Fundraising and Development for Lake Organizations

What we'll cover:

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

"So...you want to raise some money?"

Initial Questions to Ask

•Who are we?

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

Fundraising v. Development



What's the difference?

FUNDRAISING

Often single event based Item sales (baked goods, pizzas, candy) Car washes

- Golf outings/Charity Runs . Individual requests for donations with no plan for future solicitation Types of donations
- Generally small

One-off
 Potentially small ROI

• Quick turn around

DEVELOPMENT

Multi-faceted Plan-based--Fundraising is only part of the process

- process
 Includes multiple types of events and communication
 Relationship-based
 Long term strategy
 Slower turnaround

Potentially large ROI
 Potential for multiple, increasing donations

"Can my organization 'do' development rather than just fundraise?"

YES!

What should you focus on?

Several things to consider:

Organizational capacity

•Human capacity

Financial needs

•Financial resources

•Expertise

Two main components to donor development:

•Having a plan

•Building relationships

The Development Plan

Budget v. Development Plan

Budget:

•Overall financial plan for organization

•Includes all projected revenue and expenses for organization in a given time period Development plan:

•Overall contributed income plan for the organization Includes only revenue generated from contributed sources

•Can include non-revenue items like marketing and communications efforts

•Development plan NOT BUILT AROUND BUDGET

DO

 Build your plan based around your organization's capabilities Include items that are non-revenue generating but support your revenue generating efforts
 Plan beyond your organization's capabilities Include dates and assignments

DON'T

•Build your plan based on a budgetary need •Include non-contributed income activities

Building Your Plan

Things to consider: Resources

•Time

•History

•Need

Resources

- •Human Staff Board Volunteers
- Network

Financial

- Prospects
 How big is your donor list? Mailing?
 How connected are your supporters to your organization?
 Volunteers?

Time

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

History

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

•Visibility in the community?

Need

•What are your organizational needs?

Project funds? Specific organizational activities?

General funds?

• Volunteers?

Okay...now what?

Individuals

 Events •Businesses/Corporations

•Foundations/Government

•Membership Individual Donations Major Gifts

Individuals-Membership

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

- •Prospects Current volunteers Individuals already working with organization Community members

Individuals--Membership

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

Individuals—Individual Donors

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

- Current members
 Current of Directors
 Supporters of other similar organizations
 Event attendees

Individuals—Individual Donors

Things to consider

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

Individuals—Major Gifts

- •Who are they?
 Individuals who are donors making a significant contribution (ex. Anyone over \$1K)
 Very committed
 Potential for large growth
 Often expect more active relationship with organization

•How to solicit

Direct mail solicitations
Face to face solicitations

- •Prospects Current members and donors Board of Directors Individual philanthropists Business and community leaders

Individuals—Major Gifts

•Things to consider

- Potential for larger revenue and increases
 Major donors can open doors to other similar prospects
- More difficult to identify major gift prospects
- Gift solicitation often requires a large commitment of time and resources on the part of organization and it's leaders

Will often require significant stewardship
Major donors can have "access" expectations

Events

•Fundraising events

- •"Friend"-raising events
- •Volunteer events

•Online events

Events

•Things to consider:

- Events are both a great way to engage supporters and to quickly solicit funds
- Events, regardless of type, require significant planning and time
- Events can have low ROI
- Events, regardless of funds raised, are a means to a beginning, not an end.

 You should always have a plan to engage event attendees and participants post-event

Business/Corporate Support

Event sponsorships

- Direct corporate solicitations
- In-kind support

Business/Corporate Support

Things to consider

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

Foundation/Government Grants

Private FoundationPublic/Community FoundationsOther organizationsGovernmental

Foundation/Government Grants

•Things to consider:

• Grant money can be highly competitive

• Significant time, effort and expertise needed to secure grants

• ROI can be low

• Relationships important to success

"We got the check! Now what...?"

Donor Stewardship

•What is donor stewardship?

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

OR

The key to turning single donations into major gifts.

Donor Stewardship

The stewardship process:

Accepting and managing a donor's gift

•Thanking the donor for their gift

•Recognizing the donor for their gift

•Reporting to the donor the impact of their gift

Donor Stewardship

Accepting and managing a donor's gift

• Have a process in place to record donor gifts (database, etc.)

• Record donor contact information completely

 Donor record system should be one from which you can get information on donor gifts easily

Donor Stewardship

•Thanking the donor for their gift

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

Donor Stewardship

•Recognizing the donor for their gift

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

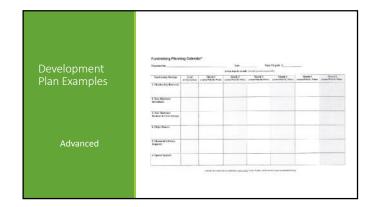
Donor Stewardship

•Reporting to the donor the impact of their gift

- Many ways to do this:
- Direct communication with the donorPeriodic newsletters and e-newsletters
- Donor-only emails from organization
- Grant and donation reports
- Annual reports
- Website updates

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Questions?

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