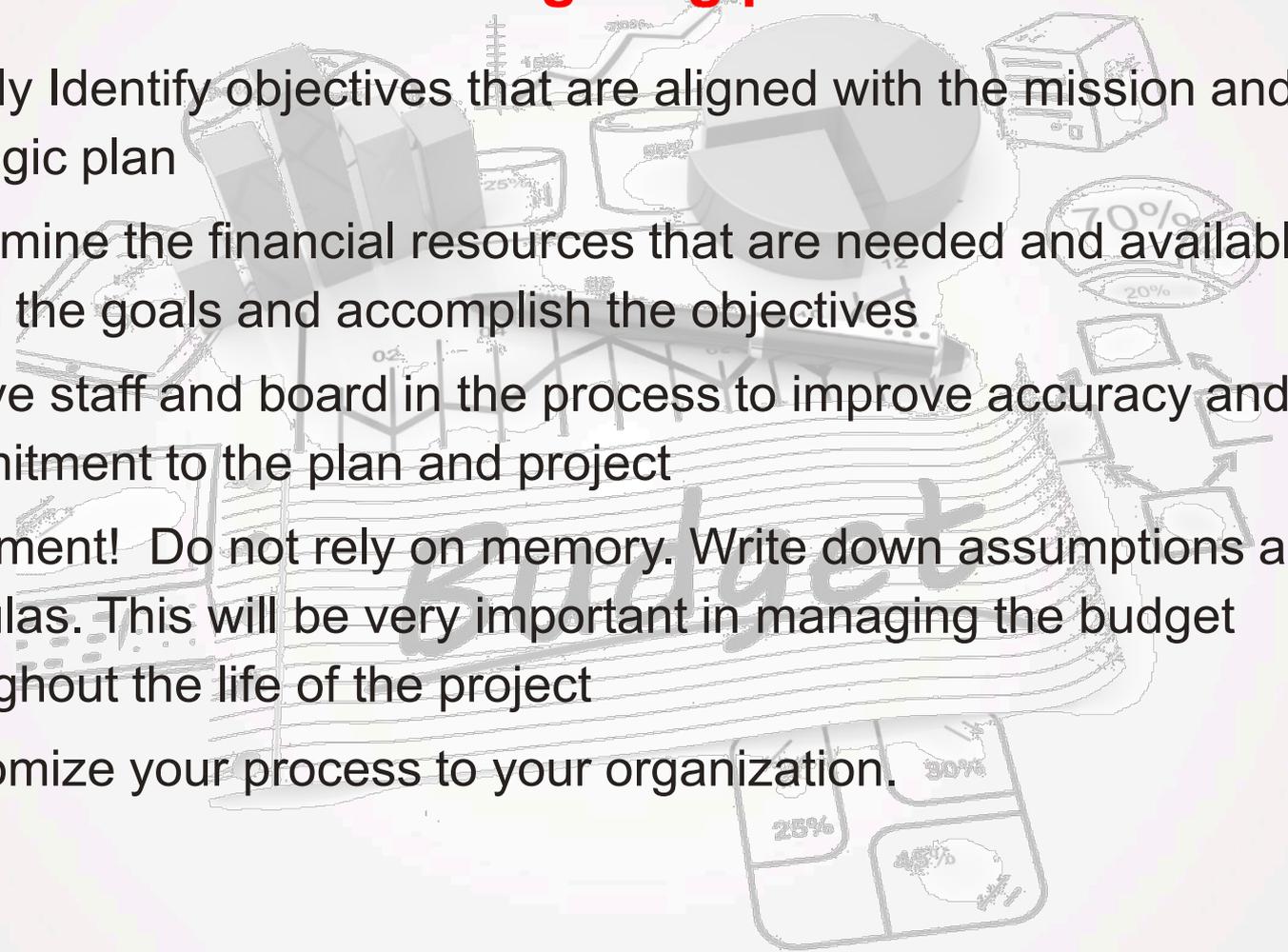




BUDGETS – ORGANIZING BASED ON NEED

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.





BUDGETS – IT’S THE DONOR’S MONEY

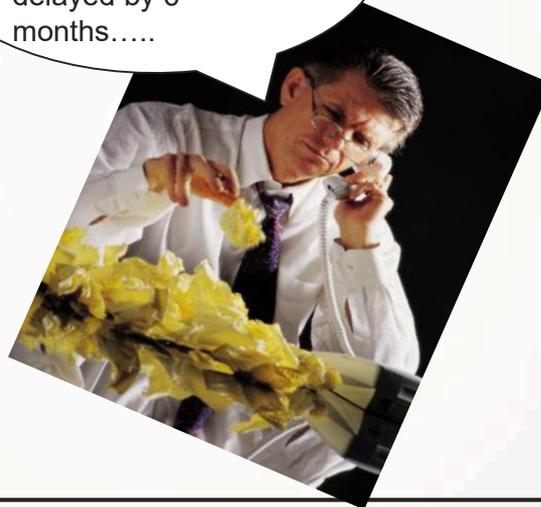
What happens when unexpected costs come up or something changes??

CALL YOUR DONOR AND DISCUSS IT!
Don't be afraid!

Hey! Great news! The workshops cost so much less than we thought!



Um, yeah. We just found out that our contractors are delayed by 6 months.....



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



Launch the project as soon as possible after receiving funding.

Get permission first from the grantor if you want to spend the money on other related expenses.

If they **expect excess**, **immediately begin to plan** how to expend the funds.



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!!





FINANCIALS

What is the organization's financial health?

- ❖ Does the organization conduct an annual audit?
 - *What is the financial health of the organization*
 - *How is the organization managing its financial resources*
 - *How is the organization's fundraising ability*
- ❖ Does the organization file its IRS tax form 990 each year?
 - *What grants has the organization received*
 - *Who provides oversight and governance*
- ❖ Can the organization provide copies?





The Story in Impact

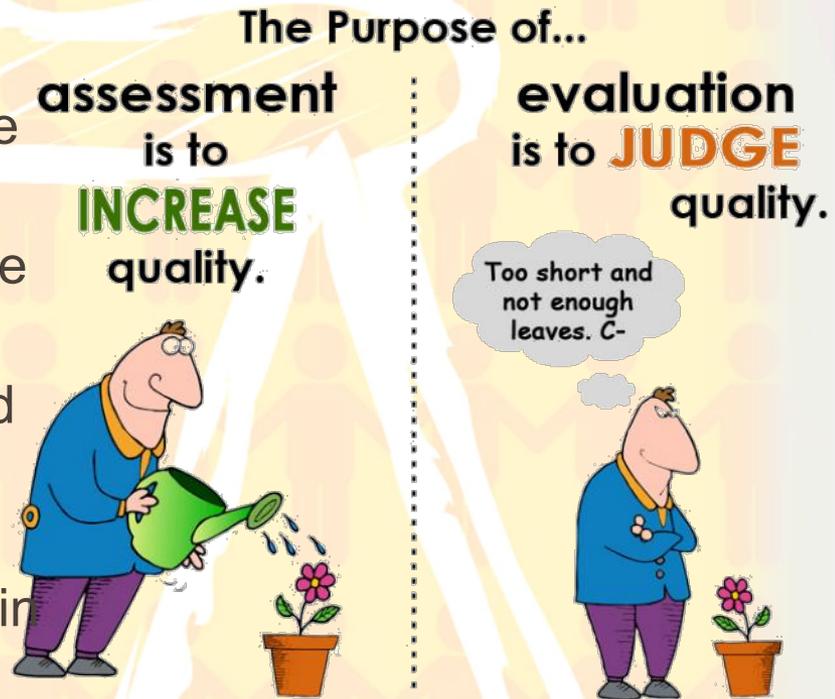
How do you evaluate the impact and therefore the success of your project/program?



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.





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?





EVALUATION – MEASURING OUTCOMES

Outcomes, not Output

- 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

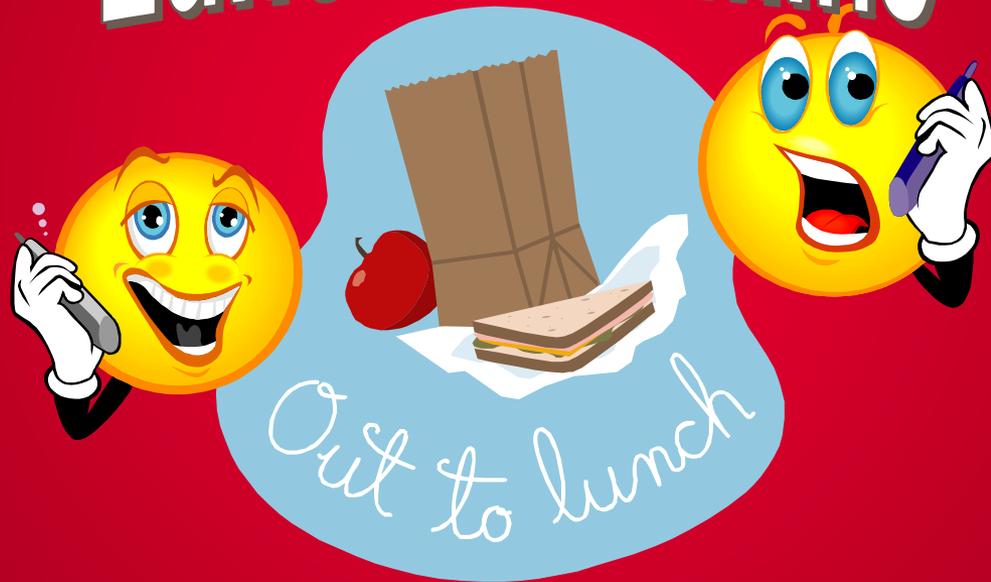
MIND FILLING OUT THIS EVALUATION FORM FIRST?



Points to Ponder

- ❖ **Define the problem you are trying to address.**
 - Who is your audience?**
 - How does your project or program address it?**
 - What is the funding need and what will you use it for?**
- ❖ **What is your “hook”?**
 - What do you want the visitor to your project/site take away from your program/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?**

Lunch – 30 mins



! CONTRACTS OR GRANTS – WHAT'S THE DIFFERENCE?

Contract

- ❖ The agency puts out a Request for Proposals, broadly **defining the project goal**, and the **specifications**.
- ❖ The Contractor **proposes** a way to meet the **organization's goal**, describes how the job can be done **within their specifications**, the contractor **gets paid** to do the job.

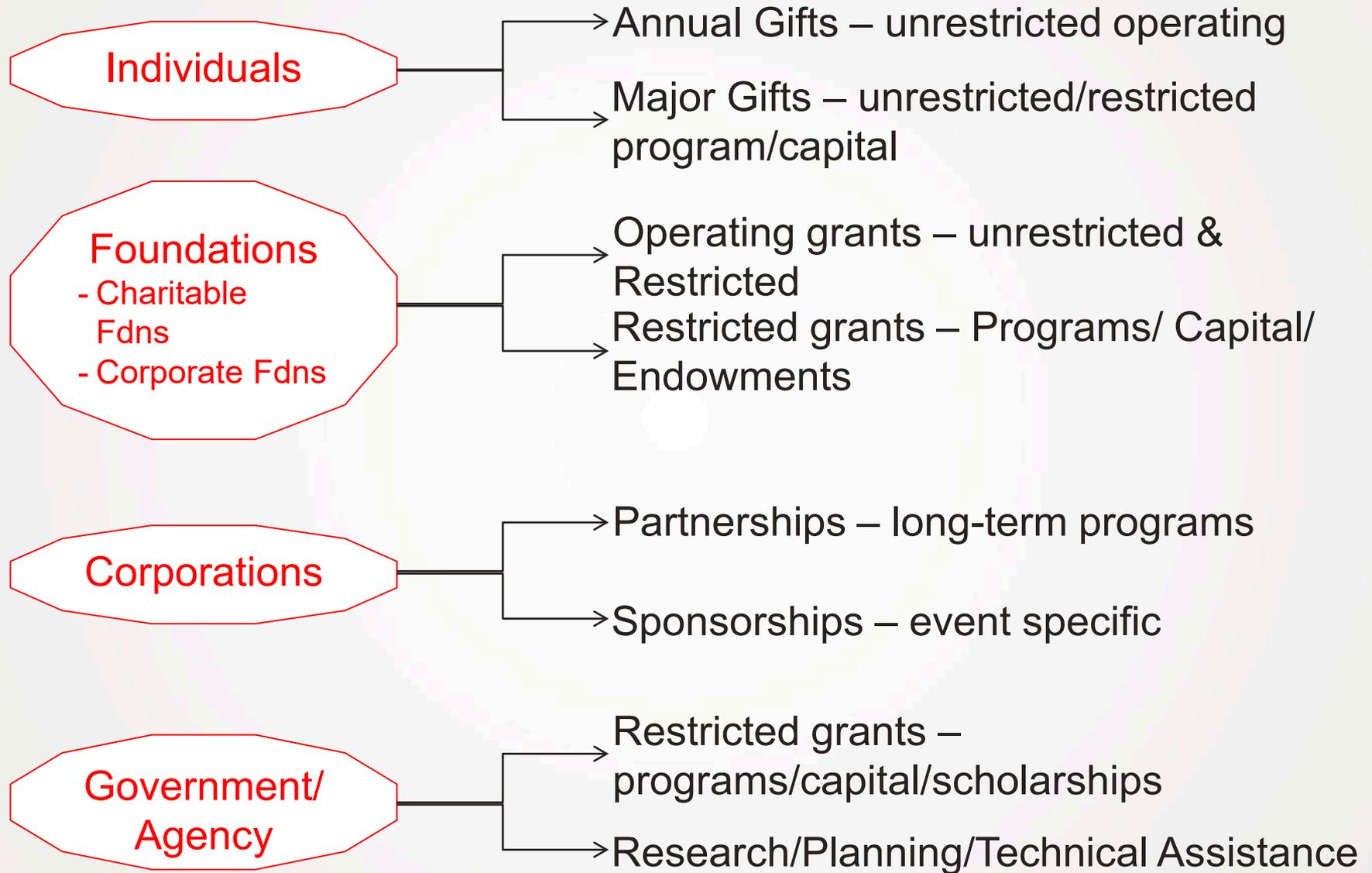
Grant

- ❖ The Grantor **defines their goals** with basic **guidelines**, and usually with **few specifics**.
- ❖ Grantee **describes why and how their project fulfills grantee's mission**, how much it will **cost** to do the job. If they've made a successful case, they're **paid to the job**.





TYPES OF GRANTS





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

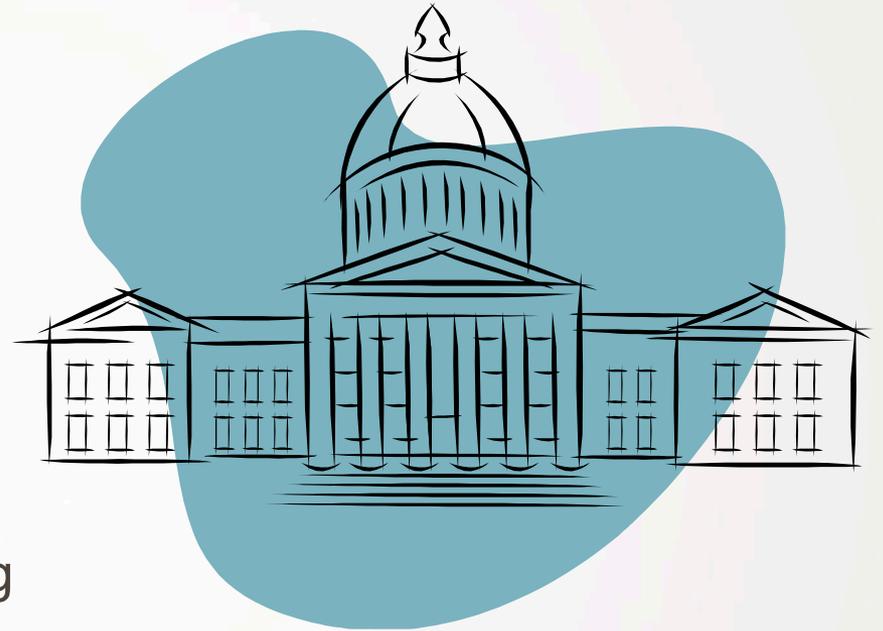
- ❖ Austin Parks Foundation
- ❖ Capital Metro Transit Authority
- ❖ City of Austin





GOVERNMENT GRANTORS

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





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

❖ **Family Foundations**

- Funds derived from a single family
- Family members as trustees

❖ **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



THE NATURE OF FOUNDATIONS

They have to give it away!



- ❖ 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
- ❖ 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



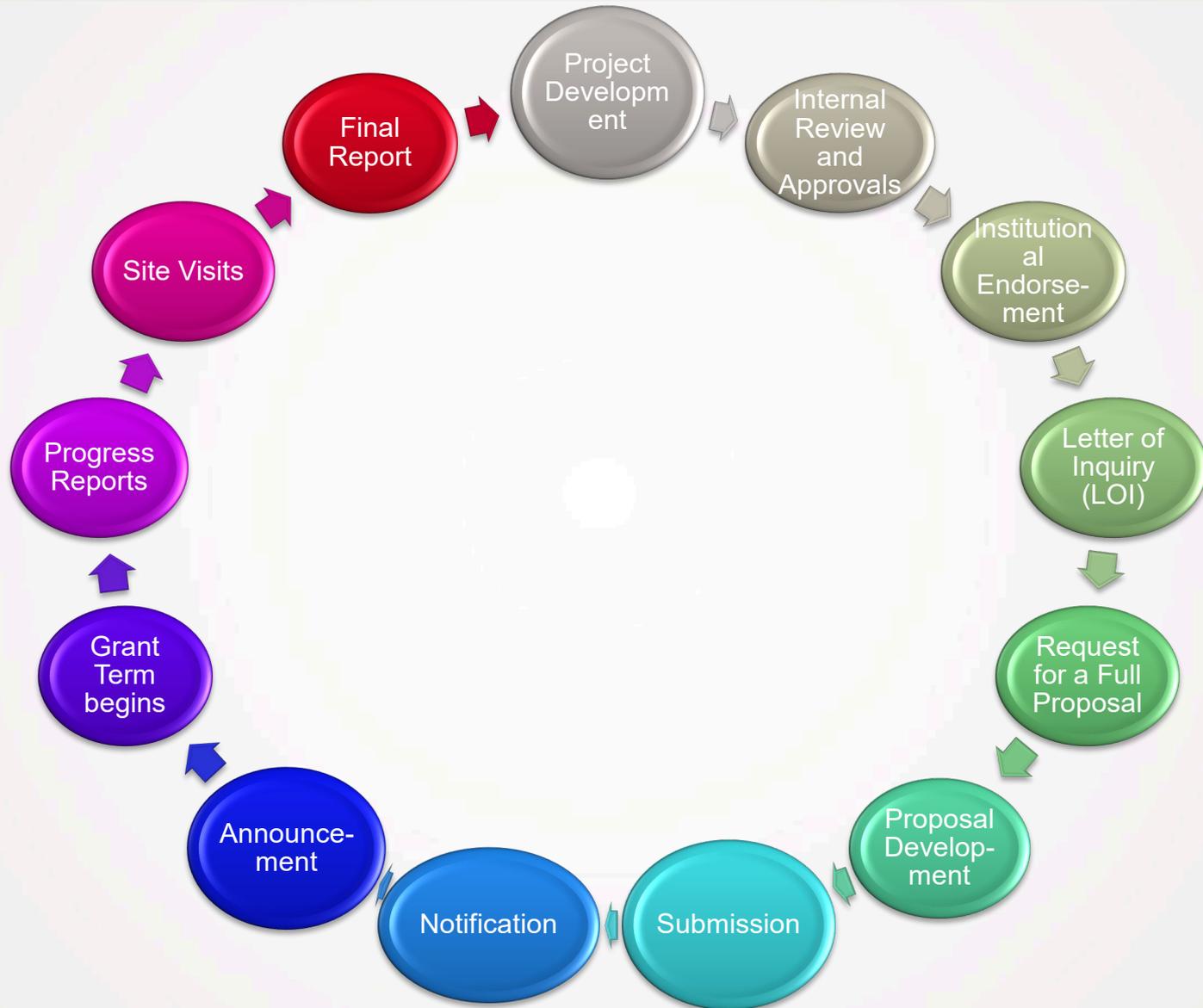


You and Your Grantor: Building a Sustainable Partnership





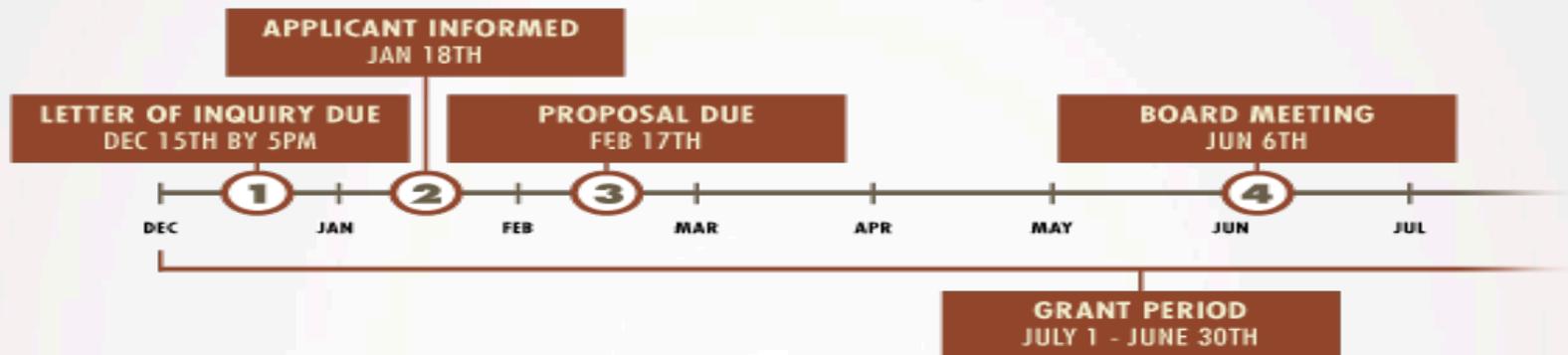
LIFE CYCLE OF A GRANT





GRANT PROPOSALS – MAPPING GRANT CYCLES

Spring Cycle Foundation A:



Fall Cycle Foundation A:



RESEARCH THE FUNDER

Guidelines: *I can just skim through these, right?*

The answer is ***Never!*** Don't take the guidelines lightly! They will tell you:

- ❖ Submission deadlines
- ❖ Eligibility
- ❖ Proposal formats
- ❖ Budgets
- ❖ Funding goals and priorities
- ❖ Grant awards levels
- ❖ Evaluation process and criteria
- ❖ Contact information
- ❖ Other submission requirements
- ❖ ***Whether you and your funder are a good match***





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 – 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	Presenting Sponsor: \$10k	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	



Writing Your Proposal



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



GRANT PROPOSALS – OUTLINE

Cover Letter (1 page, signed by one or more VIPs – not the grant writer)

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 – ATTACHMENTS

- ❖ **Read your guidelines, take notes BEFORE you write.**
- ❖ 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, charts and graphs
- ❖ **Start early! You or your colleagues will need time to gather information.**



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



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."**

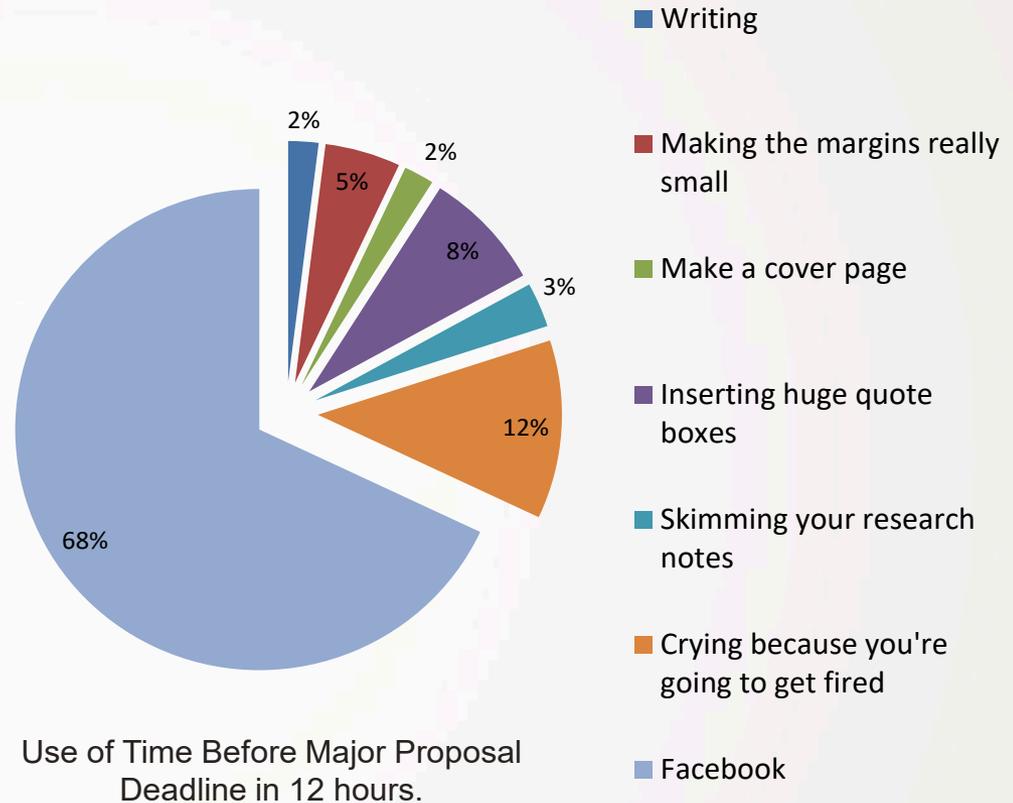
***Actual quote from a foundation executive**



GRANT PROPOSALS – 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.





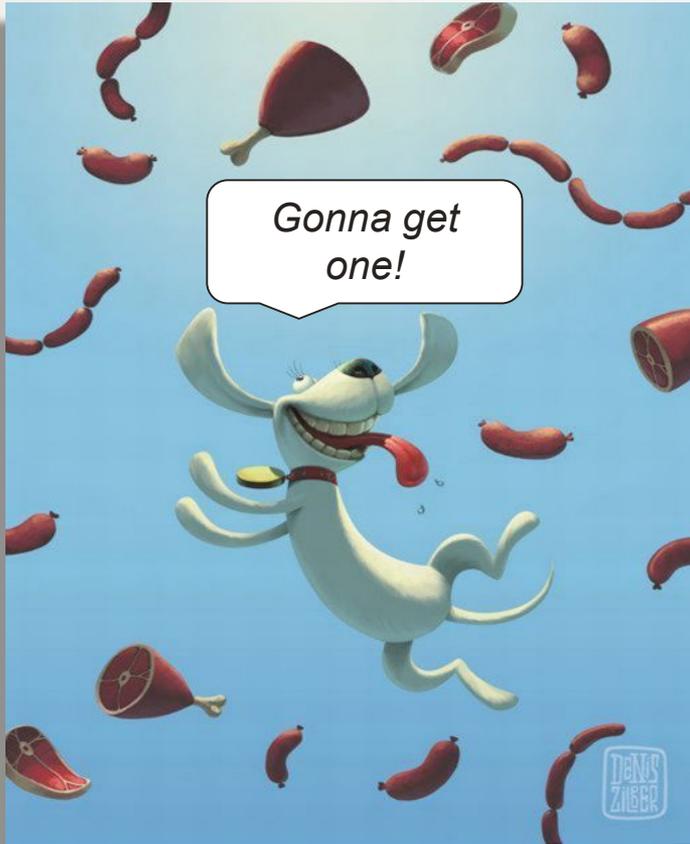
GRANT PROPOSALS – TOP TEN TIPS

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**





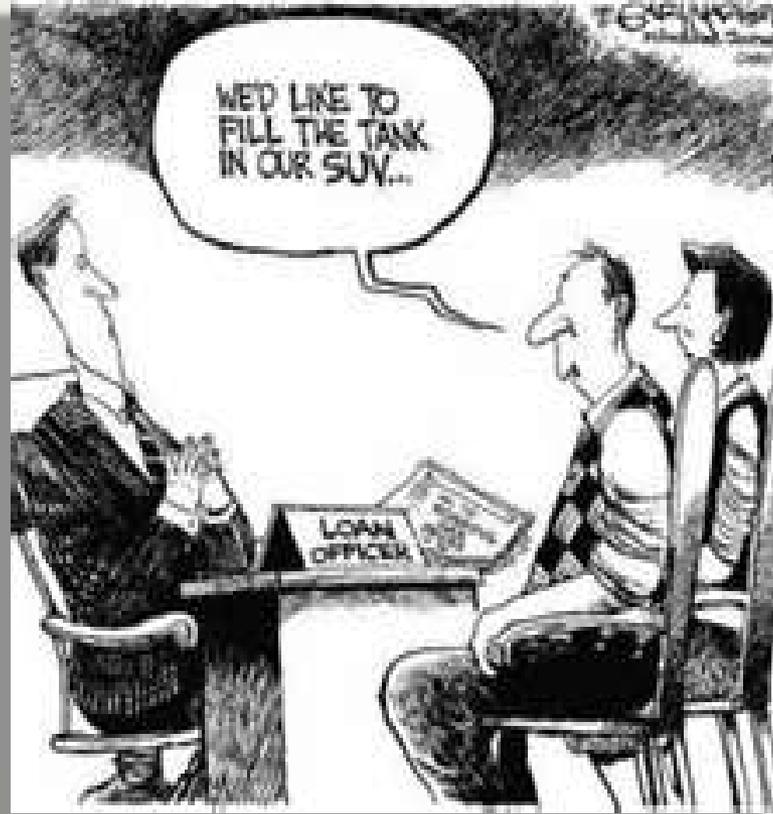
GRANT PROPOSALS – TOP TEN TIPS (Cont'd)



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 clear**: **avoid jargon, slang** and **unexplained acronyms** – if they don't understand it, they won't fund it
9. **Be humble**: ask a colleague or "The Person from Mars" to review your draft – remember, even Hemingway had **editors!**
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 – SECRET TO SUCCESS



ASK YOURSELF...

Would you stake your personal reputation and credit on a project like this with your bank?

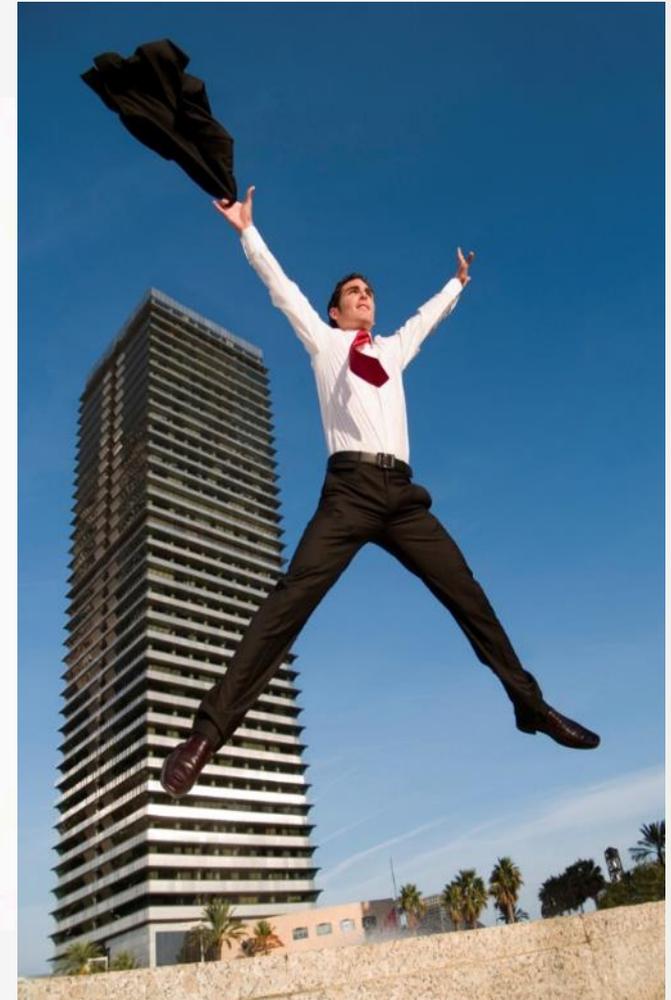
Self Assess Like a Banker

- ❖ 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?

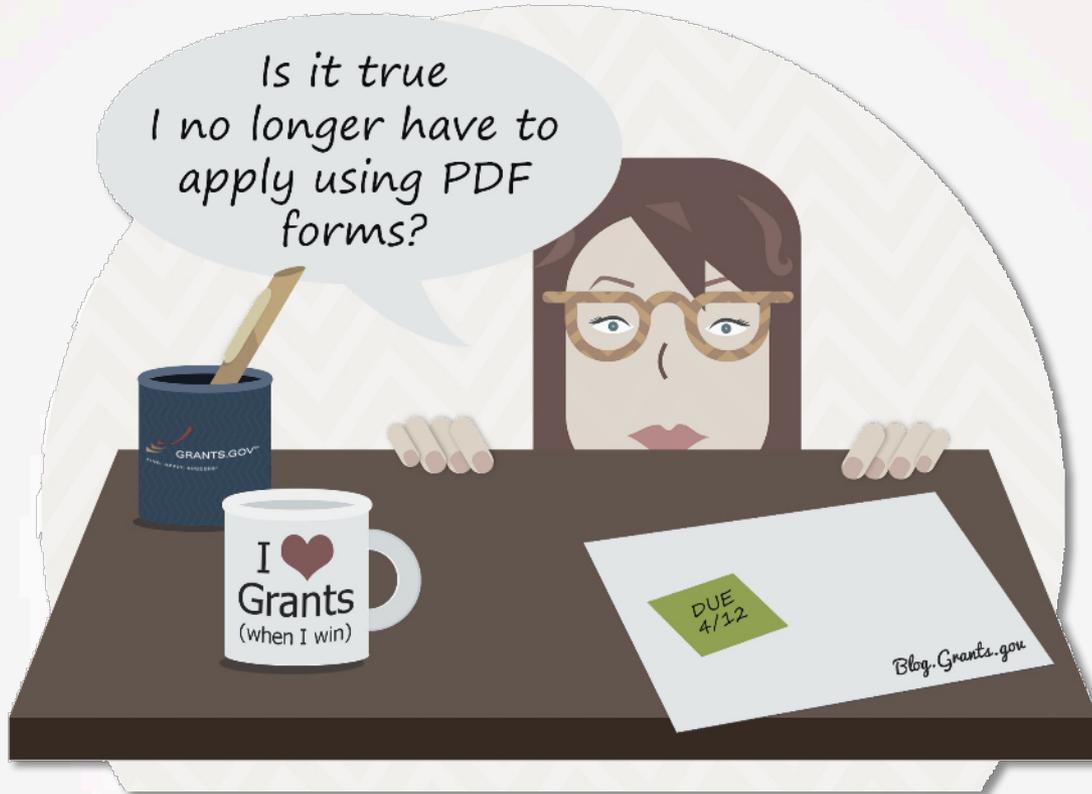


GRANT PROPOSALS – SECRET TO SUCCESS

- ❖ 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



You are Ready to Submit!



GRANT PROPOSALS – NOW WHAT

Success is the ability to go from one failure to another with no loss of enthusiasm.

– Winston Churchill

- ❖ **Follow up – Confirm receipt; inquire about the status**
- ❖ **Remember that competition is tough**
- ❖ **If declined funding, request feedback; ask about resubmission**
- ❖ **Start again – different project, same funder**

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.

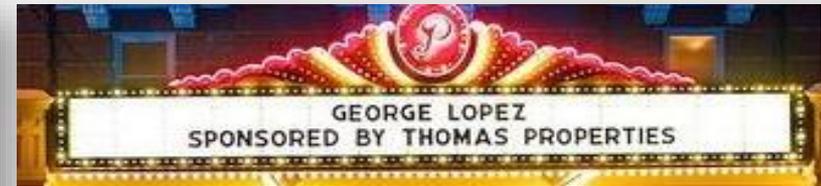
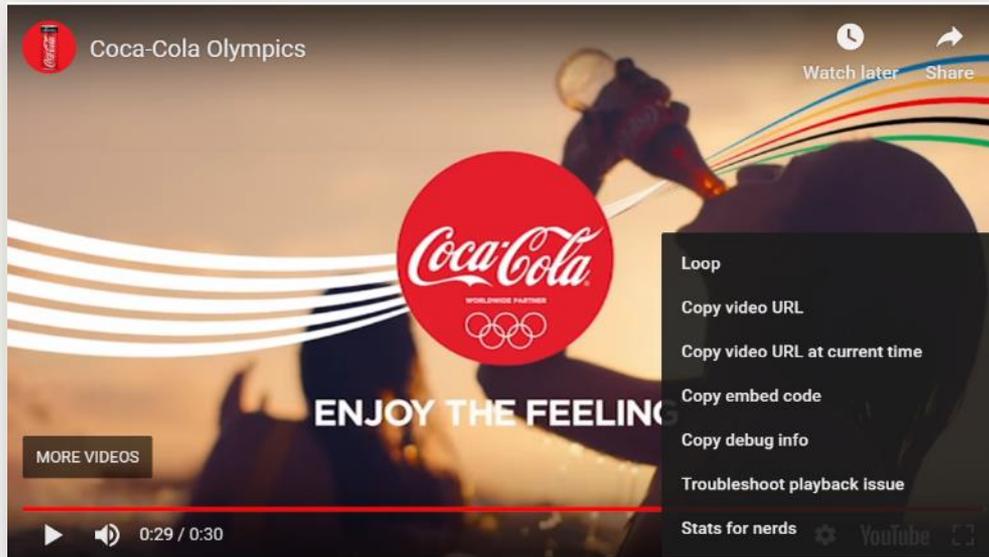
William H. Baldwin



Corporate Partnerships and Sponsorships



CORPORATE PARTNERSHIPS & SPONSORSHIPS



Corporate Sponsorships

Payment by a business to a nonprofit to market the business through visibility at an event or program; recognized by the nonprofit with an acknowledgment that the business has supported the nonprofit's activities, programs, or special event.*

*Source: National Council of Nonprofits



CORPORATE PARTNERSHIPS & SPONSORSHIPS



Corporate Partnership

A corporate partnership is a longer term commitment by a business, to a non-profit's mission. Focuses on mission compatibility; could support the organization broadly, or a specific program of the organization.

ChildFund International

MANAGE ACCOUNT (LOG IN) | BASKET | f | t | i | v | Q

ABOUT US - GET INVOLVED - DONATE **SPONSOR A CHILD**

Corporate Partners

Home > Get Involved > Other Ways to Give > Corporate Partners

There are so many ways. Join us.

- Corporate Giving
- Matching Gifts
- Workplace Giving

Investing in the world's children

ChildFund partners with corporations and other organizations to extend and multiply our benefits to the children we serve. We are grateful to our partners for using their resources to make a difference in children's lives.

ChildFund International

MANAGE ACCOUNT (LOG IN) | BASKET | f | t | i | v | Q

ABOUT US - GET INVOLVED - DONATE **SPONSOR A CHILD**

TOMS	P&G Procter & Gamble	The MasterCard Foundation	Conrad N. Hilton FOUNDATION	CAT
EMRG	berri making organic. simple savings. <i>pro</i>	simply southern	Tredegar CORPORATION	Allianz Global Assistance

SUBARU

Partnerships

Subaru proudly works with organizations that share our values. Learn more about who they are below.

- Automotive & Usports
- Outdoor Adventure
- Subaru Loves Learning
- Subaru Loves Pets
- Subaru Loves the Earth
- Subaru Loves the Sun
- Subaru Loves to Help



CORPORATE PARTNERSHIPS & SPONSORSHIPS



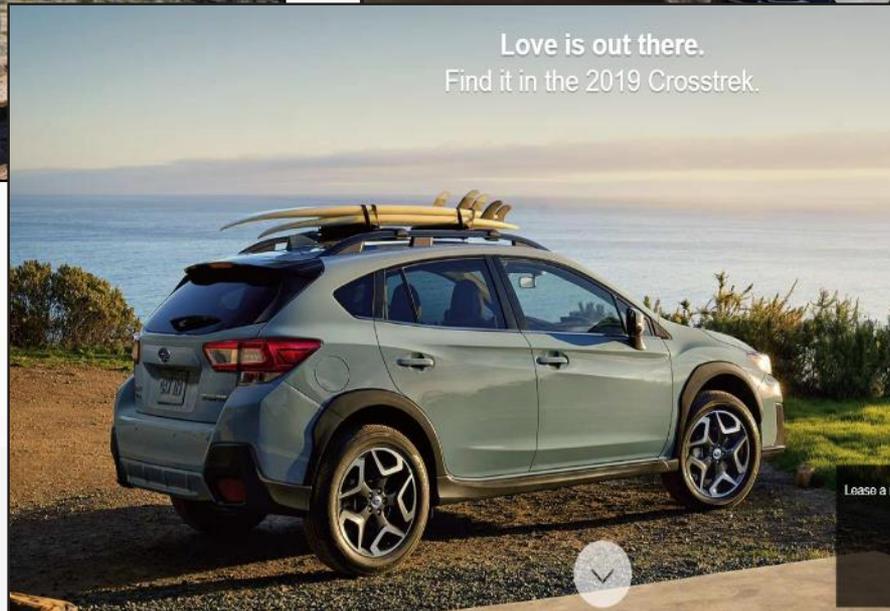
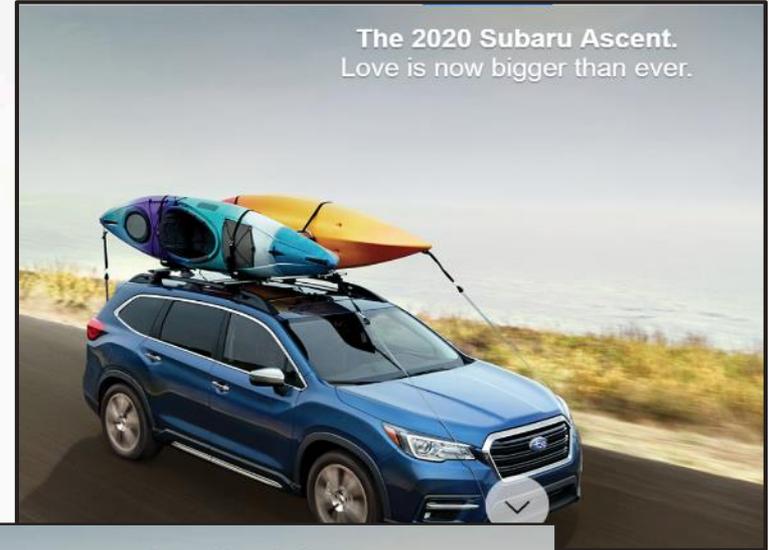
Corporate Sponsorships

- Short term marketing strategy for a business;
- Event focused funding opportunity for the non-profit;
- Event/program specific, and usually one-time, at a time;
- Usually with a quid-pro-quo (logo featured, tickets to event, etc.);
- The QPQ only in relation to the event sponsored;
- Offers public recognition of the business during the event/program;
- The benefit to the non-profit entity should outweigh the benefit to the business/corporation;
- The donation = \$ amount given *less* the value of the goods and services.

Corporate Partnership

- Long-term business development strategy for a business;
- Support for the nonprofit's mission;
- May be affiliated with the non-profit overall or with a specific program of the organization;
- Developing corporate partnerships is like cultivating major donors;
- Co-branding opportunities;
- Focused on mission alignment;
- Corporations look for improved image, employee retention, media coverage, investments;
- Requires involving the business in opportunities across the organization (media, events, etc.);
- May include cash gift, volunteer support, corporate match for individual gifts, in-kind donations, workplace giving, etc.

! CORPORATE PARTNERSHIPS & SPONSORSHIPS



! CORPORATE PARTNERSHIPS & SPONSORSHIPS – top 5 takeaways

1. Find the right partner.

- Not every company is a good fit – find companies with a strong presence in your community and a commitment to your cause
- Identify mission alignment, in order to offer brand alignment

2. Clarify your goals for the partnership.

- What are you looking for? Long term relationship, funding for an event, etc.
- What are they looking for? Recognition when? How? How often?
- This is a give and take – brand alignment; symbiotic relationship; risks and rewards for both

3. Create your story

- Craft an agreement that articulates why you are good for each other
- Identify benefits and solutions that create value for both parties
- Identify how the sponsorship/partnership will achieve business objectives, engage employees, add brand value, and impact a social cause

! CORPORATE PARTNERSHIPS & SPONSORSHIPS – top 5 takeaways

4. Engage at all levels.

- Build a solid relationship that can withstand turnover
- Connect deeply with employees at all levels

5. Communicate! Connect & deliver what you promise.

- Create benchmarks and track progress; find solutions jointly
- Communicate regularly, measure successes, and celebrate

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.
- Remember to account for the impact of goods and services received in lieu of contribution

! CORPORATE PARTNERSHIPS & SPONSORSHIPS

❖ 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

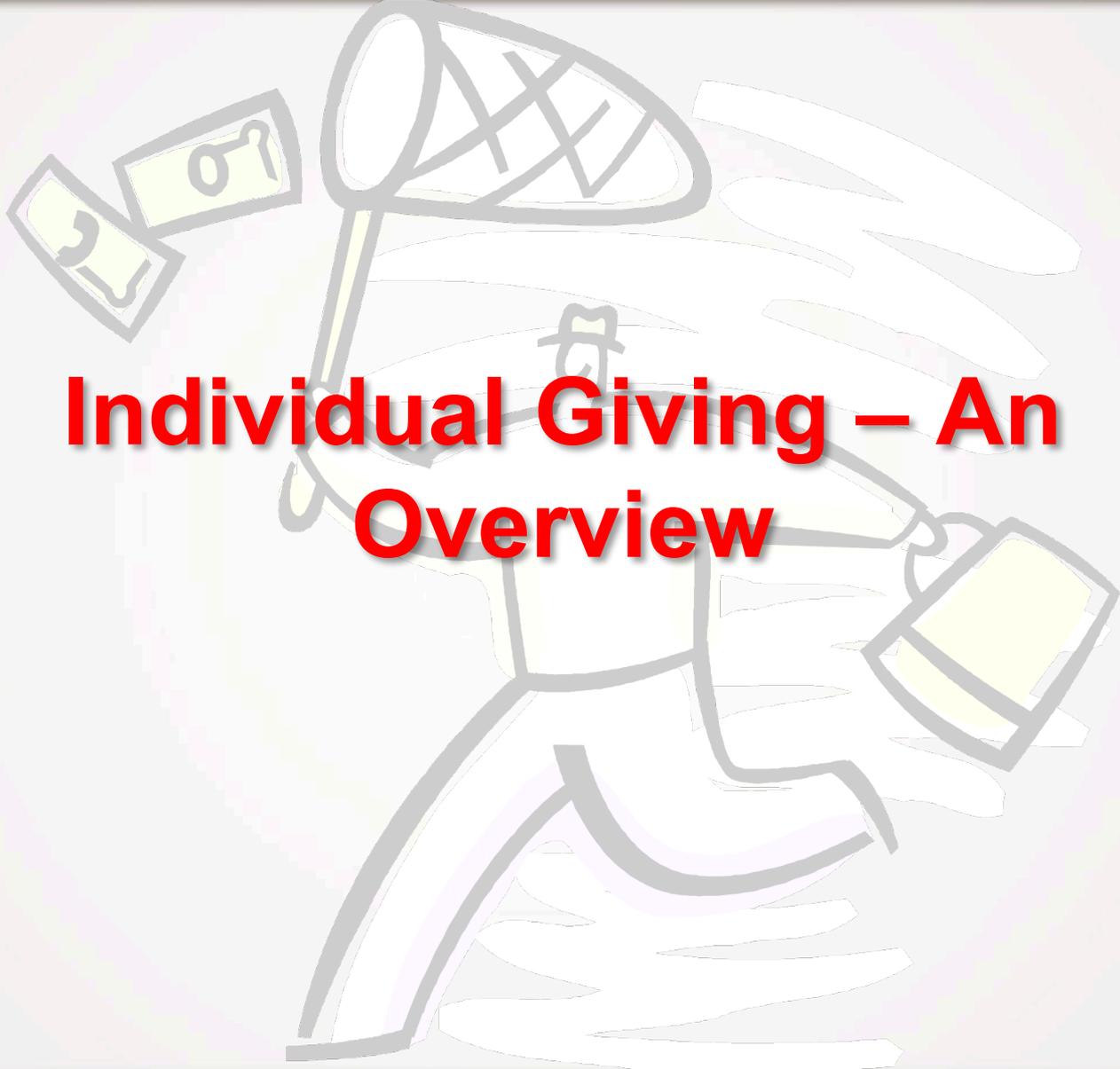
! CORPORATE PARTNERSHIPS & SPONSORSHIPS

Why are Corporations Partnering or Sponsoring? *Because reputation is everything!*

- Companies are spending more cash on sponsorships every year – even in a struggling economy.
- Customers want to do business with organizations that consistently show they care.
- More brands are investing in corporate social responsibility strategies that help them to showcase their unique values.
- Customers are on the search for socially responsible companies and brands

Break – 10 Minutes

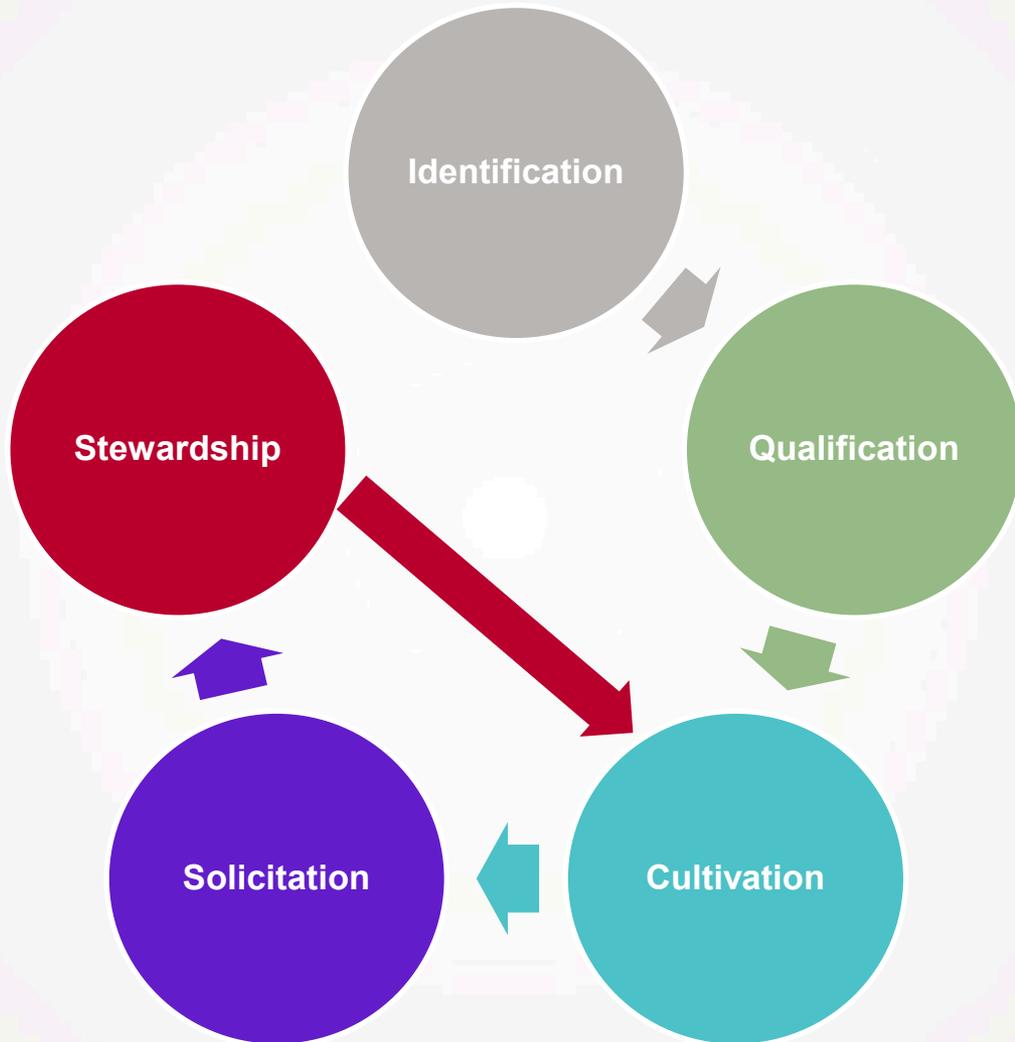




Individual Giving – An Overview



THE DEVELOPMENT PROCESS





CHALLENGES IN FUNDRAISING

❖ **Competition**

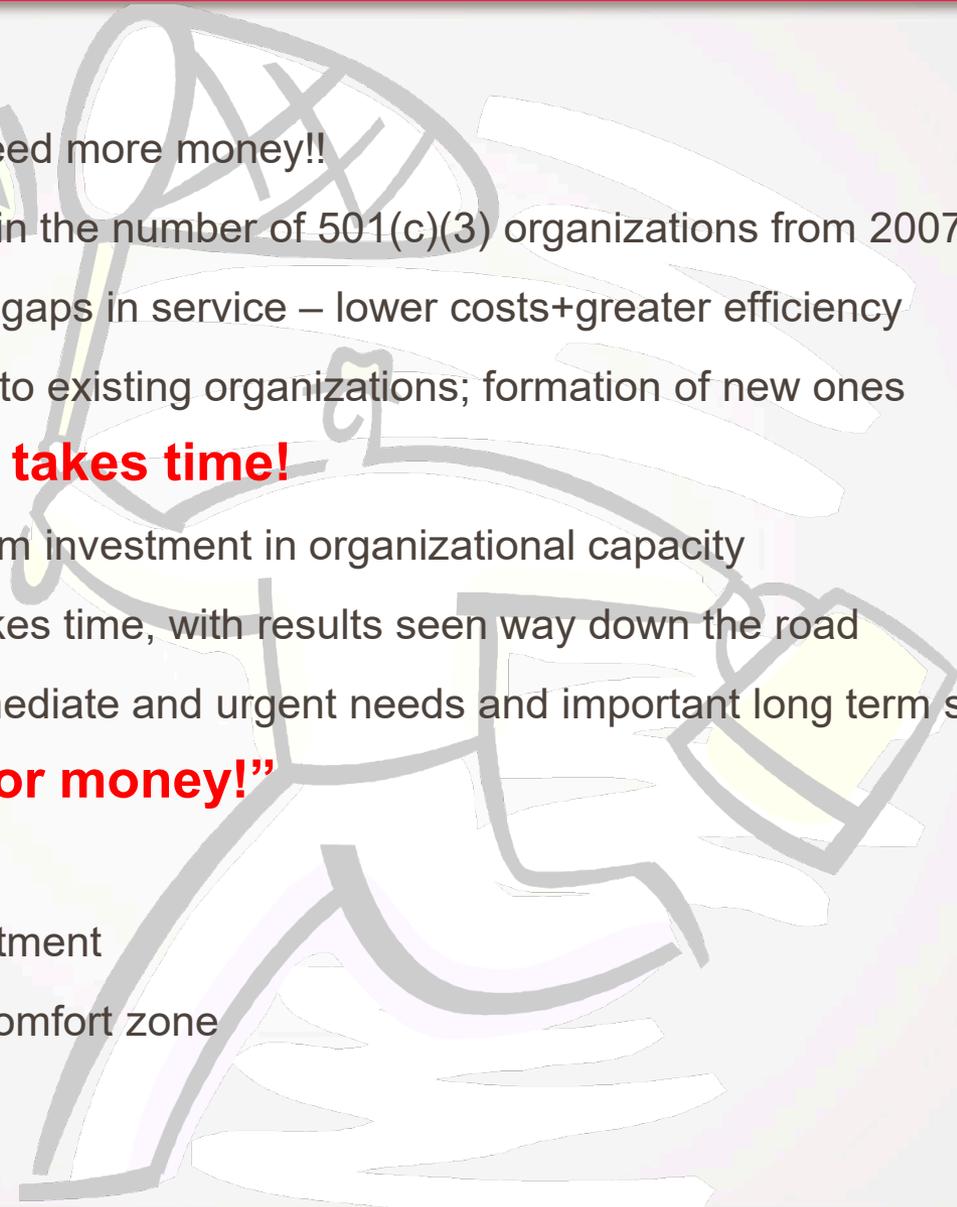
- More organizations need more money!!
- Over a 14% increase in the number of 501(c)(3) organizations from 2007 to 2017
- Non-profits filling vital gaps in service – lower costs+greater efficiency
- Greater responsibility to existing organizations; formation of new ones

❖ **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





INDIVIDUAL GIVING – THE POTS INDIVIDUALS GIVE FROM

Sources

❖ The “pots” people give from:

If donor gives from	The organization uses it for	Important to know
Income	Unrestricted and restricted operating support <ul style="list-style-type: none"> - Annual fund - Program support (small) 	<ul style="list-style-type: none"> - Reliable - Annual support
Assets	Building organizational assets <ul style="list-style-type: none"> - Program support (large) - Capital support 	<ul style="list-style-type: none"> - Gifts of stock, cash, from investments - Restricted use of funds - Not annual; may be one time
Estate	Building long term sustainability <ul style="list-style-type: none"> - Endowments - Stewardship 	<ul style="list-style-type: none"> - Planned gifts - One time gifts - Can not be depended on for operations



INDIVIDUAL GIVING – UNDERSTANDING MOTIVATIONS

- ❖ 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”



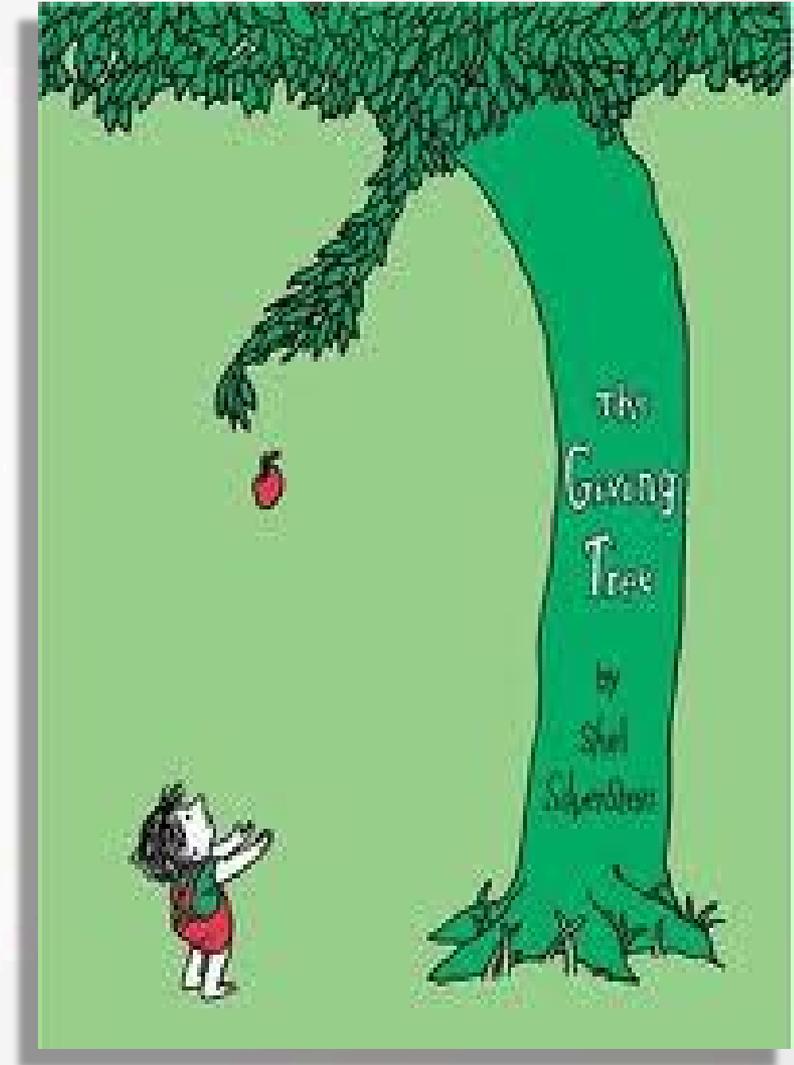
INDIVIDUAL GIVING – UNDERSTANDING MOTIVATIONS

- ❖ **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.

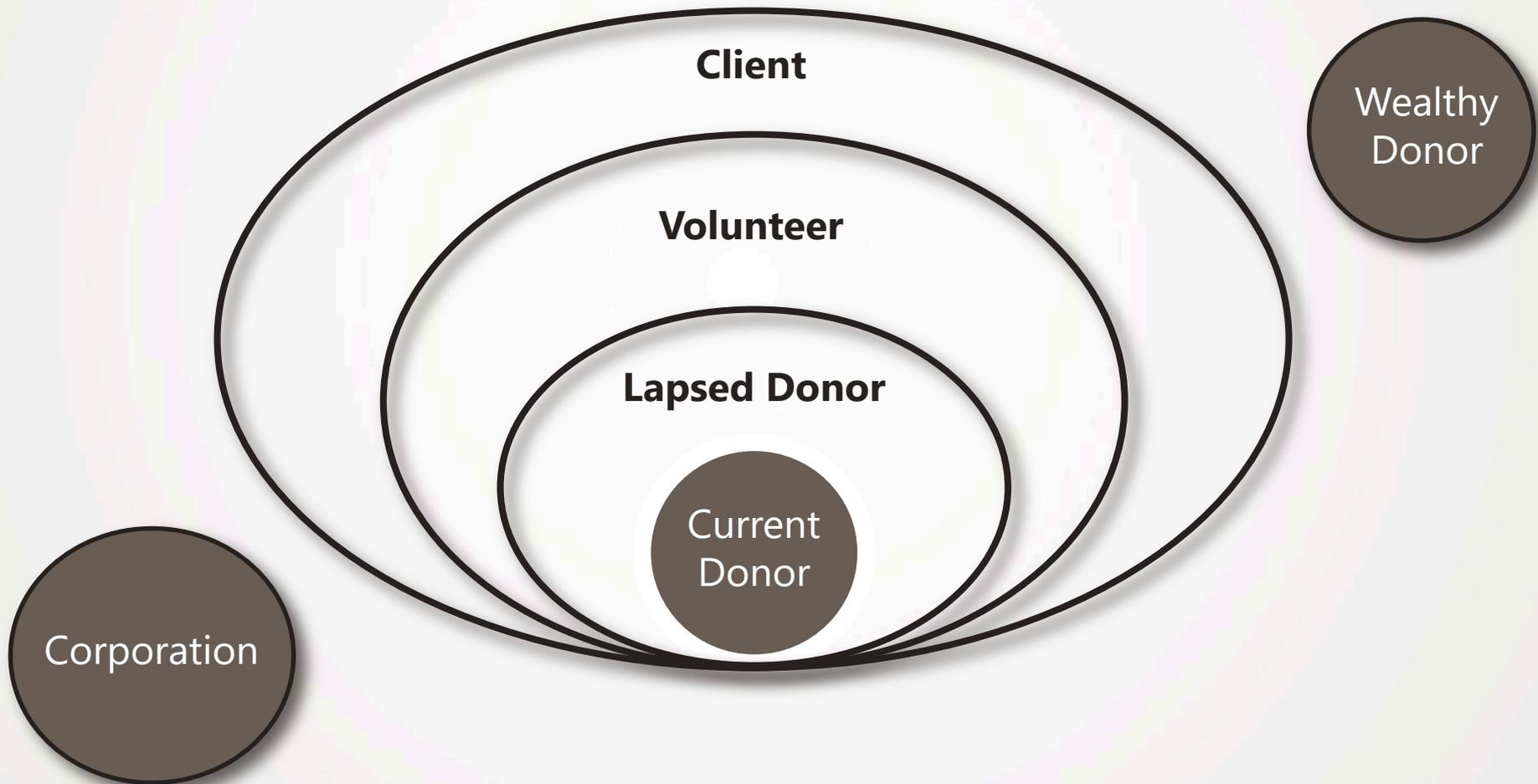
- Anonymous Donor





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
- ❖ Donor Advised Fund
- ❖ Real Estate





INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation





INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation

the
Matures
BORN 1945 AND EARLIER¹

AKA
"Greatest Generation"



Top Supporters of



EMERGENCY RELIEF



TROOPS & VETERANS



THE ARTS



ADVOCACY & ELECTION CAMPAIGNS



INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation



Top Supporters of



FIRST RESPONDER ORGANIZATIONS¹¹



THIS GENERATION HAS A **25.7%** VOLUNTEER RATE⁹



49% WANT TO KNOW ABOUT A NONPROFIT'S FINANCES BEFORE THEY DONATE¹⁰



8% DONATE TO HUMAN RIGHTS CAUSES¹²

RELIGIOUS & SPIRITUAL CAUSES

48% DONATE
48% VOLUNTEER¹³





INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation



Generation X + Millennials
WILL INHERIT OVER
\$40 TRILLION



Top Supporters of



HEALTH SERVICES



ANIMAL RIGHTS & WELFARE



ENVIRONMENTAL PROTECTION



INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation



REPRESENT OVER A **1/4** OF THE US POPULATION²² (AND NOW SURPASS BABY BOOMERS IN SIZE)



Top Supporters of



HUMAN RIGHTS & INTERNATIONAL DEVELOPMENT



CHILD DEVELOPMENT



VICTIMS OF CRIME/ABUSE²⁸



INDIVIDUAL DONORS – BUILDING YOUR LIST

Adapt your strategy based on the donor's generation



AKA
"Philanthrokids"



THEY'LL
MAKE UP **40%**
OF ALL CUSTOMERS³⁰



26%
OF THOSE
AGED 16-19
VOLUNTEER³¹



60%
WANT THEIR
WORK TO MAKE
A DIFFERENCE³²



76%
ARE
WORRIED
ABOUT THE
PLANET³³



30%
HAVE ALREADY
DONATED TO AN
ORGANIZATION³⁴



JUST OVER
1 IN 10
WANT TO START
A CHARITY³⁵



PREDICTED TO
PREFER MOBILE
APPS FOR GIVING³⁶

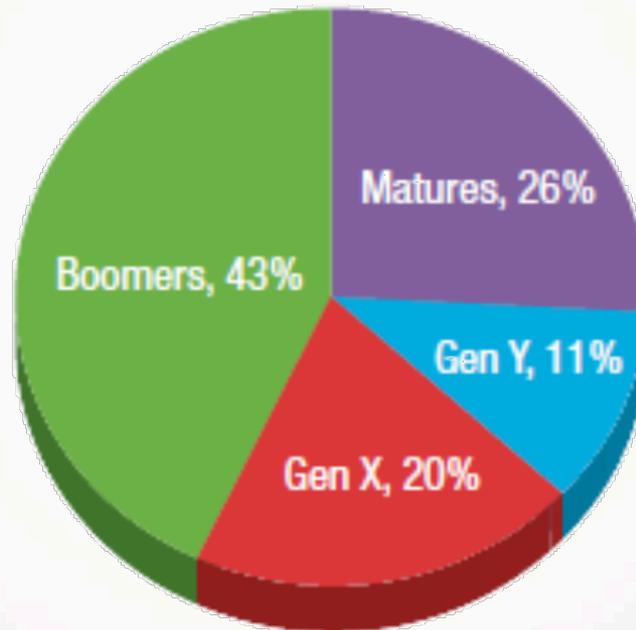


INDIVIDUAL DONORS – BUILDING YOUR LIST

Generational Giving

Generational Giving

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



Generational contribution of total giving



INDIVIDUAL DONORS – BUILDING YOUR LIST

Generational Giving

Transaction Channels

	GEN Y	GEN X	BOOMERS	MATURES
Make monetary donations	53%	59%	69%	77%
Donate goods	41%	56%	63%	72%
Make a donation in honor of, in memory of, or as tribute	11%	16%	30%	34%
Donate through a monthly giving program	13%	16%	21%	15%
Include in will	0%	2%	5%	8%

Bolding indicates statistical significance among audiences.



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





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





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





Cultivating Relationships for Major Gift Fundraising

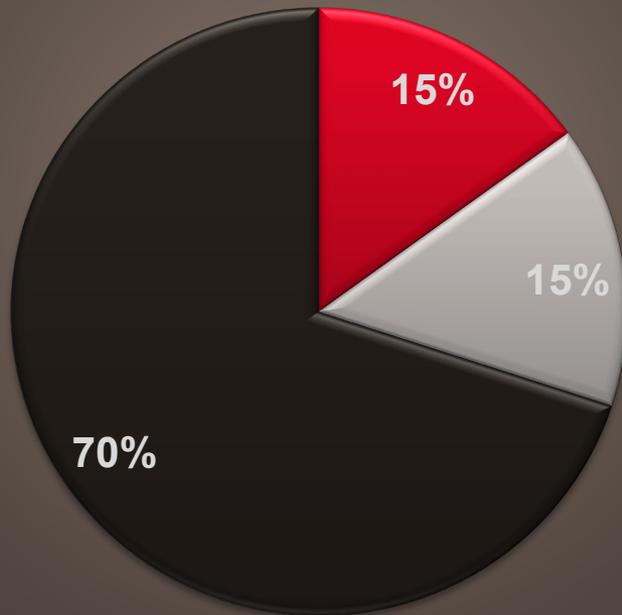




INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING

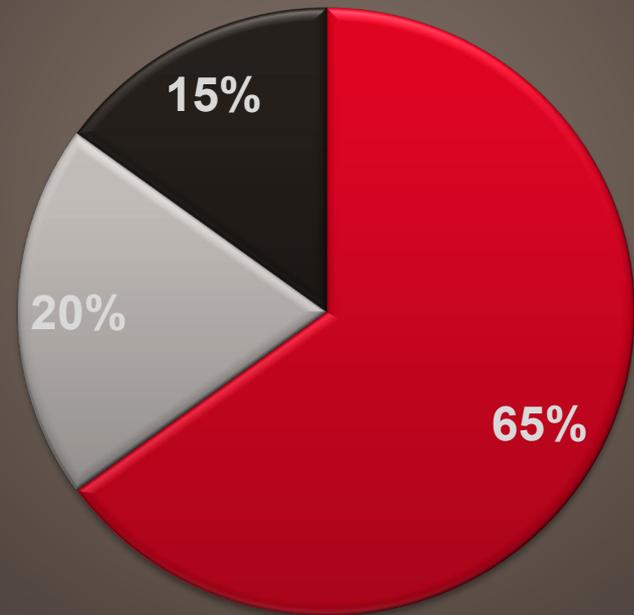
Percentage of Total Gifts (in numbers)

■ Major gifts ■ Mid-sized gifts ■ Small Gifts



Percentage of Annual Fund Revenue (in \$s)

■ Major gifts ■ Mid-sized gifts ■ Small Gifts





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	(x4)8	\$20,000
	5	\$5,000	(x3)15	\$25,000
	10	\$2,500	(x3)30	\$25,000
	20	\$1,000	(x2)40	\$20,000
	20	\$500	(x2)40	\$10,000
Total	58 Gifts = 137 individual prospects			



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





11 QUESTIONS EVERY DONOR ASKS

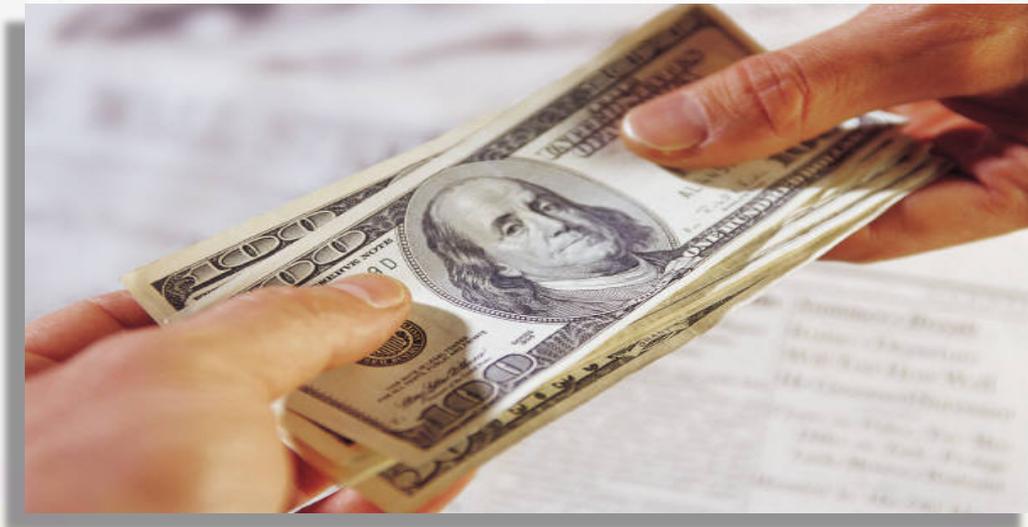
- ❖ Why Me?
- ❖ Why are **you** asking **me**?
- ❖ Do I trust you?
- ❖ How much do you want?
- ❖ Why your Organization?
- ❖ Will my gift make a difference?
- ❖ Is there an urgent need?
- ❖ Is it easy to give?
- ❖ How will I be treated?
- ❖ Will I have a say over how you use my gift?
- ❖ How will you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





THE MANTRA

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





Capital Campaigns

Capital
Campaign



CAPITAL CAMPAIGNS

What is a Capital Campaign?

- ❖ A targeted fundraising effort, taking place over a defined period of time
- ❖ Used by organizations to raise funds for:
 - *constructions and renovations (brick-and-mortar projects)*
 - *Land Acquisition*
 - *Large scale equipment/supplies*
- ❖ Unique because donors know, before giving, exactly what they are helping accomplish
- ❖ Most effective if organization can combine the power of effective fundraising with the incentive of addressing an immediate and tangible need

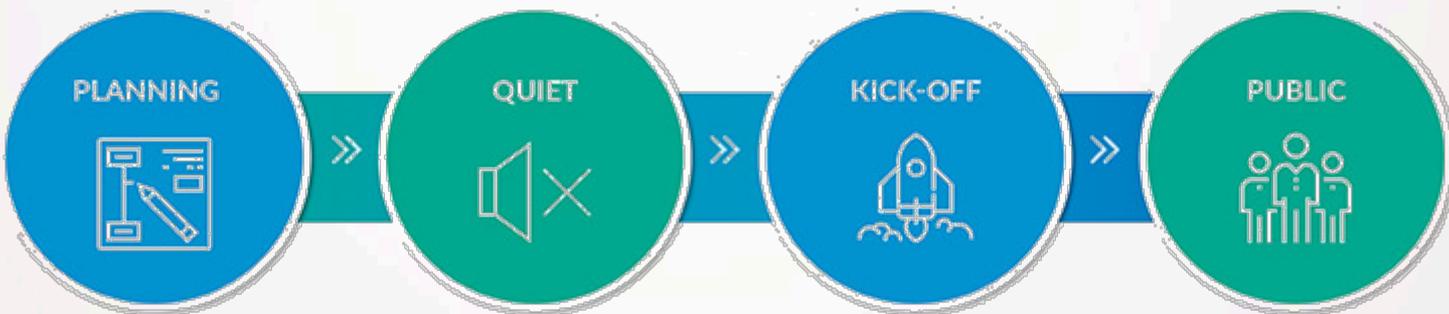


CAPITAL CAMPAIGNS

Capital Campaign Process

❖ Planning

- *Feasibility study*
- *Assemble the team*
- *Set goals, deadlines, budgets*
- *Screen your prospects*





CAPITAL CAMPAIGNS

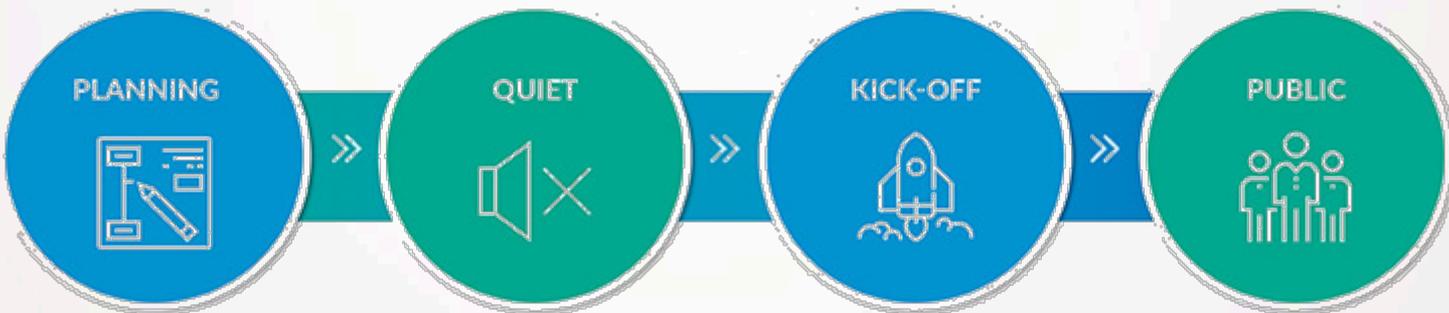
Capital Campaign Process

❖ Quiet Phase

- *Focus on major gift leads*
- *Can take upwards of a year*
- *50-70% of the goal to raised within this phase*

❖ Kick-off

- *Make the campaign public*
- *Major gift fundraising continues*
- *Get to about 80-85% of goal*



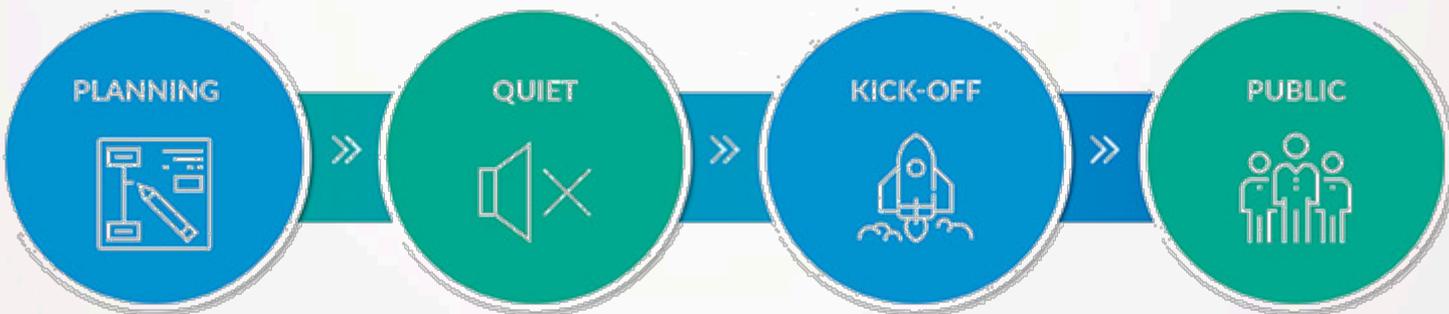


CAPITAL CAMPAIGNS

Capital Campaign Process

❖ Public Phase

- *Reach the community*
- *Bring small donors into the fold*
- *Use this time to follow up with donors from the kick-off phase*
- *Wrap up*





CAPITAL CAMPAIGNS

The Capital Campaign Team

❖ In-House

- Board members
 - Day-to-day planning; execution; tied to the mission
- Campaign Chair
 - Oversee the committee; ambassador into the community
 - Typically an early major gift donor
- Staff
 - Development professionals; committed to the success of the campaign; ongoing management of the campaign

❖ Committee-Related Team

- Campaign planning Committee
 - 10-15 members who plan the campaign
 - Includes top staff, board members, volunteers prominent in the community
- Steering Committee
 - Will include some planning committee members
 - Will run the campaign



CAPITAL CAMPAIGNS

Campaign Feasibility

- ❖ Surveys, usually by a consultant, to:
 - gauge whether organization has the capacity to accomplish the goals through a capital campaign
- ❖ Typically interviews of 20-40 “stakeholders”
 - board members, community members, past donors, etc.
- ❖ Recommendations:
 - The steps forwards – strategy
 - A potential \$ figure that is “feasible” for the organization to take on as a goal



CAPITAL CAMPAIGNS

Setting a Budget

- ❖ Budget with the total goal in mind
 - Campaign will cost upwards of 10% of overall goal
 - For a \$10 million campaign goal, the budget will be \$11 million
- ❖ Map out your campaign costs
- ❖ Consider hiring a consultant
 - Added staffing
 - Expertise in managing campaigns
 - Expertise in certain geographies
 - You can define the scope and role of a consultant to fit your needs



CAPITAL CAMPAIGNS

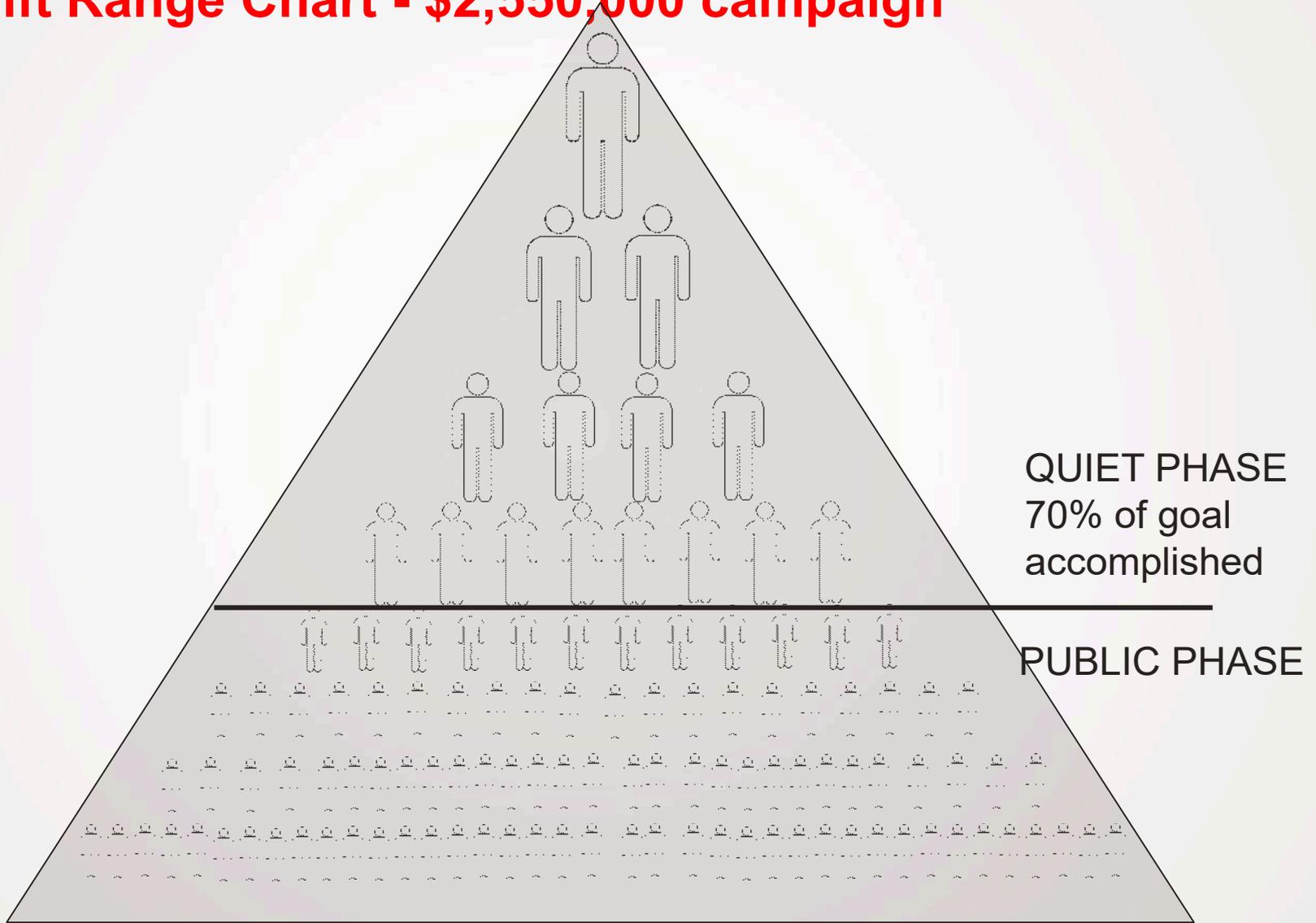
The Gift Range Chart - \$2,550,000 campaign

Gift Amount	# of Gifts	# of Prospects	Total	Cumulative Total
\$500,000	1	4	\$500,000	\$500,000
\$250,000	2	8	\$500,000	\$1,000,000
\$100,000	4	16	\$400,000	\$1,400,000
\$50,000	8	32	\$400,000	\$1,800,000
\$25,000	12	36	\$300,000	\$2,100,000
\$10,000	20	40	\$200,000	\$2,300,000
\$5,000	30	60	\$150,000	\$2,450,000
\$2,500	40	80	\$100,000	\$2,550,000
TOTAL	117	276	\$2,550,000	\$2,550,000



CAPITAL CAMPAIGNS

The Gift Range Chart - \$2,550,000 campaign





Coming Full Circle – Ethics in Fundraising and in Storytelling for Fundraising



AFP Code of Ethics

- ❖ Public Trust, Transparency & Conflicts Of Interest
- ❖ Solicitation & Stewardship Of Philanthropic Funds
- ❖ Treatment Of Confidential & Proprietary Information
- ❖ Compensation, Bonuses & Finder's Fees



ETHICS IN FUNDRAISING

AFP Donor Bill of Rights

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



Ethical Considerations for Storytelling and Fundraising

- I. Is the house truly on fire?
 - Be honest in your messaging
 - The perils of panic programming
- II. Maintain brand voice during crisis
 - Do not deflect from mission during a crisis
 - Do not chase the money
- III. Don't cry wolf
 - Focus on good stewardship
 - Value-based cultivation
- IV. Manage urgency vs. donor fatigue
 - Is the sky truly falling?
 - Constant urgency = poor planning

“Why do you Care?”

Part II

Think about this question in the context of our workshop today.

**Turn to someone other than the person you talked with at the beginning of the workshop, and give them your answer
(2 minutes)**

Discussion (5 minutes)

Q & A

Thank you!

