

Systems for Fundraising Success

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WHY ARE SYSTEMS IMPORTANT?

- Improves ability to communicate with donors, and respond to THEIR needs and interests
- Assures that the fundraising effort provides maximum value to your institution's objectives
- Allows you to comply with legal and accounting requirements
- Maximizes staff resources and fundraising opportunities
- Gives staff flexibility and time to be creative
- Minimizes administrative work
- Reduces stress (you can find things when you need them)

SYSTEMS REVIEW: WHERE TO START

- Fundraising (Major Gifts Strategies; Direct Mail)
- Filing (What Should You Keep On Hand?)
- Research (Learning about donors and prospects)
- Communications (proposals, newsletters, calls, visits)
- Gift Acknowledgments
- Accounting (program statistics, financial measures, donor record-keeping)
- Computers
- Personnel

SEVEN RULES OF DIRECT MAIL

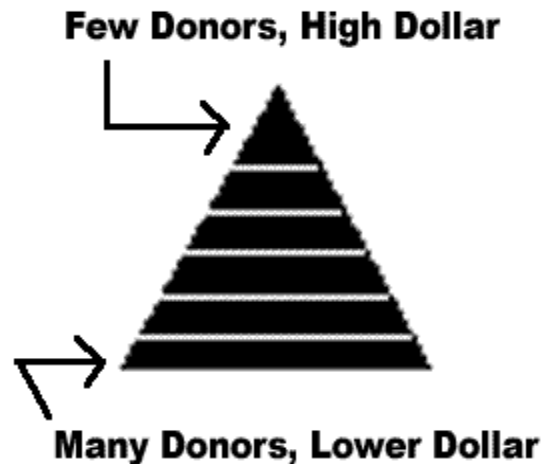
1. Have support - Get buy-in from your Board of Directors and senior staff.
2. Be Realistic - Developing a donor base takes time.
3. Hire a Pro - Use a professional firm to help.
4. Create a Budget - Direct mail can be expensive.
5. Start from Within - Mail to current donors, publication buyers, event attendees, etc.
6. Be Prepared to Fail - A successful prospect package often only generates a 2.5% response rate. Two-thirds of new prospect letters generally fail.
7. Cultivate all Donors - Use thank you letters, newsletters, and comment mail.

Over time, you will discover that many of your largest donors will have started out as small direct mail donors.

MAJOR GRANTS STRATEGY

You have more potential among your current supporters than you realize

DEVELOP A PYRAMID



- Review your donors and determine who gives you most of your funding and at what level.
- Decide how many gifts you need to raise that year and begin to fill in your pyramid at each level (e.g. one gift of \$100,000; two gifts of \$50,000; three gifts of \$10,000; 10 gifts of \$1,000; 50 gifts of \$500)
- Come up with five prospects who are both motivated and who have the ability to give for each gift (e.g. you would need 10 prospects to, hopefully, get two gifts of \$50,000)
- Decide which individuals at your organization are the best contacts for your prospects.
- Leverage volunteers and other donors to help solicit at the bottom tiers.

CREATE FILES (PAPER OR ELECTRONIC)

- Personal Information (DOB, spouse's name, number of children)
- Information on donor's interests and motivation for giving
- Giving history (amount, when, why, how, who)
- Known gifts to other organizations
- All correspondence
- Call reports from any meetings or telephone calls

CREATE A DATABASE OR USE 3x5 CARDS

Maintain information on every donor who you believe has the potential for a major gift or increase in giving:

- Name
- Affiliation
- Prior Year(s) Giving
- Goal (this is important, because it keeps everyone focused)
- Information on their background and interests
- Research (see "Research" below)
- Action Steps with Dates (e.g. Solicitor Mary Smith to visit donor John Doe in April)

Refer to this information regularly to keep track of progress or to change the strategy.

RESEARCH

You will get more information by LISTENING to your donors than you will from any research database.

Research helps you to identify those individuals and organizations whose desire to give is matched with their ability to give.

POLITICAL CONTRIBUTIONS

The political parties or candidates supported by a donor often indicate the donor's philosophical views. Also, this search often produces the occupation or employer in which the donor is affiliated with; by law, this is public information. Common sites used for this search are www.opensecrets.org and www.fec.gov.

FOUNDATION GIVING HISTORY

There is a large quantity of information available on philanthropic foundations. For example, giving trends and histories, interests, trustees and officers, current assets and expenditures. This information will help you determine if a foundation shares common interests and/or if they give to similar organizations. Common sites used for this research are:

- www.fconline.fdncenter.org/index.html (fee based)
- www.guidestar.org (free)
 - Database of more than 700,000 U.S. nonprofit organizations.
 - Access to 990s which tells you about their gifts to other organizations.

CORPORATE INFORMATION

There are a variety of web sites available to provide information about companies, corporate foundations, and executives affiliated with companies, and insider trading. The most frequently used sites are www.finance.yahoo.com and www.hoovers.com (a gateway to corporate information including SEC documents).

FEE FOR SERVICE OVERLAYS

There are many service providers who offer overlays for your data that include demographic information, SEC data, D&B data, etc. These include Thomson Financial, Wealthengine.com, Target America, PIN, and Marts & Lundy.

DONOR COMMUNICATION

GIFT ACKNOWLEDGEMENTS: SAYING "THANK YOU"

- Review standard thank you letter language regularly.
- Consider calling every donor who gives you \$100; take the opportunity to solicit other information.
- Try to find ways to thank the donor several times throughout the year.

IRS RECEIPTS

Donors who give \$250 or more must receive a receipt from your organization to claim the deduction on their taxes.

LETTERS AND NEWSLETTERS

- Focus on results and outcomes; talk out the donors' "investment" in your organization.
- Get the same information in the mail that your donors do.
- Create a grid and keep tabs of everything you have in the mail-in print or via email (are you bombarding people?).
- "Brand" your materials; your donors may receive mailings from many organizations; make sure they aren't confused.

IE-MAIL/E-MARKETING TIPS

- Use direct mail response forms, events and the website to collect email addresses, but use an opt-in strategy.
- Make it easy for donors to get off your list.
- Use email as a relationship-building tool; personalize as much as possible.
- Don't over-mail (twice a month emails may be enough)

WEBSITE

- Review navigation: is it easy for an individual to make a contribution online?
- Update the website regularly
- Integrate the content of your website with your mailings; create an online response mechanism for every campaign or solicitation giving supporters the option to make their gifts online.
- Allow members to provide online testimonials

In all your communications with donors, personalize as much as possible.

PROPOSAL WRITING

If you want support from a foundation every year, make sure to ASK every year, using their guidelines.

Many non-profit organizations rely on the support of grant-making foundations.

1. Start with your organization's needs and then research foundations that will help support them. Don't start with the foundation's interests and try to make your project fit into them. Know your mission, and stick to it but don't ignore the foundation's interests. Remember: they don't "owe" you a grant.
2. Consider the foundation as a partner. You will need to invest time and energy in this relationship to make it work.
3. Follow their guidelines for submitting your request. Some foundations want an initial letter of inquiry before you submit a proposal.
4. If the foundation does not have specific guidelines, here are basic components of a proposal:
 - Executive Summary (1-2 paragraphs to 1 page): your case statement and summary of the entire proposal
 - Statement of Need (up to 2 pages): why this project is important or necessary
 - Project Description (2-3 pages): answers how the project will be implemented
 - Budget (1 page): financial description of the project
 - Organization Information (1 page): history and governing structure; your primary activities, audiences, and programs [an annual report can be substituted]
 - Conclusion (2 paragraphs): summary of the proposal's main points
 - Appendix with IRS designation letter.
5. Unless you have been given other direction from the foundation, the proposal should be limited to 10 pages or less.
6. Make sure that the name, address, and phone number of the contact from your organization appears on the proposal-not just on the cover letter.
7. Reminder: it can take a long period of time (years) to get in a foundation's giving cycle. Do not give up after the first try, unless your project or organization does not match their interests.

**"A proposal does not mean you have to spend a lot on the binding or design. Most foundations prefer black ink on white paper."
--The Foundation Center's *Guide to Proposal Writing***

ACCOUNTING

PROGRAM STATISTICS

Track and review regularly:

- Total Number of Donors
- Contributions and donors at each giving level (you determine the level)
- Contributions and donors for each giving type (e.g. foundation, individual)
- Your "Pyramid"
- Funding for specific projects

DONOR RECORD-KEEPING

- Keep accurate records of gifts
- Keep track of what the donor responds to
- Send a thank you for every gift (and don't forget the IRS receipt when required!)
- Understand the donor's intent for the gift and make sure to honor it.

PERSONNEL: COMMIT TO QUALITY

Many donors are motivated by a belief in cause. But many also view their gift as an investment in an effective organization.

REVIEW PERSONNEL

- Hire for attitude, train for skills
- Write down every person's current job duties; eliminate overlap

CHARACTERISTICS OF A TOP PERFORMER

- Regularly exceeds your expectations
- Can-do attitude
- Ability to multi-task and deal with shifting priorities
- Asks if there is anything else they can do to help you
- Brings new ideas to you (even at the entry-level position)
- You are suddenly able to accomplish a great deal more
- You would have a panic attack if he/she left the organization

CHARACTERISTICS OF A POOR PERFORMER

- Inflexibility

- Needs everything spelled out; does not like ambiguity regarding their role or their projects
- As a manager, you scale back your expectations and constantly reconsider how much work you give this person
- When pressure is on, they falter the most
- Puts in a lot of hours but does not accomplish a lot
- Misses deadlines (always has excuse)

REMEMBER!

- The poor performer is in the wrong job (he/she is not happy)
- The poor performer is a drain on the team because you naturally look at the top performers to take up the slack
- The poor performer is hurting your career/ organization

TRAINING

- Foundation Center
- Institute for Charitable Giving
- Tapes and Books from Brian Tracy

OTHER WAYS TO INCREASE INCOME-

COMBINED FEDERAL CAMPAIGN

To become eligible for donations through the Combined Federal Campaign, you must be a charitable organization recognized by the IRS as tax-exempt under Section 501(C)(3). You also must meet a series of eligibility and accountability standards. You must apply every year, usually before the end of January. For more information see: www.charitablechoices.org

MATCHING GIFT PROGRAM

Encourage donors to double their gift to you by utilizing their company's matching gifts program. If a company participates in matching gifts, the company handles virtually all the paperwork.

RESOURCES

DONOR DATABASES

- PledgeMaker (www.pledgemaker.com)
- Raiser's Edge (www.blackbaud.com)
- Donor Perfect (www.donorperfect.com)
- ACT (www.act.com)

PUBLICATIONS

- Contributions Magazine: www.contributionsmagazine.com
- Chronicle of Philanthropy: philanthropy.com
- Non-Profit Times: www.nptimes.com