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# Jumpstart Your Fundraising

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# Many Fundraising Sources

Individual  
Gifts

Events

Crowd  
Funding

Grants

Annual Fund

Planned  
Giving

Corporate  
Funds

Sponsorships

With limited resources, where should you put your effort?



# Grants & Individual Gifts = Most Bang for Buck

Why?

Both offer opportunity for significant sums of money to come to your organization.

Return on investment is potentially far greater than for other types of fundraising.

- Events are highly labor intensive; small return for effort.
- Other factors may play significant role in success of corporate sponsorships, crowdfunding, etc.



## Key to Fundraising Success

People who are connected  
with your organization will give  
to support your organization.

***You must build relationships.***



# Building Relationships

- Communicate with public/constituents/friends about organization;
- Cultivate potential donors—draw them closer with small events, activities, information, opportunities to get involved with your organization;
- Create opportunities for two-way interaction between organization and donor;
- Annual Appeal – often the entry point;
- Social media – must be done very frequently to be effective.



# Building Relationships

- Don't treat Donors\* like objects.
- Keep in touch with Donors:
  - Always write thank-you notes (“TYs”) ASAP, as personally as possible:
    - Always personalize;
    - Even if you send a form letter TY for tax purposes, hand write a personal note on it too.
  - Greeting cards;
  - News of interest;
  - Invitations....etc.

*\* We mean Donors & Prospective Donors throughout!*



# Building Relationships

- Give Donors opportunities to know your organization better:
  - Volunteer opportunities;
  - Events (galas, open house, lectures, etc.);
  - Newsletters;
  - Annual reports, ... etc.
- Know your Donors!
  - How much they give, how often;
  - Their data—birthday, address, interests;
  - WHY they give!



# Individual & Major Gifts

- ***Most stable funding stream is your private, individual donors.***
  - *They care about your organization;*
  - *They know your organization and its track record.*
- 80 % of gifts from 20% of donors—may be as high as 90% from 10%
- What is “major” depends on your organization.
- Every organization has potential major donors.
- Every communication is potential “seed” to grow donors.





## Individual Gifts: Groundwork

Requires patience to follow steps!

- Understand why donors give:
  - Sense of belonging
  - Self-actualization
  - Desire to help
- Train your volunteers to work with donors and to ask for money!



## Individual Gifts: Groundwork

- Build in opportunities for data-gathering:
  - Create & maintain database
  - Use sign-in sheets
  - Door prize tickets make great data-gathering tool!
- Use board members' & volunteers' knowledge of community to brainstorm list of people in community with potential to make a major gift?



# Individual Gifts: Annual Appeal

Should you do an annual appeal?

- May be first opportunity to give;
- Repeated gifts to Annual Appeal indicate willingness to support your organization;
- Increasing size of gift to Annual Appeal.

***So YES, your organization needs to do an Annual Appeal!***



# Individual Gifts: Annual Appeal

How to write a good appeal letter:

- Write as if you are speaking directly to the donor.
- Share a specific story about how your organization transforms lives – appeal to the emotional side of your reader.
- Back the story up with some factual information – appeal to the logical side of your reader.



# Individual Gifts: Annual Appeal

- Use unconventional tactics to draw your reader's eye to important points:
  - Use colored text, underline, italics – don't worry if it's the "correct" format – you only have seconds to grab your readers attention.
  - Use the "P.S." line to add an additional heart-tugging bit of information
  - Include photos with captions that draw attention to your good work.
- Wrap up the letter with a specific request and call to action. Include a way to respond, such as a reply card and envelope and a way to donate online.
- Include a list of your Board of Directors on the letterhead you print on.



# Individual Gifts: Annual Appeal

- Distribute via mail, email, social media – postal mail is still most effective.
- Timing: Many orgs send around October/November – before the holiday rush. Some also send one in late spring.
- If your mailing list is fairly short, send to everyone.
- If you need to limit it to reduce cost, select people who have had some involvement with your organization.
- Ask your Board members for contact names/addresses, and ask them to write a personal note on those letters. Write as many personal notes as possible.



# Annual Appeal >> Major Gifts

The annual appeal can lead to major gifts! Provides you with information on potential giving capacity.

Research is essential:

- Limit your research to a small group to start (base on annual appeal giving; personal knowledge; level of involvement)
- Use publicly available info to research ability to give:
  - Value of house (assessor's office database; zillow.com)
  - Newspapers, magazines (Standard Times, SOCO)
  - Other organizations' annual reports
  - Databases

***Keep data confidential!***



# Major Gifts: Process

## Steps

1. Assess organization's readiness to start seeking Major Gifts:
  - Case statement (answers "Why should I give?")
  - Plans for cultivation
  - Committed volunteers willing to work on raising major gifts
2. Research & evaluation of prospective donors.
3. Communication/cultivation.
4. Make "ask" at appropriate time.





## Major Gifts: Process

A Major Gifts program might look like this:

1. Development Cmte of 3-5 volunteers works with board/staff to create ***case statement*** (reason for giving).
2. Development Cmte, Board, staff, other volunteers meet to brainstorm list of prospect names.
3. Research each prospect on list.



## Major Gifts: Process

4. Development Cmte meets to review research results & evaluate prospects.
5. Cultivation activities planned for each prospect.
6. Make the “Ask” at the appropriate time.
7. THANK: follow up (also known as “stewardship” – system of continuing to thank & involve)



# Major Gifts: Evaluating Donors

Evaluate each prospective donor:

- Level of involvement with your organization
- Linkages with your organization (e.g., family, business relationship)
- Volunteer or donated previously



# Major Gifts: Evaluating Donors

- Event attendee
- Capacity to give
- Interest in your organization's work



## Major Gifts: Process

If you can't tick most of the boxes  
on evaluation for an individual prospect,  
set the name aside and  
***plan cultivation activities***  
for that person.



## Major Gifts: How to Make the “Ask”

1. Request a face-to-face meeting
2. Prepare materials for meeting: Case statement; Information specific to your request, e.g. a new program that needs funding
3. Determine the appropriate ask amount, based on giving history with your org; other giving; capacity (research!)



## Major Gifts: How to Make the “Ask”

4. Bring a Board member or other to meeting to talk about your good work. Describe what you need funding for. Ask for a specific amount. Give the donor time to think, but don't pull back the request.
5. Follow-up with a thank you note, and call if follow-up is needed.
6. Keep the donor abreast of new developments and progress with letters, emails, meetings, etc.



## Individual Gifts: Restrictions

Individual gifts are the best way to increase unrestricted gifts, so be wary of ***gift restrictions***:

- Donor-imposed
- Inadvertent – may be caused by:
  - Your gift solicitation materials;
  - Inexperienced askers who misspeak or promise too much.





# Individual Gifts – Action Plan

## Check list:

- Develop a database to collect contact information.
- Create a case statement.
- Gather a development committee who will work on major gift research, cultivation and solicitations.
- Use role play to practice the “ask” and get over jitters.
- September – write and print an annual appeal letter with response card/envelope.
- October/November – mail annual appeal letter.
- Have fun growing your organization and achieving great things!



# Grants

Fundamental Rules of Grantseeking:

Don't chase after every grant! Beware *mission drift*.

Assess every grant opportunity; does it:

- Fit squarely within your organization's mission?
- Cost too much? Offer too little impact? Analyze cost vs. benefit to your organization. Stay rational about this & be strategic!
  - Consider ALL costs, not just monetary—time, people, stuff
- Come with too many strings attached?



# Grants

- Research:
  - Who makes grants to organizations like yours?
    - Purpose/mission
    - Geographic location
    - Size
    - Age of organization
  - Foundation Center databases
  - Associated Grantmakers



# Grants

- Assess funders' priorities—is it a fit with your organization's?
  - Look to website for
    - Priorities;
    - Proposal requirements;
    - Deadlines
- Use 990s
  - Analyze for size of grants—how much to ask for
  - Analyze for who receives grants
  - Contact info



# Grants

- Make contact to discuss funding priorities, fit
- Prepare a complete proposal:
  - Answers all grant questions;
  - Follow all instructions;
  - Fully describes your project;
  - Looks good (i.e., no typos, accurate data, well-written)
  - Includes all required attachments

**Don't skip any of these steps!**



# Grants

Writing the proposal: Parts

1. Summary or overview
2. Problem to be addressed or Need statement
3. Activities to be carried out
4. Funding request
5. Budget
6. Attachments



# Grants

Many funders do not accept unsolicited proposals.

- “Unsolicited” means funder did not invite you to submit.
- Use communications tools to get on funders’ radar:
  - Facebook
  - Twitter
  - Newsletters
- Build a strong track record of success to get notice by these funders.



## Resources

- ***Writing a Successful Grant Proposal*** by Barbara Davis, Minnesota Council on Foundations, available at [http://www.mcf.org/system/article\\_resources/0000/0325/writingagrantproposal.pdf](http://www.mcf.org/system/article_resources/0000/0325/writingagrantproposal.pdf)
- ***Five Best Practices in Nonprofit Crowdfunding*** by Robert Wu, available on Beth Kanter's Blog at <http://www.bethkanter.org/5-crowdfunding-tips/>
- ***What Makes People Give?*** By David Leonhardt, New York Times Magazine, 3/9/08; available at <http://www.nytimes.com/2008/03/09/magazine/09Psychology-t.html?pagewanted=1&ref=magazine>
- ***Donor Centered Fundraising*** by Penelope Burk, available on [www.amazon.com](http://www.amazon.com)





## Upcoming Programs

- ***Keep It Legal: The Law of Fundraising***, April 24 at 8:30 AM
- ***501(c)(3): What it Means & How to Get It***, April 29 at 6:00 pm
- ***Annual Reporting for the Small Nonprofit***, May 6 at 6:00 pm