

# START TO FUNDRAISE

Presented by  
Linnea R. Michel, Esq.  
Legal Center for Nonprofits, Inc.

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# GOALS FOR THIS PROGRAM

Following this program, you will:

- ⦿ Understand the basic types of fundraising available to you;
- ⦿ Be able to begin planning a basic fundraising program for your organization;
- ⦿ Understand the basic steps to fundraising success, including:
  - How to research prospects, and
  - How to draft a case statement.

# PRELIMINARIES

## Charity Registration

- ⦿ “Prior to soliciting contributions in Massachusetts, or having such contributions solicited on its behalf, a charitable organization must obtain a valid ‘Certificate of Solicitation’”.
- ⦿ Certificate of Solicitation results from initial registration as a charity in MA, renewed annually by submitting annual financial reports (e.g., Form PC) to Attorney General’s Office Nonprofit/Charities Div.

**SOURCE:** <http://www.mass.gov/ago/doing-business-in-massachusetts/public-charities-or-not-for-profits/soliciting-funds/overview-of-solicitation.html>

# PRELIMINARIES

## Exempt from charity registration:

- ⦿ Organizations primarily religious in purpose; or
- ⦿ Organizations raising or receiving less than \$5,000 from the public annually or entirely volunteer organizations with fewer than 10 donors.

# PRELIMINARIES

“Solicit” or “solicitation”, any direct or indirect request for a contribution on the representation that such contribution will be used in whole or in part for a charitable purpose, including but not limited to:

- ⦿ (1) any oral request that is made in person, by telephone, radio or television or other advertising or communications media;
- ⦿ (2) any written or otherwise recorded or published request that is mailed, sent, delivered, circulated, distributed, posted in a public place, or advertised or communicated by press, telegraph, television or other media;
- ⦿ (3) any sale of, offer or attempt to sell, any advertisement, advertising space, sponsorship, book, card, chance, coupon, device, food, magazine, merchandise, newspaper, subscription, ticket or other service or tangible good, thing or item of value; or
- ⦿ (4) any announcement requesting the public to attend an appeal, assemblage, athletic or competitive event, carnival, circus, concert, contest, dance, entertainment, exhibition, exposition, game, lecture, meal, party, show, social gathering or other performance or event of any kind.

**Source:** M.G.L. chapter 68 section 18 Definitions (emphasis added)

# WHO DOES WHAT?

## Fundraising Roles & Responsibilities:

- ◎ Board of Directors must lead the effort.
  - Get the right board members
  - Community knowledge / contacts
  - Establish fundraising committee
- ◎ Volunteers carry out the effort.
  - Orientation, training, job description
  - Recruit with care
  - Use them well; play to their strengths
- ◎ Staff supports the effort.
  - Day to day operations
  - Ensures strong communication
  - Liaison with leadership

# EQUIPMENT TO START

## Basic needs for the fundraising program

- ⦿ Computer with Internet access
- ⦿ Spreadsheet software to track dollars, results
- ⦿ Word processing to create materials, letters, etc.
- ⦿ Access to copy machine (all-in-one printer)
- ⦿ Postage
- ⦿ Phone

# TYPES OF FUNDRAISING

- ⦿ **Annual Gifts** – A basic giving program focused on getting individuals to give at least once a year.
- ⦿ **Major Gifts** – A giving program focused on soliciting gifts of \$1,000 or more.
- ⦿ **Corporate Gifts** – A giving program focused on soliciting gifts from corporations; local or small businesses may be included here.
- ⦿ **Grants** – Solicitations to foundations & government.
- ⦿ **Events**
- ⦿ **Beyond the Basics**
  - Capital Campaign
  - Planned Giving



# APPROACHES TO THE “ASK”

- ◎ **Direct Mail** – The traditional fundraising tool, sent via postal mail, one or more times per year.
- ◎ **Email** – Many organizations are moving to email solicitations once or more per year (in addition to postal mail).
- ◎ **Internet** – The now ubiquitous “Donate” button.
- ◎ **Personal Solicitation** – When one person (or two or three) asks a prospective donor for a gift, in person; most often used for larger (>\$1,000).
- ◎ **Telemarketing** – Mass phone solicitation conducted by professional fundraising enterprises.

# HOW MUCH TO RAISE?

Goals should be:

- ◎ **Specific** – “We will raise \$5,000 this year” instead of “We will focus more effort on fundraising this year.”
- ◎ **Measurable** – A dollar figure or number of donors.
- ◎ **Achievable** – A small start-up is unlikely to raise \$1 million its first year out! You must assess your likely donors; “How much will Jane give?”

# CALCULATING A GOAL

## Start with the organizational budget:

- ⦿ How much income from fees, services, admissions, etc. (earned income)?
- ⦿ How much from other reliable sources (grants received, interest, rents, etc.)?
- ⦿ Planned expenses?

$$\text{Budgeted Expenses} - \text{Assured Income} = \text{Net Fundraising Goal}$$

$$\text{Net Fundraising Goal} + \text{Fundraising Costs} = \text{Total Goal}$$

# RESEARCH & DATA COLLECTION

- Always! Every contact should add data to your spreadsheet or database.
  - Spreadsheets, like Excel
  - Database, like Access
  - Fundraising specific software
- Always collect basic contact info:
  - Name
  - Address
  - Phone (including work & cell)
  - Email address
  - Past gift amounts
- This is foundation of your mailing lists (both email & postal).

# WHERE TO START

- ⦿ Don't try to use all fundraising approaches during the first year of fundraising effort. Start with what you know and what you know works for you.
- ⦿ Studies show that organizations using more types of fundraising tend to have better results in achieving their fundraising goals. For one such study, see The 2010 Nonprofit Fundraising Survey, available from Guidestar.org at <http://www.guidestar.org/ViewCmsFile.aspx?ContentID=3266>

# SUGGESTED FIRST FUNDRAISING PLAN

- Create the Case Statement.
- Recruit the fundraising committee.
- Focus on annual giving, using
  - Direct mail & email
  - Internet
  - Events
- Research & solicit foundation / govt grants.
- Set goals within your organization's capacity; for example:
  - \$5,000 in individual gifts or 100 donors.
  - Submit at least 10 grant proposals resulting in at least 5 awards.
  - Present one event, resulting in \$2,000 profit.
- After developing a baseline set of donors, add a Major Gifts program.

# CASE STATEMENT

- ⦿ Answers the question, “Why give to ORG?”
- ⦿ Demonstrates relationship of ORG to the community, how community benefits from ORG;
- ⦿ Demonstrates community need;
  - NOT ORG’s need!
- ⦿ Creates sense of urgency;
- ⦿ Shows clearly that need is worth action;
- ⦿ How gifts will be used to benefit community.

# CASE STATEMENT

“...aim high, provide perspective, arouse a sense of history and continuity, convey a feeling of importance, relevance and urgency, and have whatever stuff is needed to warm the heart and stir the mind.”

⊙ —**Harold J. Seymour, *Designs for Fund Raising***

Quoted in AFP FAQ: Case for Support and Case Statements, available at  
<http://www.afpnet.org/ResourceCenter/ArticleDetail.cfm?ItemNumber=3351>



# CASE STATEMENT

- ⦿ Not long, 1 or 1 ½ pages.
- ⦿ Don't write by cmte, but may circulate to others in draft for input (anecdotes, statistics, etc.).
- ⦿ Simple, understandable language.
- ⦿ Convincing, persuasive, but optimistic tone.
- ⦿ Emphasize ORG's strengths, not needs.
- ⦿ Tell the Story!
- ⦿ Focus on benefits.
- ⦿ Donor perspective.
- ⦿ ORG is a good investment.

# CASE STATEMENT

Use the Case Statement in all fundraising efforts:

- ⦿ Basis of annual appeal letter;
- ⦿ Share with donor during personal solicitation;
- ⦿ Present to small business / local leaders;
- ⦿ Use as training tool with volunteers.

Review and revise the Case Statement annually.  
Don't let it get stale!

# BUILD THE COMMITTEE

## Recruit volunteers for the committee

- Chair should be a current donor and enthusiastic volunteer for ORG with good administrative & management skills.
- Volunteer workers should be willing and available, with contacts ORG needs.
- Volunteers solicit gifts at the level at which they themselves give, so seek volunteers at all levels.
- Fundraising volunteers can be drawn from ORG's other volunteer activities.
- Common objection: "I don't like asking for money." Counter with, "But you do like talking about ORG!" and provide training.

# BUILD THE COMMITTEE

- ⦿ Committee should meet regularly, at least monthly, more often when actively seeking gifts.
- ⦿ Chair keeps meetings focused.
- ⦿ Spend meeting time:
  - Reporting on results
  - Planning next steps
  - Brainstorming new efforts
- ⦿ Ensure good communications with Board.
  - Chair should be Board member.
  - Present annual fundraising plan to Board for approval and buy-in.

# BUILDING THE ANNUAL GIFT PROGRAM

- ⦿ Builds relationships with the organization;
- ⦿ Volume of small gifts builds broad base of support;
- ⦿ Many smaller gifts tend to be more sustainable and reliable over time;
- ⦿ Annual gifts are usually unrestricted operating funds
  - Gifts may be restricted or unrestricted.
  - Gifts restricted by donor may only be unrestricted with donor's consent (or if donor cannot consent, court order).
  - Boards may restrict funds; board-restricted funds may be unrestricted by the Board (but Boards cannot change donor's restriction! See above.)
  - Use care in drafting solicitations to avoid unintended gift restrictions!

# BUILDING THE ANNUAL GIFT PROGRAM

- ◎ Starts with development of case statement;
- ◎ Includes:
  - Personal solicitations
  - “Gift clubs”
  - Telephone campaign (personal solicitation over phone)
  - Direct mail piece and email
  - Internet / social media
- ◎ Volunteers will be involved at every stage:
  - Fundraising committee
  - Additional “helper” volunteers

# ANNUAL APPEAL LETTER

- Not necessarily “annual”
  - With advent of social media, orgs now do social media gift campaign, with an annual “hard copy” letter.
- Often a “Campaign”
  - Choose a timeframe to carry out the Annual Appeal, 1-2 months (e.g., Oct-Nov or Nov-Dec).
  - Lead-up time is prep time (e.g., Aug-Sept for Oct-Nov campaign).
  - All effort is focused on Campaign timeframe. For example:
    - Letter goes out Oct 1;
    - Volunteers make follow-up contacts beginning October 10.

# ANNUAL APPEAL LETTER

- ⦿ Much research exists on what makes a successful annual giving direct mail piece.
- ⦿ Plan the case, timing, format
- ⦿ Volunteers follow up with each recipient 7-10 days later, by phone or in person.
- ⦿ “Thank you!” ASAP upon receipt of gifts.
- ⦿ Use newsletters, invitations, etc., as interim mailers; view as supporting the annual appeal.
  - How often during the year do you touch potential/current donors?



# ANNUAL APPEAL LETTER

Parts:

- ⦿ Letter
- ⦿ Response device
- ⦿ Return envelope

Things to consider:

- ⦿ Who will sign letter? Not necessarily ED
- ⦿ Issues that must be stressed? See case statement.
- ⦿ Tone of letter?
- ⦿ Audience? Segment for larger lists; use different letters for different groups.

# ANNUAL APPEAL LETTER

- ⦿ Good quality paper & easy to read fonts.
- ⦿ Return envelope – always! May suggest giving levels.
- ⦿ Personalized – signed by Board members & volunteers.
  - Can have a “signing party” – everyone meets to sign letters to people they know.
- ⦿ Always tell recipient explicitly what you want them to do; e.g, “Please give!” or “Please give \$25 today!”
- ⦿ Calculate what a gift to your program will buy; “\$5 buys a nourishing lunch for one child.” “\$500 buys 2 textbooks for a needy college student.”
- ⦿ Postscript: “P.S.” proven to work!

# ANNUAL APPEAL FOLLOW-UP

- ◎ Annual Appeal letters generate follow-up information you will use to guide next year's mailing. Collect, at a minimum:
  - Date mailing went out;
  - Number of mail pieces sent out;
  - Number of responses;
  - Average gift resulting;
  - Cost per mailing.
- ◎ Make sure mail pieces make it easy for respondents to give data you want to collect.

# WAYS TO SAY “THANK YOU!”

- ⦿ Always a “basic” Thank-you letter!
  - IRS has specific requirements! See IRS Publ #1771.
- ⦿ Personal letter from CEO
- ⦿ Phone call
- ⦿ Letter from another volunteer, board member, board president
- ⦿ Personal visit (if it’s a really big gift!)
- ⦿ Token gift (must be no value)
- ⦿ Donor listing (in a program, on a plaque, etc.)
- ⦿ Special event invitations

# PREPARING TO SEEK MAJOR GIFTS

Even though a Major Gift program is a future undertaking, lay the groundwork now with every solicitation your organization makes.

**Recognize the 80/20 Rule!**

**20% of donors provide 80% of income.**

**Begin by identifying Propsects.**

# WHO IS A PROSPECT?

- ⦿ Board members (past & present)
- ⦿ Current donors
- ⦿ Volunteers
- ⦿ Clients
- ⦿ Leadership staff
- ⦿ Affiliated groups
- ⦿ Event attendees
- ⦿ Those known to ORG as people who believe in the mission

# PROSPECTS

As you consider whether a person is a prospect, consider:

- ⦿ Is he/she a donor to ORG or to other orgs?
- ⦿ Does he/she attend ORG's events?
- ⦿ Does he/she have financial capacity?
  - Job title?
  - Family history?
- ⦿ How interested is he/she in ORG's work?

# RESEARCH PROSPECTS

When you've identified someone who may be a prospect, research:

- ⦿ Newspapers
- ⦿ Publications (professional, other orgs, etc.)
- ⦿ All ORG's communications with the prospect
- ⦿ Who in ORG's circle knows this person?
- ⦿ Google

Pull groups of ORG volunteers together to brainstorm names of potential prospects, but don't forget to capture WHO knows WHOM!

- ⦿ Detailed notes/records essential!



# OTHER RESULTS OF PROSPECT RESEARCH

Identifies:

- ⦿ Potential board members & other leadership
- ⦿ Potential volunteers
- ⦿ Potential sponsors
- ⦿ Potential, speakers, panelists, etc.

**All Prospect Research Data  
is confidential!**

# MAJOR GIFTS

Basic steps to Major Gifts:

- ⦿ Identification
- ⦿ Research (e.g., prospect research)
- ⦿ Cultivation
- ⦿ Solicitation (making “the ask”)
- ⦿ Stewardship (follow-up, ensuring the contact opportunities continue, keep prospects informed about how they are helping)

Many books, articles, programs available on seeking major gifts—a topic all its own!

# CULTIVATION

Why do people give?

- ⦿ Self-actualization
- ⦿ Shared values
- ⦿ Desire to make a difference
- ⦿ Involvement

Create opportunities for prospects to connect with your organization in these ways.

# CULTIVATION

Exploit opportunities to connect; for example:

- ⦿ Invite to special events
- ⦿ Open house
- ⦿ Volunteer opportunities
- ⦿ Participation ( e.g., seminars, panels, programs, etc.)
- ⦿ Publications
- ⦿ Clippings (send a note with an item of interest)
- ⦿ Invite to serve on a committee
- ⦿ Seek their advice

# CULTIVATION

More opportunities:

- ⦿ Participate as a presenter at an event or program
- ⦿ Host an event (e.g., house party)
- ⦿ Awards
- ⦿ Special seating at events
- ⦿ Birthday, holiday cards
- ⦿ Board membership (but only if they meet board's criteria).

# CORPORATE GIVING

Corporations give because:

- ⦿ Corporate self-interest;
- ⦿ Build positive image in community;
- ⦿ Alliance with causes of interest;
- ⦿ “Good corporate citizenship”.

Similar to Major Gifts, lay a foundation of opportunities for corporations to be involved with your ORG.

# CORPORATE GIVING

When considering seeking a corporate gift:

- ⦿ Always look for “guidelines”, usually on website.
  - May have to dig around on the website
  - Often under “About Us” or “Community”
- ⦿ Who has received grants from Corp?
- ⦿ How big are Corp’s grants?
- ⦿ Do Corp’s interests ally with ORG’s mission?
- ⦿ What is Corp’s community image? Are they seeking to enhance, change, fix?
- ⦿ How will working with ORG benefit Corp?

# RESEARCH (AGAIN!)

- ⦿ Never submit a proposal or request blind!
- ⦿ Do your homework:
  - Foundation Center (available at [cfsema.org](http://cfsema.org))
  - Hoover's (online & at PL)
  - Associated Grantmakers ([agmconnect.org](http://agmconnect.org))
  - Chamber of Commerce Directory
  - Public library (vast reference materials on corporations, most aimed at stock purchasers)
- ⦿ If Corp has foundation, approach it; check grants history by searching foundation on Guidestar.



# FOUNDATIONS

- ⦿ Research essential!
- ⦿ Identify 10-12 prospects
- ⦿ Visit foundation websites to find grant-making guidelines;
- ⦿ Search on Guidestar to see grant-making history; valuable to assess grant size to seek.
- ⦿ Can call program officers to confirm fit.
- ⦿ Many state “no unsolicited proposals” – you have to get known to them via your other channels (programs, publicity, people)

# TYPES OF FOUNDATIONS

- ⦿ Family
- ⦿ General purpose
- ⦿ Operating
- ⦿ Private
- ⦿ Public charity
- ⦿ Special purpose
- ⦿ Corporate
- ⦿ Community

# EVENTS

Essential considerations before planning an event:

Is ORG ready to put on an event?

- ⦿ Essential to do cost/benefit analysis.
- ⦿ What will ORG's event accomplish?
  - Money
  - Awareness
- ⦿ Type of event?
- ⦿ Adequate staff/vol support?
- ⦿ Financial resources (will need to front \$\$)
- ⦿ Competition – what are other orgs doing? When?  
How?

# TIPS FOR EVENT SUCCESS

Must have event committee to handle:

- Direction, theme, date
- Arrangements, logistics
- Tickets
- Promotion, publicity
- Decorations
- Finances (budget, collections, recordkeeping)
- Clean-up post event
- Gifts, prizes, awards
- Entertainment
- Printing
- Advertising
- Program book
- Follow-up / data collection

**Events are  
Time-intensive!**

**Watch out for  
volunteer burn-out  
with repeated  
events!**

# EVENTS

- ⦿ Get as much donated as possible to keep costs down.
- ⦿ Negotiate!
- ⦿ What will vendors get out of it? E.g., visibility, new customers, etc.
- ⦿ Small orgs should probably not attempt more than one event per year (of course, depends on size of event and the organization—“event capacity” varies!)
- ⦿ ***Don't forget to say thank you!***
  - *To vendors, attendees and—most important—your volunteers!*

# CAPITAL CAMPAIGNS

Usually for buildings, endowments, major programmatic undertakings.

ORG should do only when ready! Must have:

- ⦿ Leadership
- ⦿ Resources (people, money)
- ⦿ Relationships (significant cultivation already happening)
- ⦿ Existing base of support

# PLANNED GIVING

Focus is usually on real estate, art and other tangible property, insurance policies, securities, etc., that are delivered upon death of donor via estate planning.

Requires good foundation of knowledge of vehicles and processes.

ORG must be ready!

# PLANNED GIVING

But most organizations can do the simplest form:

Add at the bottom of your stationary and other materials,

**“Please remember ORG in your will or estate plan.”**



# COMMUNICATIONS

Fundamental to successful fundraising!

Best communications

- ⦿ Educate, inspire, shape opinion
- ⦿ Targeted to specific audiences, to raise awareness of your org and its benefits.

BUT no matter how much coverage you get, unlikely to increase gifts and support! ☹️

**Why bother?**

***An effective communications program prepares the soil and plants the seeds for solicitation, whether of gifts or other forms of support.***

# COMMUNICATIONS

To be effective, it must:

- ⦿ Grab attention (tailor to audience);
- ⦿ Demonstrate benefit upon acting
- ⦿ Motivate action
- ⦿ States explicit action to take

To succeed

- ⦿ Must understand audience
- ⦿ Planned, not left to chance
- ⦿ Deliver desired message
- ⦿ Use multiple outlets (print, digital, social media)

# RESOURCES

- ⦿ Community Fdtn of SE Mass. 63 Union St., New Bedford MA
- ⦿ Association of Fundraising Professionals, [www.afpnet.org](http://www.afpnet.org)
- ⦿ Ciconte & Jacob, *Fundraising Basics: A Complete Guide*
- ⦿ IRS Publ #1771, *Charitable Contributions—Substantiation and Disclosure Requirements*
- ⦿ *Chronicle of Philanthropy*
- ⦿ Community Foundations of Canada, *A Guide to Writing a Case Statement*, pdf.
- ⦿ **About.com** has a variety of resources:  
<http://nonprofit.about.com/od/fundraisingbasics>

# RESOURCES

- ◉ Guidestar, [www.Guidestar.org](http://www.Guidestar.org) for searchable database of all 501(c)(3) Forms 990; use to check grants history (among other things). Fee based, beyond basic 990 searching.
- ◉ MA Attorney General's Office, Nonprofit/Charities Division: <http://www.mass.gov/ago/doing-business-in-massachusetts/public-charities-or-not-for-profits/>
- ◉ Associated Grant Makers <http://www.agmconnect.org/>
- ◉ Wiley, <http://www.wiley.com/WileyCDA/Section/id-350161.html> Book publisher, vast nonprofit titles
- ◉ *Chronicle of Philanthropy*, [www.philanthropy.com](http://www.philanthropy.com)

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New Bedford

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complete Fall schedule!

# Legal Center for Nonprofits, Inc.

P.O. Box 4018

412 County Street

New Bedford, MA 02741

[www.LegalCenterforNonprofits.org](http://www.LegalCenterforNonprofits.org)

[Linnea@LegalCenterforNonprofits.org](mailto:Linnea@LegalCenterforNonprofits.org)

(508) 264-5996

Connect on Twitter: [@LglCtrNP](https://twitter.com/LglCtrNP)