

Fundraising and Development for Lake Organizations

What we'll cover:

- Fundraising v. Development
- The Development plan
- Donor categories and solicitation tools
- Donor stewardship

“So...you want to raise some money?”

Initial Questions to Ask

- Who are we?
- For what purpose are we raising funds?
- Who's responsible for raising funds?

Fundraising v. Development



What's the difference?

FUNDRAISING

Often single event based

- Item sales (baked goods, pizzas, candy)
- Car washes
- Golf outings/Charity Runs
- Individual requests for donations with no plan for future solicitation

Types of donations

- Generally small
- One-off
- Potentially small ROI
- Quick turn around

DEVELOPMENT

Multi-faceted

- Plan-based-Fundraising is only part of the process
- Includes multiple types of events and communication
- Relationship-based
- Long term strategy
- Slower turnaround
- Potentially large ROI
- Potential for multiple, increasing donations

“Can my organization ‘do’ development rather than just fundraise?”

YES!

What should you focus on?

Several things to consider:

- Organizational capacity
- Human capacity
- Financial needs
- Financial resources
- Expertise

Two main components to donor development:

- Having a plan
- Building relationships

The Development Plan

Budget v. Development Plan

Budget:

- Overall financial plan for organization
- Includes all projected revenue and expenses for organization in a given time period

Development plan:

- Overall contributed income plan for the organization
- Includes only revenue generated from contributed sources
- Can include non-revenue items like marketing and communications efforts
- Development plan NOT BUILT AROUND BUDGET

Do's and Don'ts for Development Plans

DO

- Build your plan based around your organization's capabilities
- Include items that are non-revenue generating but support your revenue generating efforts
- Include dates and assignments
- Keep them flexible to accommodate change

DON'T

- Build your plan based on a budgetary need
- Include non-contributed income activities
- Plan beyond your organization's capabilities

Building Your Plan

Things to consider:

- Resources
- Time
- History
- Need

Resources

- Human
 - Staff
 - Board
 - Volunteers
 - Network
- Financial
- Prospects
 - How big is your donor list? Mailing?
 - How connected are your supporters to your organization?
 - Volunteers?

Time

- How much do you have?
- How much does your staff/board have?
- How much will it take to complete you plan?

History

- How long have you been soliciting donations? Memberships?
- What types of solicitations have you done?
- How many current donors do you have?
- Board giving?
- Visibility in the community?

Need

- What are your organizational needs?
 - Project funds?
 - Specific organizational activities?
 - General funds?
 - Volunteers?

Okay...now what?

Funding Categories

- Individuals
- Events
- Businesses/Corporations
- Foundations/Government

Individuals

- Membership
- Individual Donations
- Major Gifts

Individuals—Membership

- Who are they?
 - Individuals who are dues paying members to your organization
 - Generally very committed
 - Revenue growth small (only goes up when you raise membership fees)
- How to solicit
 - Direct mail offers
 - Renewal mailings
 - Word of mouth
- Prospects
 - Current volunteers
 - Individuals already working with organization
 - Community members

Individuals--Membership

- Things to consider
 - Straight forward to start
 - Steady income if administered correctly
 - Can provide an even deeper connection for already engaged individuals
 - Prospects are easy to identify
 - Membership program requires administration (renewals, reporting, meetings, etc.)
 - Active members may be resistant to additional, non-membership related solicitation
 - Low potential for revenue growth once membership reaches certain level

Individuals—Individual Donors

- Who are they?
 - Individuals who have made a non-membership donation (can also be members)
 - Committed, but can also have oars in many waters
 - Potential for growth
- How to solicit
 - Direct mail solicitations
 - Web communications
 - Passive solicitations (newsletter envelopes, self-mailers, surveys, etc.)
 - Via events
- Prospects
 - Current members
 - Board of Directors
 - Supporters of other similar organizations
 - Event attendees

Individuals—Individual Donors

- Things to consider
 - Less administration than members
 - Expands reach of organization
 - Higher potential for revenue growth
 - Prospects may be harder to identify
 - Other oars—donors may already be supporting other organizations

Individuals—Major Gifts

- Who are they?
 - Individuals who are donors making a significant contribution (ex. Anyone over \$1K)
 - Very committed
 - Potential for large growth
 - Often expect more active relationship with organization
- How to solicit
 - Direct mail solicitations
 - Face to face solicitations
- Prospects
 - Current members and donors
 - Board of Directors
 - Individual philanthropists
 - Business and community leaders

Individuals—Major Gifts

- Things to consider
 - Potential for larger revenue and increases
 - Major donors can open doors to other similar prospects
 - More difficult to identify major gift prospects
 - Gift solicitation often requires a large commitment of time and resources on the part of organization and it's leaders
 - Will often require significant stewardship
 - Major donors can have "access" expectations

Events

- Fundraising events
- “Friend”-raising events
- Volunteer events
- Online events

Events

- Things to consider:
 - Events are both a great way to engage supporters and to quickly solicit funds
 - Events, regardless of type, require significant planning and time
 - Events can have low ROI
 - Events, regardless of funds raised, are a means to a beginning, not an end.
 - You should always have a plan to engage event attendees and participants post-event

Business/Corporate Support

- Event sponsorships
- Direct corporate solicitations
- In-kind support

Business/Corporate Support

- Things to consider
 - Small businesses will have less ability to provide cash, but may be happy to provide merchandise
 - Sponsorships are often transactional, i.e. they'll want something in return
 - Corporations can have specific criteria for donations (location of work, type of efforts, etc.)
 - In-kind support should be for things your organization knows it can use
 - The better the relationship, the more likely the support...but building relationships takes time

Foundation/Government Grants

- Private Foundation
- Public/Community Foundations
- Other organizations
- Governmental

Foundation/Government Grants

- Things to consider:
 - Grant money can be highly competitive
 - Significant time, effort and expertise needed to secure grants
 - ROI can be low
 - Relationships important to success

“We got the check! Now what...?”

Donor Stewardship

•What is donor stewardship?

The management, acknowledgement, and recognition of a donor's gift; and the continued communication with the donor on the impact of their gift on your organization and it's work.

OR

The key to turning single donations into major gifts.

Donor Stewardship

The stewardship process:

- Accepting and managing a donor's gift
- Thanking the donor for their gift
- Recognizing the donor for their gift
- Reporting to the donor the impact of their gift

Donor Stewardship

- Accepting and managing a donor's gift
 - Have a process in place to record donor gifts (database, etc.)
 - Record donor contact information completely
 - Donor record system should be one from which you can get information on donor gifts easily

Donor Stewardship

- Thanking the donor for their gift
 - Thank you letters to donors should go out in a timely manner
 - They should include the date and amount of the gift
 - They can double as tax receipts
 - Whenever possible, they should be hand signed and noted

Donor Stewardship

- Recognizing the donor for their gift
 - Can include donor recognition in annual reports and newsletters
 - Can keep a list of current donors on organizational website
 - If someone donates to a specific event, they should be recognized at that event
 - Donor wishes regarding their name and information should always be honored

Donor Stewardship

- Reporting to the donor the impact of their gift
 - Many ways to do this:
 - Direct communication with the donor
 - Periodic newsletters and e-newsletters
 - Donor-only emails from organization
 - Grant and donation reports
 - Annual reports
 - Website updates

Development Plan Examples

Basic

FUNDRAISING PLAN

Year 2013

| Organization | Year | Total (\$) | Goal |
|-----------------------|------|------------|------|
| 1. Non-Members | | | |
| 2. Member Network | | | |
| 3. Special Appeals | | | |
| 4. Major Donations | | | |
| 5. Board Giving | | | |
| 6. Events | | | |
| 7. Auctions & Clinics | | | |
| 8. Fundraising | | | |
| 9. Fundraising | | | |
| 10. Fundraising | | | |
| 11. Special Appeals | | | |
| 12. Expenses | | | |
| 13. Total | | | |

Development Plan Examples

Advanced

Fundraising Planning Calendar*

Year _____ Total (\$): _____

| Fundraising Strategy | Total (\$) | Months | | | | | |
|---------------------------------------|------------|--------|-----|-----|-----|-----|-----|
| | | Jan | Feb | Mar | Apr | May | Jun |
| 1. Non-Member Network | | | | | | | |
| 2. Non-Member Network | | | | | | | |
| 3. Non-Member Network & Cash Campaign | | | | | | | |
| 4. Major Donors | | | | | | | |
| 5. Special Appeals | | | | | | | |
| 6. Expenses | | | | | | | |
| 7. Total | | | | | | | |

*Include the total for each month, and total for the year.

Questions?


