

Fundraising Fundamentals

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Agenda Overview

1. Welcome and Introductions
2. Agenda Overview
3. What Development Is & Why It's Important
4. How Nonprofits Fund Their Work
5. Key Ingredients for a Successful Fund Development Program
6. Suggested Reading & Wrap-Up

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Poll: How do you feel about fundraising?

- a) I enjoy it!
- b) It's okay. I know it's necessary.
- c) It's not enjoyable.
- d) I really dislike it!
- e) I'm not sure how I feel. I never really thought about it.

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Fund Development is...

The planning and implementing of programs that are meant to increase contributed financial support for an organization.

Fund Development is important because...

- ✓ Without adequate income, a nonprofit can't achieve its mission and vision.

Fund Development is about...

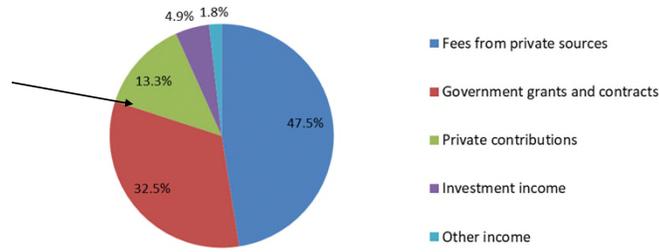
- ✓ Choosing the "right" strategy for revenue development for your organization
- ✓ Implementing your fund raising strategy and successfully maintaining and growing that strategy over time

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Today, we're talking about generating revenue from contributions

Nonprofit Revenue

Source: *Nonprofit Sector in Brief 2015* National Center for Charitable Statistics, The Urban Institute



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Where's the Money? Total Contributed Charitable Giving 2020



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Types of Contributed Income

- ❖ Individual Giving
- ❖ Foundations
- ❖ Corporate Giving
- ❖ Special Events

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Common Individual Giving Methods

Methods	Assets/Resources for Success
Annual Appeals	Names and contact info Passionate constituents Time People Donor Database
Internet Fundraising	Technology Staff or volunteer to oversee Reliable tech support Names and email addresses
Major Gifts	Patience Donors/Prospects with ABCs People to make the ask Donor Database
Bequests	Older, loyal donors Organizational longevity

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Individual Giving: Advantages and Disadvantages

Pros

- ✓ Largest source of contributed giving
- ✓ Ongoing source one can build, typically unrestricted
- ✓ Once a giver, also an advocate

Cons

- ✓ Takes time to build a program
- ✓ Needs significant support from Board and volunteers
- ✓ Varying costs involved depending on tactics
- ✓ Economy can impact giving

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Special Events

What are they?

- ✓ A function designed to attract and involve people in an organization or cause.

The Reality –

- ✓ Time consuming
- ✓ Not the most effective means to raise money

But they can –

- ✓ Generate publicity
- ✓ Increase visibility
- ✓ Cultivate current relationships
- ✓ Recruit new donors
- ✓ Raise unrestricted dollars

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Grants: Types of Grant Makers

- ❖ Public (city, state, federal): government funding sources such as a city or town, the state of Connecticut or a department of the federal gov't.
- ❖ Private foundations (national, regional, local): a nonprofit created by a donation(s) from an individual, family, or business and managed by its own board or trustees.
- ❖ Corporate Foundations: an entity operated by a business with funds derived from profits it generates.

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Limitations of Grant Funding

- ❖ Many grants are for **new** programs. Grants for operating support (funds that support your core programs on an ongoing basis and/or funds for general operations) may be difficult to acquire.
- ❖ Grant awards are usually for one year and not renewable.
- ❖ In general, private and corporate foundation grants are not sustainable sources of support – they enhance activities funded through other means and/or allow the organization to begin new programs.

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Despite these limitations...

It's important to have apply for grants. Especially in our region, there are corporate and private foundations that provide small grants (\$1,000-10,000) to many organizations.

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What capacity do we need?

- ❖ Ability to research what grants are available and create a grant plan and calendar with deadlines noted.
- ❖ Adequate data to support the need for which you're applying. If applicable, data about your results.
- ❖ Someone to write the grant and, if awarded, to write reports.
- ❖ Frequently, tech capacity is needed; many funders now have online applications
- ❖ The ability to cultivate (get to know, have a relationship with) funders.

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Corporate Giving AKA Corporate Social Responsibility (CSR)

Corporations give in a variety of different ways:

- ❖ Cash donations and grants
- ❖ In-kind gifts
- ❖ Sponsorships
- ❖ Pro bono services
- ❖ Workplace Giving – Matching Gifts and Volunteer Support Programs

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Corporate Giving: Important Considerations

- ❖ Motivation to give is based on a combination of altruism and self-interest
- ❖ Giving tends to align with business interests
- ❖ Tend to support organizations that their employees support with their own time and money
- ❖ Favor nonprofits located in areas where the corporation has a physical presence

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Poll: What is your organization's dominant revenue income source?

- a) Individual giving (people making donations)
- b) Special events
- c) Corporate and business giving (grants and/or sponsorships)
- d) Foundation grants
- e) Other (fees, government grants and contracts, investment income...)
- f) Not sure

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So what does your organization need for successful fundraising?

Basic Infrastructure to Support Fund Development Efforts

- ❖ People (Board, Staff, Volunteers)
- ❖ Money to spend on fund development
- ❖ Basic Policies and Procedures
- ❖ Technology –
 - ✓ Donor Database
 - ✓ Website
 - ✓ Online Donation Platform
 - ✓ Email Marketing Software
 - ✓ Social Media

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Other Key Ingredients to Fundraising Success

- ❖ A Culture of Philanthropy
- ❖ A Case for Support
- ❖ Clearly Defined Roles and Responsibilities
- ❖ Fundraising Planning

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What is a Culture of Philanthropy?

A Culture of Philanthropy is...

- ❖ A set of organizational values and practices that support and nurture fund development within a nonprofit organization.
- ❖ It refers to your organization's attitude toward philanthropy and fund development.

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Culture of Philanthropy: 4 Core Components

1. Shared Responsibility for Fund Development
2. Integration and Alignment with Mission
3. A Focus on Fundraising as Engagement
4. Strong Donor Relationships

Source: "Beyond Fundraising: What Does It Mean to Build A Culture of Philanthropy?" By Cynthia Gibson, www.haasjr.org/perspectives/beyond-fundraising.

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Your Case for Support

- ❖ Rationale for fundraising – Cornerstone of a fund development program
- ❖ Clearly captures: Who you are; WHY you do what you do; What the results are
- ❖ Addresses the fundamental reason why your organization exists
- ❖ It's clear about the PROBLEM your organization is trying to solve
- ❖ It's always written from the donor/funder point of view, not centered around the organization's need.
- ❖ Conveys what's in it for the donor

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Activity: A Foundation for Creating Your Case for Support – What’s Your Why?

1. Take **2 minutes** to think about or jot down some notes to the following questions:

- ✓ Tell why you are involved with your organization.
- ✓ Tell why your organization’s work is important to you.
- ✓ Tell about a time that you saw your organization’s mission in action and what it meant to you (a story about someone your organization has helped).

2. Next you will be paired in breakout rooms for **8 minutes** to share your “story” with your partner (**Tip: Your story should take approximately 3 minutes.**)

While you’re listening to your partner’s story think about the following:

- ✓ What was the most memorable thing you heard from your partner?
- ✓ What did you learn about their organization?

Exercise adapted from [Train Your Board](#) by Andrea Kihlsedt & Andy Robinson

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Poll: Who is engaged in Fund Development Efforts at Your Organization?

- a) Executive Director
- b) Development Director
- c) Other Staff Members
- d) Board
- e) Development Committee
- f) Volunteers

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Who's Responsible for Fund Development? A Break Down of the Team

Staff

- ❖ Executive Director
- ❖ Development Director
- ❖ All Staff

Board

- ❖ All Board Members
- ❖ Fund Development Committee

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Fund Development Planning

Poll Question –

1. Does your organization have a:
 - a) Fund development plan
 - b) Annual Budget (with both revenue and expenses)
 - c) Both
 - d) Neither

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Why Plan?

- ❖ Blueprint for fund development work
- ❖ A fund development plan provides strategies, goals, and actions to secure the financing to support organizational goals
- ❖ Increases board, staff, and volunteer involvement
- ❖ Provides a framework for accountability
- ❖ Research shows that organizations with a plan have better fundraising outcomes.

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Steps to Creating A Fund Development Plan

1. Assemble the Planning Team
2. Identify assets & strengths
3. Evaluate past fundraising results (3 – 5 years)
4. Assess the internal and external environment
5. Sets strategies and goals
6. Sets realistic financial and fundraising goals
7. Create a budget (revenue & expenses)
8. Develop an action plan and calendar

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What a Good Fund Development Plan Includes:

- ❖ Identify potential sources of funding and donors
- ❖ Defines what activities will be implemented and what methods and tools will be used.
- ❖ Includes strategies and goals that focus not only on money, but strengthening the fund development function and efforts
- ❖ Shared accountabilities
- ❖ Timeline
- ❖ A framework for measuring results and evaluating effectiveness
- ❖ How much it will all cost

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What We've Covered

- ❖ How Nonprofits Fund Their Work
- ❖ What a Nonprofit Needs for Successful Fund Development
 - Basic Infrastructure
 - ✓ People
 - ✓ Money
 - ✓ Policies and Procedures
 - ✓ Technology
 - Other Key Ingredients
 - ✓ Culture of Philanthropy
 - ✓ Case for Support
 - ✓ Clearly Defined Roles and Responsibilities
 - ✓ Fund Raising Plan

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A Few of My Favorite Fundraising Blogs -

- ✓ <https://www.futurefundraisingnow.com/>
- ✓ <https://bloomerang.co/blog/>
- ✓ <https://agitator.thedonorvoice.com/>
- ✓ <https://www.aherncomm.com/ahern-blog>
- ✓ <https://www.nptechforgood.com/>

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Thank You!

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