

Building and Sustaining a Donor-Centered Development Program

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Donor-Centered Development

The Development Department doesn't exist in a vacuum; relationship building is the responsibility of everyone at your organization.

Your success in developing donors and gifts is inextricably linked to your organization's:

Reputation in the community

Quality of services/deliverables

Accountability/transparency

- It's all about Relationships**

Donor-Centered Development

- The Development Team

You and your staff

CEO

Board of Directors

Fundraising Committee of the Board

Volunteers

- **It's still all about relationships – internal and external!**

Donor-Centered Development

Success in securing philanthropic gifts is not the result of mastering techniques, deploying the latest technology, or enjoying the most hallowed tradition. Simply stated, successful philanthropic fundraising is the product of **the intentional, strategic and consistent building and nurturing of relationships with an ever-expanding pool of stakeholders.**

Tim J. Burchill, *Strategic Fund Development*

Building Relationships

- REMEMBER: Retaining your current donors is more cost effective than finding new ones and...
- A potential major gift donor is probably already in your database

- Relationships vs. Transactions
- Fund Development vs. Philanthropy
- Mutual respect, values and goals
- Learn to listen
- Accept gifts with grace
- Offer sincere gratitude
- Share the joy

Finding Your Potential Donor

Prospecting



- **Grant and Foundation funds**

WI Office of Rural Health *Rural Reporter*

Federal: Grants.gov

Grantstation (fee)

Philanthropy News Digest (foundationcenter.org) Free alerts

Chronicle of Philanthropy (subscription)

Foundations in Wisconsin (hard copy of web access) Fee

Guidestar (990's)

Brochures, annual reports, websites, etc. of foundations, corporations

Prospecting Grants and Foundations

Building the solicitation calendar

- Name, address, phone, website of funder
- Name, address, phone, email of Program Officer
- Interests that match yours?
- Requirements you meet?
- Amount of funds available?
- Single or multiple years?
- Letter of intent required? Date (received or postmarked?) (online or mail?)
- Formal proposal required? Date (received or postmarked?) (online or mail?)
- Attachments required?
- Date Submitted?
- Status of application?
- Site visit?
- Award announcement?
- Reporting date(s)



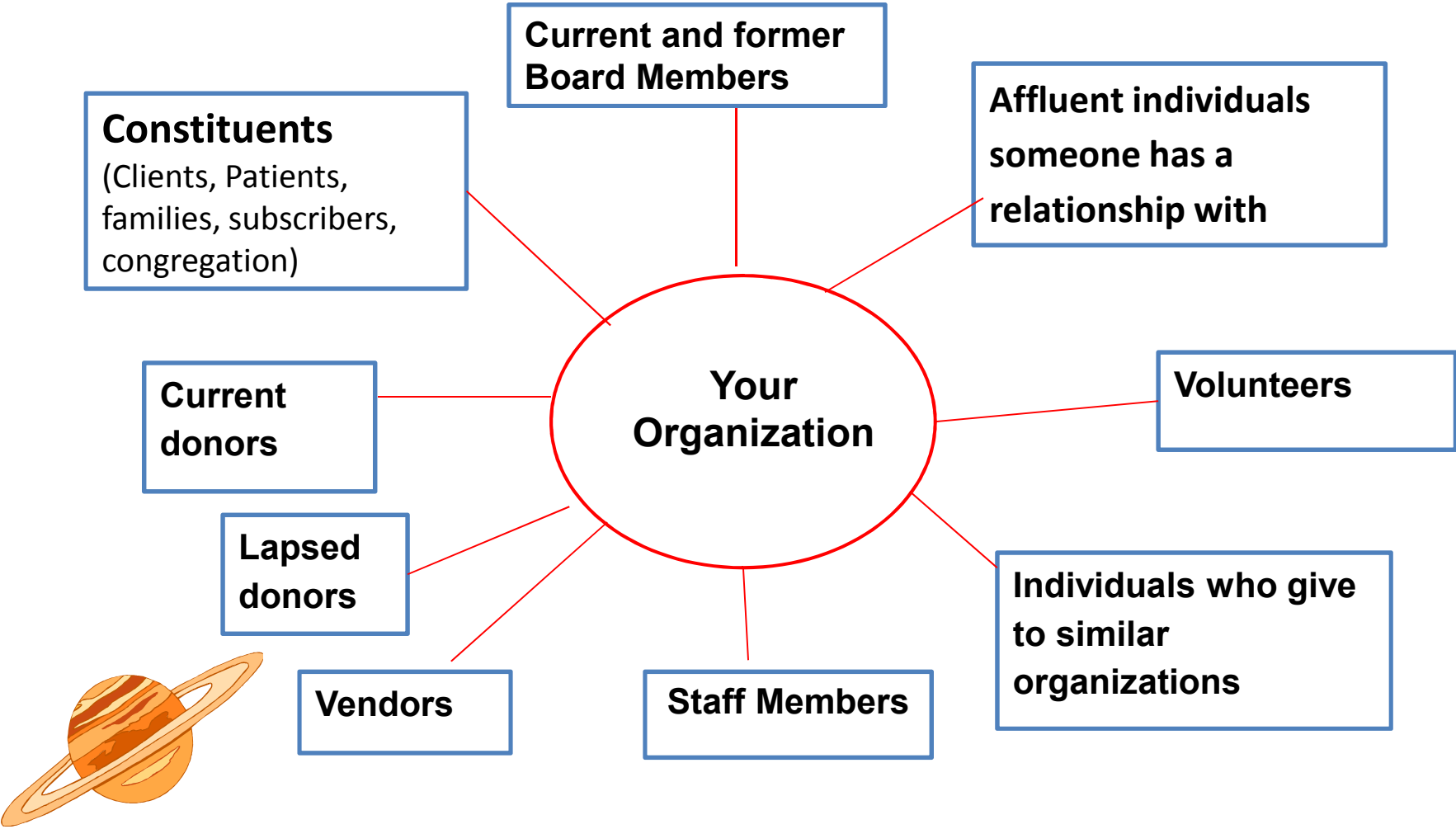
Finding Your Potential Donor

Prospecting

- Finding individual donors
 - Mining your current donor pool – segment for history, \$ amount, length and breadth of relationship – know your constituents on paper and face-to-face when possible
 - Tune in to the community – news, events, etc.
 - Collect donor recognition materials of similar organizations
 - newsletter, annual reports
 - Visit the websites of organizations doing similar work
 - Consider your Universe of Best Prospects



Your Universe of Best Prospects



Finding Your Potential Donor

Prospecting

- Hold a prospecting session with staff, Board and/or development volunteers
- Do this privately and on a written form
- Keep discussion to a minimum – respect privacy
- Sample form: (assign numeric values)

Name/Company

Maximum capacity for gift

Interest in organization

Your relationship

Willingness to visit

The Four Keys of Prospect Research

- 1) Personal Relationship to the Organization
- 2) Interests as related to the Organization
- 3) Someone in our Network is Close to the individual
- 4) Capacity to Give

Communicating your mission with Passion and Persuasion

STRATEGIES

- **Grant writing**
- After determining the prospect funds organizations and projects like yours,
- Read the guidelines – read them again, read them again
- Call and discuss your project with a program officer (yes, another relationship!)
- Use the language in the RFP in your responses
- Observe all rules on font size, margins, space limits
- Internal and external consistency (especially budget and narrative)

Communicating your mission with Passion and Persuasion

Grant writing (continued)

- Cover letter, Executive Summary, Narrative, Goals and Objectives, How measured, Budget, Budget Narrative, Evaluation, Funder Recognition, attachments (usually at least 501(c)(3), audit and Board List.
- Jargon-free, clear, realistic, passionate!
- Cover letter addressed to specific individual
- Summarize and make ask in Exec. Summary
- Narrative provides history and credibility of org as well as introduces, explains and champions project. NEED: Who will be served, Stats to support perceived need, how will you solve the problem, engaging story(ies), measurable goals,

Communicating your mission with Passion and Persuasion

Grant writing (continued)

Goals are short – Objectives long (3 usually)

Goal: To help children make better food choices

Objective: 50 kids demonstrate knowledge of nutritional guidelines and healthy food choices as recorded in food diaries daily by month 6 of program.

Evaluation – How will you define success? How will program continue after grant period?

Budget: income & expense (work with your finance dept) –
Budget narrative if allowed.

REPORTING, REPORTING, REPORTING (enhances relationships!)



Coordinating the Grants Process

How do you organize all the above? The best way you can. The challenge is you must be engaged in all of the related activities all of the time. In a small shop, your prospecting activities will probably take a back seat to your grant writing and reporting but you must reserve some time for them.

NOTE: Your administrative, program, finance and compliance staff must also be continually engaged in the grant process. The management of the successful grant you deliver is in the final analysis their challenge to manage, so be sure they are involved from day #1.

Communicating your mission with Passion and Persuasion

STRATEGIES

- Annual Appeals/campaigns (3-4 annual)

Usually operational dollars

Vary the appeal by emphasizing different aspects of your mission

Use emotional and moving stories

Involve media where possible

Draft moving and consistent materials and campaign or appeal “brand.”

Communicating your mission with Passion and Persuasion

MORE STRATEGIES

- **Direct Mail/Newsletters**
 - Email or snail mail to stay in communication with donors and prospects.
 - Stories
 - Be sure these show how donors gifts are making a difference
 - Acknowledgment and appreciation strategy

Communicating your mission with Passion and Persuasion

MORE STRATEGIES

- **Case Statement:**
Document to set out case for support (used in solicitation visit or as leave behind, tool for volunteer solicitors)
- **Annual Report**
Succinct synopsis of prior's year's successes, audited financials, #volunteers, # of services # of accomplishments

Communicating your mission with Passion and Persuasion

MORE STRATEGIES

- **Events**

- Labor intensive and usually more effective as “friend raisers” than fundraisers.
- Use as an opportunity to showcase your work. Present information, engage donors with your “people” and activities
- For “ask events” – be upfront about the purpose of the event

Communicating your mission with Passion and Persuasion

MORE STRATEGIES

- **Face-to-face meetings**
- May be part of ongoing cultivation but also may be the culmination of past cultivation and, when time is right, involve the “ask.”
- Ask must be done by right person (often in a team), based upon careful research and with respect. You are offering an opportunity. Ask—then be quiet and listen.
- Thank sincerely and immediately whether the gift is made or not and put the processes for receipt and acknowledgment or further cultivation in motion.

Data Management

- Choose the system that works for you – return on investment
- Raiser's Edge, Donor Perfect, E-Tapestry
- What donor data do you need? What reports will guide your program and inform CEO and Board? (LYBUNT, SYBUNT, etc.)
- What other programs do you need to interface with?
- Careful input and maintenance is key
- Segmentation maximizes appeals and asks
- Securing your data

Stewardship and Ethics

Have Written Policies and Procedures for

- **DONOR PRIVACY** (Who needs to know, What needs to be known?)
 - Prospecting
 - Creating donor information file or d.b.
 - Data entry and maintenance
 - Gift processing
 - Continually review and update P&P's. Stay current on gov. regs
 - Write your donor privacy policy and have staff and board sign off
 - Protect all donor info whether electronic, written, etc. - lock
 - Advocate for the ethical use of information within your organization
- **GIFT ACCEPTANCE** (What gifts will you accept? Assurance that gift will be used for donor's purposes)
- **GIFT RECEIPT & ACKNOWLEDGEMENT**(timely and meet IRS requirements)
- **GIFT RECOGNITION** (who recognizes and how)

Stewardship and Ethics

- Constructing a culture of integrity built on respect, compassion, honesty, fairness and responsibility
- Need to self-regulate: 32 nonprofits created/approved each hour in the U.S.
- The cost of fraud in charitable sector approximately \$40 billion annually. Why?
 - atmosphere of trust
 - weak internal controls
 - lack of financial expertise
 - inexperienced volunteer boards

Stewardship and Ethics

- Fortunately we have the *AFP Donor Bill of Rights and Principles of Ethical Fundraising* to help guide us. Also ask yourself:
- Is it legal?
- Does it conform to government regulations?
- Does it pass the “gut” test?
- Would you want your decision to appear on the front page of the newspaper?
- What would Mom or Dad think?

Tools for Sustaining the Donor Relationship

BELIEVE IN YOUR MISSION

ENGAGE YOUR DONOR WITH PASSION

**SINCERELY CULTIVATE HER BASED ON
MUTUAL INTEREST AND ENTHUSIASM**

ASK WITH RESPECT

RECEIVE WITH GRACE AND GRATITUDE

**ACKNOWLEDGE, RECOGNIZE AND MOVE
TOWARD THE NEXT ENGAGEMENT**

RESOURCES From the Association of Fundraising Professionals, Fund Development Series:

DeWitt, Brydon M., *The Nonprofit Development Companion, A Workbook for Fundraising Success*, John Wiley & Sons, Inc. 2011

Weinstein, Stanley, ACFRE, *The Complete Guide to Fundraising Management*, 3rd ed., John Wiley & Sons, Inc. 2009

Ahern, Tom and Simon Joyaux *Keep Your Donors*, The Guide to Better Communications and Stronger Relationships, John Wiley & Sons, Inc. 2008

Hedrick, Janet L., CFRE, *Effective Donor Relations*, John Wiley & Sons, Inc. 2008

Wilson, Thomas D., *Winning Gifts: Make Your Donors Feel Like Winners*, John Wiley & Sons, 2008

Daubert, Erik J., ACFRE, *The Annual Campaign*, John Wiley & Sons, 2009

Rosen, Michael J., CFRE, *Donor-Centered Planned Gift Marketing*, John Wiley & Sons, 2011 (NOTE: AFP awarded its top research award, the 2011 Skystone Partners Prize for Research on Fundraising and Philanthropy, to Michael J. Rosen, CFRE for this book.)

Walker, Julia Ingraham, *Jump-Starting the Stalled Fundraising Campaign*, John Wiley & Sons, 2009

Petty, Janice Gow, *Ethical Fundraising*, John Wiley & Sons, 2008

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