ELEMENTS OF SUCCESSFUL PHILANTHROPY

Building a Comprehensive and Sustainable Development Program

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Development Manager, Friends of the THC
ELEMENTS OF SUCCESSFUL PHILANTHROPY

Development 101
Philanthropy – Beginnings and Trends
Fundraising – the “Why” & the “How” & the Fundamentals
Development – Program, Plan and Process
Fundraising by the Rules and Ethical Standards
INTRODUCTION

Who we are

What we are going to do today – survey responses

Therefore, what will today’s agenda look like
AGENDA – Wednesday, January 16\textsuperscript{th}, 2019

Morning Session

\begin{itemize}
\item Philanthropy Fundamentals
  \begin{itemize}
  \item The Beginnings and Trends Today
  \item The “Why” and “How” of Fundraising
  \item The Fundamentals
  \end{itemize}
\item A Strong Development Program
  \begin{itemize}
  \item Strategy - The Development Plan
  \item Capacity
  \item Story – Your Case for Support
  \end{itemize}
\item The Development Process
\end{itemize}

12:00 noon – Lunch

\begin{itemize}
\item Understanding Grants and Grantors
\item Foundation Fundraising
  \begin{itemize}
  \item Grant Proposals How-to
  \item Writing Your Proposal
  \end{itemize}
\item Corporate Partnerships and Sponsorships
\item Individual Giving – An Overview
\item Cultivating Relationships for Major Gifts Fundraising
\item Capital Campaigns
\end{itemize}

4:30 pm Adjourn

Evening events: 6:00 – 9:00 pm: Opening Night Reception
RESOURCES YOU WILL TAKE AWAY

Binder Review
INTRODUCTION

Describe your organization and its mission

What is the project or program you are working on?

What is the funding need and why?
Philanthropy – The Beginnings and Trends Today
2017 contributions: $410.02 billion by source (in billions of dollars – all figures are rounded)

- **Individuals**: $286.65 (70%)
- **Foundations**: $66.90 (16%)
- **Corporations**: $20.77 (5%)
- **Bequests**: $35.70 (9%)
2017 Contributions: $410.02 billion by Type of Recipient (in billions of dollars – all figures are rounded)
From 2016 to 2017, giving to:

- Religion up 2.9%, to $127.37 billion
- Education up 6.2%, to $58.9 billion
- Human Services up 5.1%, to $50.06 billion
- Foundation up 15.5%, to $45.89 billion
- Health Organizations up 7.3%, to $38.27 billion
- Public-Society Benefit Organizations up 7.8%, to $29.59 billion
- Arts, Culture and Humanities up 8.7%, to $19.51 billion
- International Affairs down 4.4%, to $22.97 billion
- Environment and Animal Organizations up 7.2%, to $11.83 billion
- Individuals down 20.7%, to $7.87 billion
Fundraising – The “Why”, and the “How”
Philanthropy means voluntary action for the common good\(^1\). 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
MAKING THE CASE – WHY DO WE NEED TO RAISE MONEY?

Mission Support

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

Organizational Sustainability & Stability

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

- **Earned Income**
  - Sales of products
  - Services for a fee
  - Special events

- **Philanthropy/Fundraised Income**
  - Individuals
  - Foundations
  - Corporations
  - Government
  - Organizations

- **Investment Income**
  - Interest
  - Equities/Bonds/Real Estate
The Fundamentals and Key Principles of Development & Fundraising
People
Fundraising is all about people and building relationships

Participation
Involving and engaging potential supporters in your mission

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

Plan
Your organization needs a good fundraising plan in place in order to succeed
THE FUNDAMENTALS & KEY PRINCIPLES

❖ One
  – 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

❖ Two
  – People give to people
    ➢ Peer asks
    ➢ Success comes to those who ASK
    ➢ Stability in diversity
    ➢ Strong base of donors critical
    ➢ Timing of the ask important
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 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”
In order to build a strong development program, an organization needs:

- A well thought through **strategy**
  - 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
The Strategy – The Organizational Development Plan
The Pre-requisites

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

Source: Planning for Success by Jeri Alcock, MSW, CFRE
THE DEVELOPMENT PLAN

Institutional Plan/Strategic Plan

Program/Project Planning

Fund Development Plan (24-36 months)

Annual Fundraising Plan

Source: Planning for Success by Jeri Alcock, MSW, CFRE
The Organizational Plan/Strategic Plan

❖ Strategic plan a “road map” – the path from “where we are” to “where we are going”
❖ Strategic planning process to be “stakeholder-based” – involve constituents, leadership, and possibly donors
❖ Strategic plan to be supported by a long-term development plan and annual fundraising plans
❖ Know what you are fundraising for – growth, efficiency, stability, visibility, or involvement
❖ Remember…..
  ▪ Donors need to see the “return on investment”
  ▪ People invest in causes and organizations that support their personal goals
The Development Plan

- **Review Organizational Strategic Plan**
  - What are you fundraising for?
  - What are your long-range strategic priorities
  - What are your mid-range program priorities
  - What are your immediate annual project needs and organization’s operational needs

- **Clarify your “pitch” – Program/Project Plans**
  - Identify the **what** (what you need) and the **why** (why you need it)
  - Clarify **how** you will address the need (what is the program/project)

- **Clarify your Funding Needs – Fund Development Plan and Annual Fundraising Plan**
  - What **funding** do you need long-term, mid-term, and immediate (this year)
  - Develop a “menu” of giving opportunities (unrestricted operations, restricted programs/projects, capital needs)

- **Mission**
  - Make sure your pitch ties in with your mission at all times

*Source: Planning for Success by Jeri Alcock, MSW, CFRE*
The Process

❖ Self Assessment - Evaluate fundraising capacity
  - Current sources – capacity to grow?
  - Diversity of sources
  - Type of sources
  - Staff capacity – current and future
  - Existing fundraising activities
  - Established prospects and relationships

❖ Fundraising is a team sport
  - Staff leadership
  - Board Role – each person is engaged in the process at some level
  - Engaging current donors
  - Maximize the ask
  - Build a team of ambassadors

Source: Planning for Success by Jeri Alcock, MSW, CFRE
## The Development Plan in Numbers

<table>
<thead>
<tr>
<th>UNRESTRICTED</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>RESTRICTED</th>
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<td><strong>Foundation $s</strong></td>
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<td>Corporate Donations</td>
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<td><strong>Total Restricted Revenues</strong></td>
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</table>

Source: Planning for Success by Jeri Alcock, MSW, CFRE
The Development Plan

Evaluating Success

- Did we reach the dollar goal?
- Did we fund our highest priority programs?
- What is the ratio of yes to ask?
- What % of board and key volunteers were involved?
- What was the growth in dollars to the organization?

Source: Planning for Success by Jeri Alcock, MSW, CFRE
Answer the Following Questions for the Annual Fundraising Plan

❖ Explicit Goals
  - How much will you raise?
  - What are your known/expected sources?
  - What is the calendar of activities necessary to support the sources and your goals?

❖ Processes
  - How will the results be captured and reported?
  - How will course corrections be made?

Source: Planning for Success by Jeri Alcock, MSW, CFRE
# The Annual Fundraising Plan

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

❖ Leadership
  o Building strong management and governance; Board
  o Clarify expectations of board/leadership’s role in fundraising
  o Staff vs. Board – clarify roles in fundraising

❖ Infrastructure – Putting Systems and Human Resources
  o Identify infrastructure requirements – IT, Databases, accounting
  o Human Resource needs

❖ The Sources
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
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
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.
Infrastructure Needs

❖ Information technology
  - Database – what should you use
  - Accounting systems
  - Research resources

❖ Human Resources
  - Hire a development officer OR
  - Hire a development coordinator OR
  - Hire a development consultant to manage the process OR
  - Assign a Board Fund Development Committee to lead development efforts
The Types of Sources

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

- **Institutional donors**
  - Foundations
    - Formal guidelines, deadlines
    - May not be as personal
  - Corporations
    - Strategic – marketing/community relations-based proposal
    - Local gift vs. corporate foundation
  - Foundations
    - Formal guidelines, deadlines
    - Accessible grants administrators

- All of these may inter-relate – know your donor
BUILDING CAPACITY – SOURCES

- **Individuals**
  - Annual Gifts – unrestricted operating
  - Major Gifts – unrestricted/restricted program/capital

- **Foundations**
  - Charitable Fdns
  - Corporate Fdns
  - Operating grants – unrestricted & Restricted
  - Restricted grants – Programs/ Capital/ Endowments

- **Corporations**
  - Partnerships – long-term programs
  - Sponsorships – event specific

- **Government/Agency**
  - Restricted grants – programs/capital/scholarships
  - Research/Planning/Technical Assistance
BUILDING CAPACITY – SOURCES

Unrestricted Operating
- Annual Gifts from individuals
- Annual Gifts from foundations, sometimes corporate partnerships

Restricted Operating
- Foundations (typically annual)
- Corporations (typically annual, though not common)
- Individuals and Foundations (major gifts), Corporations (long term)
- Public Agencies/Allied organizations

Restricted Program

Capital
- Individuals (capital gifts)
- Foundations (capital gifts)

Endowments - Sustainability
- Individuals (planned gifts)
- Foundations (major gifts)
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”
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?
  o Make issues simple to understand, not simplistic
❖ Invest in outreach
❖ Important AND urgent
❖ Community engagement a priority
The Case Statement....

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

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

Source: How to Write a Case for Support for Your Organization, by Joe Garecht
Key Elements of a Strong Case Statement

❖ What is the need?
  ➢ Manageable so that the grantor feels they can make a difference

❖ What evidence is there that this is a pressing need?
  ➢ Why now?

❖ How is your organization uniquely qualified to address this need?
  ➢ Track record; alignment with mission and past programs

❖ What will be the benefits of your action?
  ➢ Talk about positive consequences, big and small
  ➢ Be realistic about what can be guaranteed and what can fail

❖ What are the consequences if you fail?
  ➢ Clearly lay out negative consequences, major and minor, of you do not act

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

❖ An emotional opening
  ➢ The first one or two paragraphs are critical – pack an emotional punch

❖ Your mission and vision
  ➢ Why does your organization exist? What is your big, bold vision for the future?

❖ History of the organization
  ➢ Talk about accomplishments till date

❖ A description of current programs and proof of impact
  ➢ Talk about the impact of these programs; why are they worthwhile? Build credibility

❖ What is the critical need in your “community” that you have to address
  ➢ How much money does your organization need? What will it be used for? Why now?

❖ Clear programmatic goals and Objectives
  ➢ SMART objectives – Specific, Measureable, Achievable, realistic, Time-bound

❖ How will you evaluate success?
  ➢ What are the changes you will see if you program is successful?

❖ Use the case statement to develop proposals

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

- What is the project or program you are working on?
- What is the funding need and why? Define the problem.
  - Who is your audience for your program?
- 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?
“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 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
Break – 10 Minutes
It’s a bear!

The Story in Numbers - the Budget
What is the need in $s?
How is the financial health of your organization?
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?
Grantee must…

- Know the project components and associated costs
- Have the ability to
  - Track the progress of the project and
  - Complete the interim and final reports
- Be able to answer any financial question the donor may have at any time during the project.

Grantors have a right to question each line item.
Budgets and formats will vary by donor
- Federal Grants
- State Grants
- Private Foundations
- Corporate Foundations
- Individual Donors

Types of grants will vary with donor
- Immediate disbursement
- Reimbursement grants

Some are simple, some are complicated
- Requested amount in a letter
- General budget on donor’s form with narrative
- Specific budget that auto-populates another part of the application
- Capital vs. programmatic vs. operating
Prepare the Revenue Budget
- The “known budget” and the “what if” budget
- 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
Total Project Expenses

- **Staff (who is responsible for the project)**
  - Project manager (hourly + benefits)
  - Program staff (hourly + benefits)
  - Project administration (hourly + benefits) (accounting staff, staff time for reports, bank fees)

- **Services**
  - Marketing
  - Design
  - Printing
  - Evaluator
  - Sub grantees

- **Facility rentals & Equipment**
- **Postage & Supplies**
- **Travel (mileage + gasoline + hotel + food)**
- **In-Kind supplies and services**
- **Other**
Total Project Revenues supporting the project

- **Cost share** (what YOU pay for)
  - Project expenses you plan to cover
  - Staff time & benefits used during project
  - Volunteer time: in 2010, each volunteer hour was valued at $21.36*
  - Ergo, you must keep very specific records of volunteer time

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

- **Donor** (what THEY will pay for)
  - The specific amount requested
  - What that amount will pay for
  - Donor’s grant should apply to the overall project budget; do not restrict it to a specific item in the budget
Do not pad your budget!
Do not underestimate!
Get bids/quotes!
# BUDGETS – ORGANIZING BASED ON NEED

## Example – One-Year Gen. Operating/Capital Budget

<table>
<thead>
<tr>
<th>GOALS</th>
<th>PROGRAM/CAPITAL</th>
<th>REVENUE</th>
<th>EXPENSE</th>
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<td>1,516</td>
<td>839</td>
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<tr>
<td>General / Misc.</td>
<td>1,788</td>
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<td>1,890</td>
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<tr>
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<td>529</td>
<td>566</td>
<td>7,283</td>
</tr>
<tr>
<td>Travel</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Project Expenses</td>
<td>212</td>
<td>226</td>
<td>9,575</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td><strong>$127,294</strong></td>
<td><strong>$132,194</strong></td>
<td><strong>$99,183</strong></td>
</tr>
<tr>
<td>TOTAL REVENUES - EXPENSES</td>
<td><strong>$96,366</strong></td>
<td><strong>($66,599)</strong></td>
<td><strong>$35,769</strong></td>
</tr>
</tbody>
</table>
Example – Five-Year Summary Budget

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Memberships/Contributions</td>
<td>$127,200</td>
<td>$130,950</td>
<td>$133,763</td>
<td>$135,872</td>
<td>$144,954</td>
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<tr>
<td>Major Donors</td>
<td>105,000</td>
<td>80,000</td>
<td>40,000</td>
<td>30,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Workplace Giving</td>
<td>3,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Grants</td>
<td>138,500</td>
<td>170,000</td>
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<td>170,000</td>
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<tr>
<td>Other Income</td>
<td>90,508</td>
<td>90,049</td>
<td>73,040</td>
<td>72,661</td>
<td>72,608</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$464,208</td>
<td>$470,999</td>
<td>$416,803</td>
<td>$408,533</td>
<td>$437,561</td>
</tr>
<tr>
<td><strong>EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Taxes, and Benefits</td>
<td>$328,834</td>
<td>$352,583</td>
<td>$360,782</td>
<td>$364,062</td>
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<td>Professional Services</td>
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<td>18,550</td>
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<td>Telephone</td>
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<tr>
<td>Occupancy</td>
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<td>Equipment</td>
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<td>4,200</td>
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<td>General / Misc.</td>
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<td>Postage</td>
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<tr>
<td>Project Expenses</td>
<td>10,150</td>
<td>10,120</td>
<td>65,135</td>
<td>10,146</td>
<td>10,355</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$386,849</td>
<td>$409,586</td>
<td>$464,160</td>
<td>$415,259</td>
<td>$416,982</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES - EXPENSES</strong></td>
<td>$77,359</td>
<td>$61,413</td>
<td>($47,358)</td>
<td>($6,725)</td>
<td>$20,579</td>
</tr>
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</table>
## Example – Five-Year Strategic Plan Budget

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships/Contributions</td>
<td>$127,200</td>
<td>$130,950</td>
<td>$133,763</td>
<td>$135,872</td>
<td>$144,954</td>
</tr>
<tr>
<td>Major Donors</td>
<td>105,000</td>
<td>80,000</td>
<td>40,000</td>
<td>30,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Workplace Giving</td>
<td>3,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
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<td><strong>$470,999</strong></td>
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<td><strong>$408,533</strong></td>
<td><strong>$437,561</strong></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goals</td>
<td></td>
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<tr>
<td>Conservation</td>
<td>$127,294</td>
<td>$135,582</td>
<td>$138,082</td>
<td>$139,345</td>
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<td>Outreach</td>
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<td>144,937</td>
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<td>Development</td>
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<td>102,679</td>
<td>107,778</td>
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<td>Administration</td>
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<td>27,844</td>
<td>23,363</td>
<td>23,582</td>
<td>23,800</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$386,849</strong></td>
<td><strong>$409,586</strong></td>
<td><strong>$464,160</strong></td>
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<td><strong>TOTAL REVENUES - EXPENSES</strong></td>
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<td><strong>($6,725)</strong></td>
<td><strong>$20,579</strong></td>
</tr>
</tbody>
</table>
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.
Get permission first from the grantor if you want to spend the money on other related expenses.

Launch the project as soon as possible after receiving funding.

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

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!!
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!!
The Story in Impact

How do you evaluate the impact and therefore the success of your project/program?
Why conduct an evaluation?

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

*Carlson and O'Neal-McElrath, authors of Winning Grants, Step by Step*
Funders want to know if their gift helped you accomplish your goals.

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

They want to be able to state the impact they make through their funding.
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?
Define your project in measurable terms

❖ State your Goals and Objectives for the project as they relate to the mission.
  - Specific
  - Measurable
  - Achievable
  - Realistic
  - Time-bound

❖ What is the purpose of your project?
❖ What are the expected outcomes? What do you hope to accomplish with the grant funds?
❖ When will your project be completed?
Define your project in measurable terms

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

Source: Zach Shefska, Fundraising Report Card
Whichever your donor type, and what ever your funding needs, the development process is the same for all.
THE DEVELOPMENT PROCESS

Identification

Stewardship

Qualification

Solicitation

Cultivation
THE DEVELOPMENT PROCESS – IDENTIFICATION

- Referral
- Self-Identification
- Special Events
- List Swap or Purchase
- Data Mining
THE DEVELOPMENT PROCESS – QUALIFICATION

- Direct Mail
- Electronic Mail
- Peer Review
- Research
- Qualification
- Field Research or Personal Visit
THE DEVELOPMENT PROCESS – CULTIVATION

Cultivation: Personalize It!

- Letters/Notes
- Site Visits
- Newsletters
- Social Media
- Affinity Groups
- Special Events
- Personal visits
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
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

Solicitation

- Written Proposal
- Personal Visit
- Email
- Phone Call
- Letter
THE DEVELOPMENT PROCESS – STEWARDSHIP

Stewardship: Personalize it!

- Thank You Letter
- Invitations
- Written update on impact of gift
- Thank You Phone call
- Tax Receipts
THE DEVELOPMENT PROCESS – BACK TO CULTIVATION

Cultivation: Personalize It!

- Letters/Notes
- Site Visits
- Newsletters
- Personal visits
- Special Events
- Affinity Groups
- Social Media
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 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
Lunch - 30 mins

Out to lunch
Understanding Grants & Grantors
Contract

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

Grant

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

❖ Operating Grants
❖ Planning Grants
❖ Program Development/Project Support
❖ Capital Grants
  ➢ Bricks and Mortar
  ➢ Endowment
❖ Technical Assistance Grants
TYPES OF GRANTORS

Government

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

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

Local
- Austin Parks Foundation
- Capital Metro Transit Authority
- City of Austin
Potential for very large grants

Have been diminishing overall for decades

Future prognosis: More of the same

Subject to Congressional and Legislative influences

Often judged by panels of reviewers

Competition is fierce and becoming fiercer

Staff time and administration in managing government grants
Foundation Fundraising
TYPES OF FOUNDATIONS

- Public Foundations
  - Another name for a public charity

- Private Foundations (Non-Operating Foundations)
  - A nonprofit corporation or a **charitable** trust
  - Principal purpose – making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other **charitable** purposes
  - Derive their funding support from a single individual, or family
  - Managed by their own Board of Directors

- Corporate Foundations
  - Derive their funding support from a corporation

- Operating Foundations
  - Undertakes charitable activities
  - Significantly engaged in own projects in a continuing and sustained fashion

- Community Foundations
  - Non-profit philanthropic org, charities
  - Builds permanent named funds for the benefit of residents in a given area

- Family Foundations
  - Funds derived from a single family
  - Family members as trustees
2017 contributions: \$410.02 billion by source (in billions of dollars – all figures are rounded)

2017 Share of Foundation Grant-making (in billions of dollars – totaling \$66.90 billion)

Source: Giving USA Foundation | Giving USA 2018
2017 Contributions: $410.02 billion by Type of Recipient (in billions of dollars – all figures are rounded)

- Religion: $127.37 (31%)
- Education: $58.90 (14%)
- Human services: $50.06 (12%)
- Gifts to grantmaking foundations*: $45.89 (11%)
- Health: $38.27 (9%)
- Public-society benefit: $29.59 (7%)
- Arts, culture, and humanities: $19.51 (6%)
- International affairs: $22.97 (5%)
- Environment/animals: $11.83 (3%)
- To individuals: $7.87 (2%)

Source: Giving USA Foundation | Giving USA 2016
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
Grant Proposals How-To
GRANT PROPOSALS – MAPPING GRANT CYCLES

Spring Cycle Foundation A:

1. APPLICANT INFORMED
   JAN 18TH

2. LETTER OF INQUIRY DUE
   DEC 15TH BY 5PM

3. PROPOSAL DUE
   FEB 17TH

4. BOARD MEETING
   JUN 6TH

GRANT PERIOD
JULY 1 – JUNE 30TH

Fall Cycle Foundation A:

1. APPLICANT INFORMED
   JULY 6TH

2. LETTER OF INQUIRY DUE
   JUNE 15TH BY 5PM

3. PROPOSAL DUE
   AUGUST 10TH BY 5PM

4. BOARD MEETING
   DECEMBER 6TH

GRANT PERIOD
JANUARY 1 – DECEMBER 31
## Example of a Prospect Timeline Worksheet

<table>
<thead>
<tr>
<th>Department/Project</th>
<th>Prospect Name</th>
<th>Deadline</th>
<th>Ask</th>
<th>Natural Partner</th>
<th>Comments</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td>John Doe Foundation</td>
<td>1-Jun</td>
<td>$75,000</td>
<td>Board Member Cindy Contributor</td>
<td>last gift: $50k in 2009; largest gift: $150k in 2000</td>
<td>Set up meeting with Cindy Contributor to inform her of the project and discuss best strategy</td>
</tr>
<tr>
<td></td>
<td>Jane and John Donor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>George Friend</td>
<td>15-Oct</td>
<td>25k planned gift for the education dept.</td>
<td>long time volunteer in education department</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gala</strong></td>
<td>Beneficent Construction</td>
<td>10-Apr</td>
<td>Presenting Sponsor: $10k</td>
<td>VP is on the gala committee</td>
<td>Have been a $5k contributor of Gala for two years. Presenting Sponsor is a new level</td>
<td>Spoke with VP about next steps. She will set up a meeting with the CEO to present a proposal.</td>
</tr>
<tr>
<td></td>
<td>Design Showcase</td>
<td>5-Jan</td>
<td>In-kind design services for invitations, emails, program</td>
<td>Our Marketing Manager</td>
<td>Designer for the Organization's annual report and general brochure.</td>
<td>Agreed to provide in-kind design for all event related materials</td>
</tr>
<tr>
<td></td>
<td>Betty Boop</td>
<td>1-Mar</td>
<td>Table host: $1500</td>
<td>Betty's daughter attended last year and offered to help</td>
<td>Betty is well connected in town</td>
<td></td>
</tr>
</tbody>
</table>
What Can I Learn From the 990?

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

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

[https://www.npccny.org/new990/](https://www.npccny.org/new990/)
Guidelines Tell You:

- Submission deadlines
- Eligibility
- Proposal formats
- Proposal review process
- Budgets
- Funding goals and priorities
- Grant awards levels
- Evaluation process and criteria
- Contact information
- Other submission requirements
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.
Questions to ask your Grants Officer

- 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.
Writing Your Proposal

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

- 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

FOLLOW INSTRUCTIONS, CHECK AND DOUBLE CHECK
1. **Be sure:** review the application **guidelines** at least twice to be sure you understand them

2. **Be obedient:** follow the funder’s **instructions** and formats, even if they are not logical

3. **Be concise:** a Council on Foundations study states that the average proposal is reviewed for **5 – 7 minutes**

4. **Be focused:** don’t lose sight of your mission or the project goals

5. **Be factual:** be certain that your assertions, statistics, and citations can be **backed up**
6. **Be positive**: don’t whine or be overly dramatic, even when discussing serious issues

7. **Be fiscally responsible**: check your numbers several times to be sure the figures are correct; don’t try to “pad” the budget

8. **Be 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

**ASK YOURSELF…**

*Would you stake your personal reputation and credit on a project like this with your bank?*
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
Is it true I no longer have to apply using PDF forms?

You are Ready to Submit!
We conclude, as we have in the past, that, in making our final decisions, we are still able to choose between the excellent and the excellent. While this sustains us in making difficult choices, it is of little solace to the five out of six applicants we must refuse. They understandably find it hard to be buoyant when their reward lies only in the good company they keep.

William H. Baldwin
Chairman of the Board
Kresge Foundation

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

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

– Winston Churchill
Corporate Partnerships and Sponsorships
Why are Corporations Partnering or Sponsoring?

❖ Reputation is everything

➢ Companies are spending more cash on sponsorships every year – even in a struggling economy.
➢ Reputation is everything in this competitive world.
➢ 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

Source: www.fabrikbrands.com
Corporate Partnerships

- Clarify your goals for the partnership
  - What are you looking for? Long term relationship, funding, etc.
  - This is a give and take – brand alignment; symbiotic relationship; risks and rewards for both

- Find the right partner
  - Not every company is a good fit - Companies with a strong presence in your community/Commitment to your cause
  - Identify mission alignment, in order to offer brand alignment
  - Leverage personal relationships

- Tell your story/Craft a strong pitch
  - Articulate why you are good for each other
  - Value proposition – Identify benefits/solutions that create value for both parties
  - Identify how the partnership will achieve business objectives, engage employees, add brand value, and impact a social cause

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

- Communicate and connect & deliver what you promise
  - Create benchmarks and track progress; Find solutions jointly
  - Communicate regularly, measure successes, and celebrate

- Treat your corporate partner like a major donor

Source: www.raffa.com
CORPORATE PARTNERSHIPS & SPONSORSHIPS

Sponsorships

❖ Important distinctions
➢ Sponsorships are event/program specific, and not necessarily long term
➢ Payment by a business to further a non-profit’s mission
➢ Usually with a quid-pro-quo
➢ Can offer public recognition of a business’s connection with a certain cause; may help bolster customers to the business

❖ Be aware
➢ In order for a corporate sponsorship to be legal and appropriate, the benefits to the sponsor should not outweigh the benefits to the non-profit
➢ There may be tax implications if the sponsorship does not qualify as a charitable contributions
➢ Impact of goods and services received in lieu of contribution

❖ Are you ready to solicit sponsorships?
➢ What is your value/unique selling proposition to the potential sponsor?
➢ What are your goals? Contributions/publicity/volunteers/pro-bono assistance/in-kind gifts?
➢ Document expectations (both sides) in writing
➢ Find natural allies

Source: www.raffa.com
Break – 10 Minutes
Individual Giving – An Overview
CHALLENGES IN FUNDRAISING

❖ Competition
  ➢ More organizations need more money!!
  ➢ Over a 13% increase in the number of 501(c)(3) organizations from 2005 to 2015
  ➢ Non-profits filling vital gaps in service – lower costs + greater efficiency
  ➢ Greater responsibility to existing organizations; formation of new ones

❖ It ain’t easy, AND it takes time!
  ➢ Fundraising a long term investment in organizational capacity
  ➢ Fund development takes time, with results seen way down the road
  ➢ Balance between immediate and urgent needs and important long term sustainability

❖ “I don’t like to ask for money!”
  ➢ Perceived taboo
  ➢ Handout versus investment
  ➢ Pushing outside the comfort zone
Sources

❖ The “pots” people give from:

<table>
<thead>
<tr>
<th>If donor givens from</th>
<th>The organization uses it for</th>
<th>Important to know</th>
</tr>
</thead>
</table>
| Income               | Unrestricted and restricted operating support  
                          - Annual fund  
                          - Program support (small) | - Reliable  
                          - Annual support |
| Assets               | Building organizational assets  
                          - Program support (large)  
                          - Capital support | - Gifts of stock, cash, from investments  
                          - Restricted use of funds  
                          - Not annual; may be one time |
| Estate               | Building long term sustainability  
                          - Endowments  
                          - Stewardship | - 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
Because you **ASKED** them to!
Ask me. I am going to give it to you, to another non-profit or to taxes. And frankly, the government has enough of my money.

- Anonymous Donor
Who is most likely to give next?

- Current Donor
- Lapsed Donor
- Volunteer
- Client
- Corporation
- Wealthy Donor
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
Adapt your strategy based on the donor’s generation

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

**Millennials**
(born 1980-1997)
25.9% of US population

- **84%** of Millennials give to charity, donating an annual average of $481 across 3.3 organizations.
- **11%** of total US giving

**Millennials are active on their phones and respond best to text messages and social media, but rarely check personal email or respond to voice calls.**

**Millennials are most likely to contribute to work sponsored initiatives, donate via mobile and watch online videos before making a gift.**

---

<table>
<thead>
<tr>
<th>Year</th>
<th>1945</th>
<th>1964</th>
<th>1980</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>MILLENNIALS</strong></td>
</tr>
</tbody>
</table>
Adapt your strategy based on the donor’s generation

**Gen X**
(born 1965-1979)

- **59%** of Gen Xers give to charity, donating an annual average of $732 across 3.9 organizations.
- **20.4%** of US population
- **20%** of total US giving

Gen X prefers text messages or voice calls. These donors regularly check email and stay up to date on social media feeds.

Gen Xers are most likely to fundraise on behalf of a cause, make a pledge, and volunteer their time to an organization.
Adapt your strategy based on the donor’s generation

**Boomers** (born 1946-1964)  
23.6% of US population

72% of Boomers give to charity, donating an annual average of $1,212 across 4.5 organizations.

43% of total US giving

- Boomers answer voice calls, check email regularly, and also use text messaging and social media. Though initially slow to adopt new technology, they take to it quickly once they do.
- Boomers are most likely to make recurring donations on a monthly, quarterly or yearly basis.

<table>
<thead>
<tr>
<th>1945</th>
<th>1964</th>
<th>1980</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BOOMERS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Adapt your strategy based on the donor’s generation

**Greatest**
(born before 1945)

- 88% of Greatest Gen give to charity, donating an annual average of $1,367 across 6.2 organizations.
- 11.8% of US population
- 26% of total US giving

Greatest prefer voice calls and direct mail. These donors are late adopters of email and do not typically use text messaging or social media.

Greatest are most likely to give through direct mail campaigns and donate physical goods.

<table>
<thead>
<tr>
<th>Year</th>
<th>Greatest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td></td>
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<tr>
<td>1980</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td></td>
</tr>
</tbody>
</table>
Generational Giving

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

- Boomers, 43%
- Matures, 26%
- Gen X, 20%
- Gen Y, 11%

Source: The Next Generation of American Giving, published by Blackbaud
INDIVIDUAL DONORS – BUILDING YOUR LIST

Generational Giving

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

*Bolding indicates statistical significance among audiences.*

Source: The Next Generation of American Giving, published by Blackbaud
Cultivating Relationships for Major Gift Fundraising
INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING

Percentage of Total Gifts (in numbers):
- Major gifts: 70%
- Mid-sized gifts: 15%
- Small Gifts: 15%

Percentage of Annual Fund Revenue (in $s):
- Major gifts: 65%
- Mid-sized gifts: 20%
- Small Gifts: 15%
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__

<table>
<thead>
<tr>
<th></th>
<th>Gifts</th>
<th>Size of Gifts</th>
<th>Number of Prospects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Gifts</td>
<td>1</td>
<td>$20,000</td>
<td>4</td>
<td>$20,000</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>$10,000</td>
<td>(x4)8</td>
<td>$20,000</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>$5,000</td>
<td>(x3)15</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>$2,500</td>
<td>(x3)30</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>$1,000</td>
<td>(x2)40</td>
<td>$20,000</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>$500</td>
<td>(x2)40</td>
<td>$10,000</td>
</tr>
<tr>
<td>Total</td>
<td>58 Gifts</td>
<td>137 Individual prospects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: www.Nonprofitquarterly.org
INDIVIDUAL DONORS – MAJOR GIFTS FUNDRAISING

- **Training for the ask**
  - Core group of staff and volunteers (board)
  - You are asking for your organization and its mission, not for yourself

- **Identifying Major Gift Prospects**
  - Start with your existing donor base
  - Board member relationships
  - Donors as relationship builders

- **Cultivating Major Gifts – the 4 pillars**
  - Meeting face-to-face
  - Seeing program in action
  - Volunteering
  - Communicating

Source: www.Nonprofitquarterly.org
11 QUESTIONS EVERY DONOR ASKS

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

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

- Planning
  - Feasibility study
  - Assemble the team
  - Set goals, deadlines, budgets
  - Screen your prospects
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 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
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
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 o take on as a goal
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
## The Gift Range Chart - $2,550,000 campaign

<table>
<thead>
<tr>
<th>Gift Amount</th>
<th># of Gifts</th>
<th># of Prospects</th>
<th>Total</th>
<th>Cumulative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>1</td>
<td>4</td>
<td>$500,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>$250,000</td>
<td>2</td>
<td>8</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>4</td>
<td>16</td>
<td>$400,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>$50,000</td>
<td>8</td>
<td>32</td>
<td>$400,000</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>$25,000</td>
<td>12</td>
<td>36</td>
<td>$300,000</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>$10,000</td>
<td>20</td>
<td>40</td>
<td>$200,000</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>$5,000</td>
<td>30</td>
<td>60</td>
<td>$150,000</td>
<td>$2,450,000</td>
</tr>
<tr>
<td>$2,500</td>
<td>40</td>
<td>80</td>
<td>$100,000</td>
<td>$2,550,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>117</td>
<td>276</td>
<td>$2,550,000</td>
<td>$2,550,000</td>
</tr>
</tbody>
</table>
The Gift Range Chart - $2,550,000 campaign

QUIET PHASE
70% of goal accomplished

PUBLIC PHASE
Never forget that you are using other people’s money to accomplish your organization’s goals!
Research and Resources
RESEARCH AND RESOURCES

Foundation Center:

fconline.foundationcenter.org

Funding Information Network (regional locations):

foundationcenter.org/about-us/locations

Guidestar:

guidestar.org

990-PF Tax Returns

Foundation Website

Federal Grants:

www.grants.gov

WealthEngine:

https://wp.wealthengine.com/#!/login
Q & A Session
THANK YOU!