



# Fundraising Basics for Preservation Organizations

By Martha Vail

NATIONAL  
TRUST  
FOR  
HISTORIC  
PRESERVATION®

The **National Trust for Historic Preservation** is a nonprofit membership organization bringing people together to protect, enhance and enjoy the places that matter to them. By saving the places where great moments from history—and the important moments of everyday life—took place, the National Trust for Historic Preservation helps revitalize neighborhoods and communities, spark economic development and promote environmental sustainability. With headquarters in Washington, DC, 9 regional and field offices, 29 historic sites, and partner organizations in all 50 states, the National Trust for Historic Preservation provides leadership, education, advocacy and resources to a national network of people, organizations and local communities committed to saving places, connecting us to our history and collectively shaping the future of America's stories. For more information visit [www.PreservationNation.org](http://www.PreservationNation.org).

**ON THE COVER:** A celebratory ribbon cutting attended by local dignitaries and project supporters signals the end of the successful fundraising campaign. Photo by Mario Sanchez.

**ABOUT THE AUTHOR:** Since earning her doctorate in United States history from Yale University, Martha Vail has served the independent sector in many roles: program officer, development director, executive director, volunteer, and trustee. She is currently a nonprofit consultant and trainer, with a practice based in Denver. Her interest in historic preservation goes back her junior year at Smith College, when she participated in the National Trust for Historic Preservation/Yankee Magazine internship program. More recently, Dr. Vail was honored with a Special Award in Preservation from the Boulder, Colo. Heritage Roundtable for preparing a successful National Historic Landmark nomination for the Colorado Chautauqua.

# Fundraising Basics for Preservation Organizations

By Martha Vail

## PREFACE

The only professional development resource I inherited along with my first fundraising job was a National Trust publication titled *Quest for Funds: A Fund-Raising Starter Kit*. Alarmed by this meager library, I began to build a substantial collection of fundraising literature. I read and studied at the feet of experts and, frankly, it all ended up making me depressed. The preaching utopian best practices, shilling for turbo-charged fundraising software and case studies featuring the Stepford board of directors intimidated me. I kept thinking: “On what planet is this guy a development director?”

*Quest for Funds* related to the world I knew: a venerable nonprofit with a voracious appetite for rare vintage lighting fixtures, paint chip analyses, and engineers’ reports. Grant reports were decades overdue. The database was a card file. And the board consisted of kind and enthusiastic folks who would rather have dental surgery than ask their friends to give money to aforementioned venerable organization.

Several decades later, I still have my fundraising library and much of it is still useful. I also have 24-hour access to a virtual universe of fundraising information, thanks to my laptop and Blackberry. At 2 a.m. on a Sunday, I can find thousands of books, reports, periodicals, websites, and booklets that go into exhaustive detail about *how* to fundraise. Few of those thousands matched *Quest for Funds* in explaining *why* to fundraise. None did so with as much wit and good common sense.

Demographics, the economy, and technology have changed since *Quest for Funds* was first published in 1983. The fundraising fundamentals that it introduced to thousands of people who care about historic preservation haven’t:

- Raise money only to support what



**People give because they feel passionate about a cause and want to make a difference. Tours and events at restored sites show donors that their financial support has had a tangible impact.**

Photo courtesy of the Colorado Chautauqua Association

really matters.

- People give to people.
- Be accountable; be ethical.
- Successful fundraising starts with a plan and builds on the strengths of the organization and the energies of its people.
- Never give up.

*Quest for Funds*, which is now out-of-print, served as the starting point for this publication. I am indebted to its authors, the late Joe Breitenicher and Bob Hohler, for their common-sense approach to raising funds. You will find many of their words of wisdom throughout *Fundraising Basics for Historic Preservation Organizations*. Like *Quest for Funds*, this booklet doesn’t pretend to be a one-stop shop for your fundraising knowledge

needs. The aim here is to help ordinary people—board members, volunteers, and staff—explore essential fundraising principles and practices. This publication, too, seeks to empower “accidental fundraisers” as they reach out to their communities. And, just like *Quest for Funds*, all in a jargon-free environment.

## FIVE FUNDAMENTALS OF FUNDRAISING

### 1. Raise money only to support what really matters.

Fundraising is not about money. For historic preservation organizations, fundraising is about community, history, conserving resources, education, and economic development. In short, fundraising is about your mission.

Make sure that donors are recognized for their contributions. A large sign in New Orleans' City Park listed the organizations and corporations that provided support for the park's restoration following Hurricane Katrina.

Photo by Nicole Vann

This is good news because most Americans have serious hang-ups about money. We were raised to believe it wasn't a polite topic of conversation and many of us grew up in the dark financially. As a result we're shy of talking about money with even close friends, and many of us doubt our own financial savvy. This psychological baggage probably accounts for the almost universal fear and loathing of fundraising.

Clearly, to do work that really matters, nonprofits need money. Money buys photocopiers and light bulbs; it pays for facilities and salaries and insurance. There's no reason to be apologetic about the costs of delivering excellent programs and services. Just the opposite, a nonprofit should be able to proudly demonstrate that every one of its expenses directly supports the mission. Keep in mind, though, that people don't make financial contributions simply because a nonprofit needs money. If that were true there would be many fewer gifts to Ivy League universities and many more to free health clinics.

People give—and volunteer, serve as a board member, vote, or write a letter to the editor—because they feel passionate about a cause. A donor gives to a specific organization because he or she believes it has impact, that its methods and strategies make a difference. By giving to *that* organization, the donor participates in making that difference.

## 2. People give to people.

All research and polling around charitable or philanthropic behavior suggest one inescapable truth: People give because *someone* asked them. Even during a turbulent economy, 45 percent of American donors would make a first-time gift if they were asked by someone they knew. When a relationship is initiated through personal contact, the donor is more likely to trust



that person, to ask questions, and to feel confident in making a gift.

People are people. So are foundations, corporations, and government agencies. Giving is a reflection of values, priorities, fears, and hopes. Each individual donor and every institutional funder is a unique package of interests and expectations. Knowing as much as possible about current and prospective supporters is fundamental to cultivating meaningful, durable relationships.

## 3. Be accountable; be ethical.

Nonprofit organizations are granted a fleet of special privileges: exemption from many—though not all—taxes, reduced mailing rates, eligibility to receive government funds, and some liability protections. In return, nonprofits provide services and programs that benefit society. Government encourages citizens to financially support these services and programs by making charitable gifts tax deductible.

In two very real senses, tax-exempt status is a public trust. Each nonprofit must comply with relevant federal, state, and local laws and regulations in carrying out the charitable purpose for which its tax-exempt status was conferred. In addition, every nonprofit must be a conscientious steward of its donors' money.

It's important to accurately track and report fundraising revenue and expenses.

Be transparent to your constituencies, and strive for clarity in reporting the financial health of your organization. Everyone involved in fundraising, which should mean everyone in your organization, should be familiar with your organization's fundraising policies, as well as with the ethical standards of the field.

## 4. Successful fundraising starts with a plan and builds on the strengths of the organization and the energies of its people.

In other words, successful fundraising depends on fund development. Fundraising? Fund development? What's the difference?

**Fundraising** is about bringing in dollars within a given period of time. Think of "pledge drive," "annual campaign," and "seasonal appeal." Galas and other special events are so time-limited that they are often just called "fundraisers."

**Fund development** is about growing relationships, capacity, and revenue over the long term to meet the strategic goals of the organization.

Fundraising uses an ever-changing array of techniques and vehicles to solicit charitable gifts, from walk-a-thons to grant writing to online auctions. Fund development rests on a fairly static framework: diversification, sustainability, and inclusivity.

Fund development policies, practices,

and planning will help you organize fundraising activities to take greatest advantage of organizational strengths—particularly program successes and human talent. The goal of fund development is diversified, predictable, and sustainable revenue sufficient to support the ongoing work of the organization and to allow nimble response when strategic opportunities arise.

### 5. Never give up.

Fundraising isn't magic, and it's not an arcane science. If you can hold a conversation with a friend, throw a party, write a letter, or draft a report you can raise money. So can your board members. It might not be easy or feel totally comfortable at first, especially when you consider that most funders and donors say "no," at least initially. But also consider that fundraising is strictly a numbers game. The more people you ask, the more people who give.

And, the more people who ask on behalf of your organization, the more money it will raise. Every board and staff member has a role to play in securing the financial well-being of your organization. Set modest goals for novice fundraisers; once they taste success, giving up won't even be an option.

Creating and implementing your first fund development plan will take time and effort. Sometimes, it can take three or more years before a special event or a mailing list yields its best results. A coherent, consistent, and shared approach to fundraising doesn't materialize in a day. With perseverance, fund development can become an integral part of your group's culture.

## THE FUNDRAISING CHALLENGE

*Asking for funds in the 1990s is a basic challenge for nonprofits. Those who care about community work will have the responsibility not only to provide good services, but to educate the public—and potential donors—about the importance of giving.*

*This decade has been, and will be, a time of both trauma and innovation for nonprofit organizations. (Quest for Funds, 1991 edition)*

As this booklet is being prepared, in the spring of 2009, the fundraising challenge might at first appear greater than ever before. An economic recession is increasing demands for nonprofit services and decreasing the funds available to support those services. Since 1995 the number of nonprofits has increased by more than 50 percent and competition for charitable dollars is fierce. A few, high-profile scandals damaged the credibility of the nonprofit sector; public scrutiny of nonprofit practices is intense. Social networking shows great promise in extending nonprofits' reach and deepening relationships with donors. Harnessing the power of these tools requires constant attention to a dizzying array of emerging technologies.

The challenge nonprofits face in the early 21st century, however, is essentially no different from the late 20th-century challenge: To survive, community groups must approach fundraising with the same dedication and willingness to learn that they have devoted in the past to their organizations' programmatic pri-

orities. To meet this enduring challenge, your organization's fundraising work must be grounded in the three core principles of fund development: sustainability, diversification, and inclusivity.

### Sustainability: Here for Good

Your organization needs to serve the community as long as its services are necessary. If your work has genuine impact and programs remain relevant and valued, you're going to be around for the foreseeable future. And you'd like to be around at full strength, with the financial resources to weather recurring economic storms and to seize promising opportunities to advance your mission.

That's why the long-range perspective of fund development is so important. Make it a priority to initiate and cultivate the funding sources that are most sustainable. A quick-fix approach may bring in money now, but undermine programming in the long run. A grant may save the day for one program, but what happens next year? This is one reason why foundations routinely require applicants to describe plans to fund the proposed program or project after grant dollars are spent. Funders want to see that their investment will yield dividends long after the grant period is over.

A focus on getting dollars in the door *this* year tends to create a lot more work, too. Fundraising events are notoriously labor-intensive, yet thousands of organizations succumb to a "hey, kids, let's put on a show" mode when dollars are tight. So folks put a lot of time and effort into organizing a gala that nets the same \$5,000 as would a week-long intensive personal solicitation campaign targeting specific loyal donors. Not only was more time (and if it was staff time, it was

**ALL RESEARCH AND POLLING** around charitable or philanthropic behavior suggest one inescapable truth: **People give because *someone* asked them.**

money) spent chasing fewer dollars, an opportunity to deepen relationships with current supporters was foregone.

Attracting new donors is a lot of work, as we shall see. Typically, nonprofits lose about 20 percent of their donors every year. Why make your work harder by harvesting this year's crop of annual dollars while neglecting to cultivate your field of perennial donors? Time spent cultivating current donors literally pays off—decreasing attrition by 1 percent can result in a 3 percent increase in dollars raised. And that's just in the short term. The longer a donor gives, the longer he or she tends to keep giving, the higher the chance that gift size or fre-

quency will increase, and the more likely he or she is to make a bequest or other planned gift.

Building an operating reserve or creating an endowment can be excellent sustainability strategies. Don't believe that potential supporters won't give unless your organization is living at the nonprofit poverty line. Just the opposite. If an organization is impoverished, donors naturally wonder about the practices and oversight that led to that condition. Today's donors aren't so interested in charity cases; they want to invest their money in strong organizations that will demonstrate ongoing impact.

### Diversification: The Right Mix

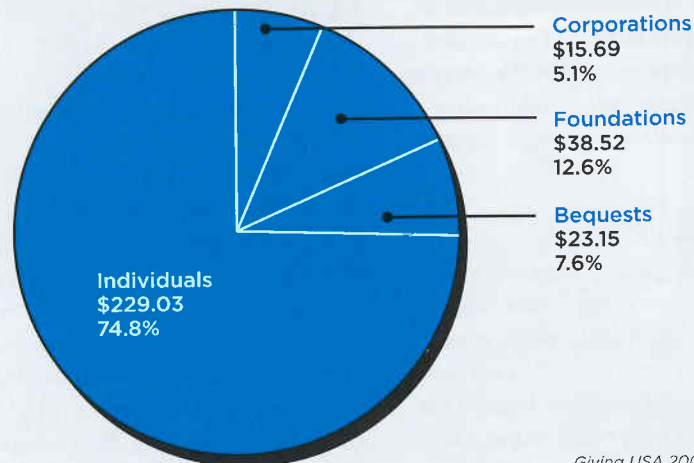
Strong organizations have a big, broad base of donors and generate revenue from lots of different sources. This approach is also good insurance. By developing several income streams, an organization can protect itself against being bankrupted if a donor withdraws. Doing so also ensures that no single donor or funder can control program priorities. The extra work required to develop funding diversity is a small price to pay for maintaining program integrity.

The chart at the top of the page vividly communicates a couple of key points all nonprofits should take to heart. First, most money is given by living and deceased human beings. Strive for 60 percent of your funding to come from individuals, giving at all levels, and in response to many different kinds of solicitations. Secondly, corporation and foundation dollars are scarce, even in good times. Is it realistic to anticipate that grants can fully fund your organization when hard times come?

Diversifying your funding streams takes time and effort. However, it will happen if your organization concentrates on fund development and not just on fundraising. If a developmental approach is employed, within a couple of years, no single funding source—a grant, a major donor, a public fund, an event—should account for more than 30 percent of your organization's annual revenue.

## CHARITABLE DOLLARS DONATED IN 2007

More than 306 billion charitable dollars were donated by Americans in 2007.



*Giving USA 2008, Giving USA*

### Inclusivity: Strength in Numbers

Numbers of folks participating in fundraising efforts. Numbers of donors. Successful fundraising is truly inclusive; everyone in your organization is a potential solicitor and everyone in your community is prospective donor.

Don't work from assumptions or guesses about who makes a great fundraiser or who really gives money. Some of the best fundraisers I've worked with were grounds crew and housekeeping staff who had far more interaction with site visitors than did development staff or board members. And most ideas about the typical donor are just wrong. Sure, there are rich people who give generously. But it's actually the non-rich people who are the biggest supporters of nonprofit organizations. Households with annual incomes under \$200,000 give more than households with incomes of \$1,000,000. The working poor give the most, when measured as a percentage of annual income. About 8 out of 10 people in this country give charitably. That's a whole lot of donors who aren't wealthy and who may not even consider their giving as philanthropy.

For most individuals, giving is an honor and deeply gratifying. Considering the benefits of giving that accrue to both your

organization and to the donor, isn't it just silly not to reach out to as many potential supporters as you can?

Inclusivity in another sense also matters in serious and significant ways. The people leading your organization should reflect the diversity of the community it serves. Inclusive organizations speak to and for a broad range of constituencies, and so are more able both to respond to community needs and to solicit support from those constituencies.

### CREATE A ROAD MAP

A fund development plan has three components that together foster long-term sustainability *and* adequate, consistent, annual cash flow:

- 1. Development Strategy:** Defines fundraising priorities that are aligned with and support the organization's strategic goals and long-term vision.
- 2. Infrastructure Analysis:** Assesses fundraising systems and identifies opportunities for improvement and growth.
- 3. Fundraising Plan:** Describes in detail the year's fundraising events, appeals, proposals, and campaigns.

The benefits of having a comprehensive fund development plan are well worth the time and effort. The first plan is often the most challenging to create

## STRATEGIC PLANNING, SIMPLIFIED

Fundraising is neither an ad hoc nor a one-time arrangement. Growing your raised revenue over time is possible only if work is directed to meeting measurable objectives aligned with specific financial and operational goals. This requires a careful assessment of your organization's operational priorities and community needs. Otherwise, your organization's programmatic dog is wagged by its financial tail—with predictably disastrous results.

Please don't say there isn't time, because if there isn't, perhaps your organization should seriously consider folding and giving its franchise to a more worthy community cohort. To help you create a simple strategic plan, here is a relatively painless process involving the board of directors, staff, and key supporters.

### STEP ONE: Fix Position

What is the mission—the change your organization seeks to make in the world?

What are the fundamental tactics (i.e. research, education, advocacy, technical assistance) that your organization uses to make that change?

What specific programs have been designed to implement those tactics?

What are the core values of your organization?

### STEP TWO: Determine Needs

What are the major issues facing your community over the next three years?

Do your programs and services incorporate current best practices?

Does the current mix of programs match up well with emerging community needs?

Should any programs be initiated, redesigned, or phased out to ensure that your organization is effectively responding to community needs and is using best practices?

What are your organization's programmatic priorities over the next three years?

### STEP THREE: Assess Capacity and Resources

**Track Record**—What are your group's successes? No item is too small to list. If your organization has renovated 20 properties, held house tours, or published a monthly newsletter for five years, these should be included on the list. Also consider what programs or activities didn't work out so well.

**Community Support**—How many supporters does your organization have? What is the record of attendance at community events? Can your organization mobilize support on major issues such as attendance at zoning hearings?

**Volunteers**—How many volunteers are used throughout the year for events or to assist with various functions of your organization? What skills do the volunteers bring to your organization? How effectively has the group used such talent?

**Public Image**—List the media coverage that the organization has received. How is your organization perceived by the community? Who serves as the spokesperson for the organization?

**Governance**—Does the board play a strong leadership role for the organization? Do board members have the mix of skills, traits, and connections appropriate to the needs of the organization? What are the principal responsibilities of board members? Are committees active and effective?

**Staff Expertise and Commitment**—What skills does the staff bring to your organization? What is the role of each staff position in advancing the mission? How is your group's record on staff continuity?

**Financial Condition**—Is the annual budget always balanced or even generating a surplus? Is there an endowment or rainy day fund? Can the organization access credit or other sources of working capital? Are financial reports accurate and regularly produced? Do staff and board members have financial skills adequate to their responsibilities? Is decision-making informed by financial data? Are financial management policies and procedures documented and implemented? Does your organization comply with all state, local, and federal regulations?

### STEP FOUR: Create Strategic Goals

Does your organization have the capacity to implement the program priorities identified in Step 2? If it does, your strategic goals should articulate the program priorities. Your next step is to determine how each aspect of programming will be implemented and evaluated for effectiveness.

If your organization does not have the resources and/or capability to accomplish its programmatic goals, it should set some strategic goals to address the relevant capacity areas such as financial condition, public awareness, or governance. The next step is to create measurable objectives that need to be met to achieve the strategic goals.

### STEP FIVE: Implement!

After all the analysis, fine-tuning of the data, and considerable debate, your organization should end up with a concise way to chart its future course. The plan itself should be very concise. It should include the mission statement, core values, and strategic goals. Other documents such as pro forma budgets, calendars, and work plans can be attached as supporting documents. Your organization can use the plan to develop annual operating budgets, program plans, and—most important in the context of our purpose here—its fund development plan.

and implement. Perhaps for the first time, your organization will be systematically analyzing donor audiences and using this analysis to shape development strategies. You might need to dedicate precious time to developing policies and procedures, updating the database, or training your troops. And you'll need to think hard about your past fundraising performance, so your future plans can gladly accentuate the positive and bravely eliminate the negative.

Remember, that first development plan can serve as a baseline against which future fundraising growth and effectiveness can be measured. Every annual plan draws from lessons learned in previous years, institutionalizes continuous improvement of fund-develop-

ment systems and resources, and helps the organization schedule an optimal mix of fundraising activities.

after year, they send the same materials to every prospect and the same proposal to every foundation; it's sort of a coincidence when donors and funders give again. Neither of these approaches is likely to yield long-term fundraising success. "Everybody else" isn't a very specific demographic (donors and funders come in lots of different flavors) and you wouldn't be reading this if your current donor and funder pool provided all the financial support your organization could ever possibly need.

Nonprofits need to realize that they have dozens, if not hundreds, of potential donor audiences. Prioritize outreach to those most likely to be responsive to your cause, mission, or goals. Analyze the values, interests, and preferences of

amount, more, or less, but you've given them a starting reference point.

Many donors want to know why they are being asked to give a particular amount; they see the request as an indication of their value to the organization. Have you done your homework to see they've been giving loyally for a decade, that they regularly attend events, and that they've introduced friends to your organization? If so, why are you still asking for the same \$40 annual membership fee, using the same verbiage to describe the same activities that they've known about for ten years? Did you put any effort into prospect research, even a Google search, before sending letters requesting gifts of \$5,000 to the 100 (presumed) wealthiest people in your county, of whom only two are current donors? Is it possible the other 98 might believe you think they are ATMs, since clearly your only interest is in their cash?

There are only three answers to the question: "What do we want them to do?"

1. Make their first gift.
2. Make another gift.
3. Make a bigger gift.

In the jargon of the fundraising field, the strategies that result in people giving, giving again, and giving more are known as: Acquisition, Retention, and Upgrade. Every donor or funder has a career path with your organization. The career should be long—life-long. And it should grow and deepen: He bought a ticket to your gala; inspired by the stories he heard at the event, he sent a donation annually for ten years; he made a handsome gift to your capital campaign; he left a bequest in his will.

Acquisition is the most dollar- and time-intensive development strategy. Effectively communicating the excellence and impact of your organization to total strangers can require sophisticated and expensive resources: brochures, websites, and personal meetings. It's critically important to plan annual acquisition activities that replace lapsed and lost donors and grow your donor pool. However, a wise organization with existing donors would do well to selectively experiment with acquisition strategies

## A WISE ORGANIZATION with existing donors would do well to selectively experiment with acquisition strategies and to focus more attention on retaining and upgrading their current donors.

ment systems and resources, and helps the organization schedule an optimal mix of fundraising activities.

### DEVELOPMENT STRATEGY

When you think about raising money, you're likely to think of direct mail, foundation grants, special events, and the "donate now" button on websites. But these are just the methods of fundraising; they're *how* you reach your potential members or donor prospects. Unfortunately, many groups spend a ton of money on the how before learning, often to their bitter regret, *who* and *what*.

#### Who are we trying to reach?

Most nonprofits act as though they have but two fundraising audiences: people who already give and everybody else. Many organizations solicit their current donors and funders again and again, rarely reaching out intentionally to new prospects. Other nonprofits have only an "everybody else" approach. Year

your target audiences and use what you learn to shape both fundraising methods and messages. If you don't, in the short term you're going to waste an awful lot of time and money on fundraising activities that have a high probability of failure. In the long term, you will miss opportunities to identify new or emerging audiences who could prove essential to your organization's future.

#### What do we want them to do?

The answer is usually very succinct: "Give us money." This explains the sometimes mystifying circumlocutions of many fundraising solicitations: "anything helps"; "your generous gift"; or "\_\_\_\$25, \_\_\_\$50 \_\_\_\$100 \_\_\_\$ other." It also explains why many nonprofits work too hard raising too few dollars. They are not asking for the right amounts from the right sources at the right times. People and institutional funders respond more readily when asked for a specific amount or for a gift within a certain dollar range. They may give that



and to focus more attention on retaining and upgrading their current donors. First, these aren't scary strangers and so present a less intimidating prospect for neophyte fundraisers. Second, your current donors will be more likely to give larger gifts than will brand new ones. Third, strengthening and growing your relationships with current donors provides more credibility, and even more volunteers, when your organization targets new audiences for acquisition.

How development strategies are deployed, or *who* you ask for *what*, should be driven by the strategic goals of the organization. If there's a capital campaign in your future, the development strategy might focus on acquiring high net worth givers whose annual giving can be cultivated prior to the campaign. An organization exhausted by rapid cycles of financial feast or famine might seek to regularize cash flow and retain current donors by asking them to make gifts by monthly electronic funds transfer.

## INFRASTRUCTURE

Every organization that raises money should take an annual inventory of its fundraising and fund development tools:

- Fundraising policies and procedures that ensure objectivity, uniformity, and ethical practices
- A case statement that summarizes the need that an organization or program addresses, describes how the need will be met, and how raised funds will make a difference
- Marketing materials such as brochures, ads, and online presence that cultivate donors' relationships with your organization
- A database and other fundraising files that track, evaluate, and sustain the success of your fundraising efforts
- Access to information about fundraising methods, emerging issues in nonprofit management, and your community to keep organization's work responsive to changing demographics, current with emerging trends, and in line with current best practices
- Knowledge, expertise, enthusiasm, and sufficient human power to implement



Donors enjoy meeting and socializing with others who share their same enthusiasm and commitment to historic preservation.

Photo courtesy of the Colorado Chautauqua Association

the most optimal fundraising methods for your organization

## Policies and Procedures

### Gift Acceptance

A gift acceptance policy outlines the sources and types of gifts that your organization is able to accept. Should a preservation organization accept support from a real estate development company that is also intent on tearing down historic resources in the community? What happens if a donor wants to give money to a program that isn't really aligned to the organization's mission? It's much easier to have discussions about these sorts of questions well before the money is on the table.

### Confidentiality

Especially in major donor work, fundraising planning often involves discussing prospects' giving ability en route to identifying an appropriate amount to request. Your organization should insist that all information used in researching giving ability be gained through public sources; no illicitly-obtained material, even if accurate, should be considered. Even more important, every person—staff, board, or volunteer—must honor the confidentiality of their donors by remaining silent outside the meeting room on any matter concerning the donor and his or her relationship with the organization.

### Recognition

Every nonprofit organization needs to be proactive in objectively deciding how gifts, particularly large gifts, are publicly recognized. Preservation organizations should pay particular mind to the hazards of the case-by-case recognition method. For example, there are technical, aesthetic, and legal reasons why it may not be a good idea to place a permanent plaque on every lamppost in a historic cemetery.

### Gift Processing

Donors report real irritation and disappointment when their check isn't cashed for months, or when they don't receive any acknowledgement of their gift. Make sure that funds are deposited in a timely manner and that gifts are promptly acknowledged. Documented policies and procedures for each stage of gift processing signal to volunteers and employees that your organization is serious about developing lasting, positive relationships with donors.

### Core Messages

Every nonprofit has programs. It's the purpose behind the program that informs and focuses your efforts. It's the purpose that distinguishes your organization from every other nonprofit. You ought to be able to summarize that purpose in a phrase or a sentence or two. This distillation is your



A sign showing the progress of a bricks-and-mortar fundraising campaign lets current donors know that their funds are making a difference and can serve to attract new contributors.

Photo by Byrd Wood

ment work, or that you would like to take a vacation someday. Staff may never know why a certain major donor stopped giving, and so fail to appropriately invite that person back.

One of the really great recent advancements in the fundraising field is the wide availability of affordable and powerful fund development software. Reasonably priced, easy-to-use packages can track information about individual donors, gifts, correspondence, and acknowledgements; manage pledges and pledge payments; support fundraising events and auctions; record grant proposals sent, progress on relationships with funders, grant activities, and required reports or deliverables. A good database should enable you to search on many variables, from giving interest to zip code. It should also enable you to pull detailed reports during and after each fundraising appeal; you can compare the yield of an appeal

core message. Make your core message succinct. Don't overwhelm your audiences by providing every detail about your organization. Your core message should also be accurate, not wishful: there can be no difference between what you say you are and what you actually are.

The core message is the basis for your mission statement, which should be short and current. If your mission statement is 25 years old, it's more likely to resonate with older donors than with the growing number of young people who do or can support historic preservation. If your mission statement can't fit on the back of a business card, anyone reading it may lose attention before they grasp what your organization actually does.

Your logo should convey in a glimpse what your organization is all about, *today*. Keep using a decades-old logo only if it has true antiquarian aesthetic value and still conveys what your organization does. Otherwise, consider updating your logo to align with modern graphic design standards, to appear to best advantage on websites, and to appeal to contemporary tastes.

Embed your message in everything that carries your name. Make it the heart of your basic brochure and central to every fundraising appeal. Build your website around your core message. Proudly display that logo on your letterhead and engrave it on your business cards. Everybody in your organization should be able to deliver an "elevator speech" that conveys the core message in under two minutes.

### Fundraising Database and other Records

Fund development is heavily data-driven. A funder's prior granting priorities or an individual's giving history should be considered when drafting new proposals and solicitations. That is why it is very important that you document everything. Files should be kept absolutely current. Scan hard copy originals for electronic backup. Keep handy a working set of frequently referenced documents, such as financial reports or scopes of work, so that permanent files don't wander away from your desk.

Assume you will not last long enough to see the fruition of your fund develop-



An updated logo can bring renewed attention to an organization. The Colorado Chautauqua Association recently updated its logo and redesigned its website. Following the rebranding, the organization's website has seen a substantial increase in visitors.

Illustration courtesy of the Colorado Chautauqua Association

over several years to verify that it is gaining or losing steam. Many newer databases enable smaller organizations to deploy useful tools for donor engagement, for example the ability to send action alerts or news briefs.

### Access to Information

It's a good idea to have a basic fund development library to consult during planning, to check for compliance with best practices, to provide context for grant proposals, to inspire great fundraising ideas, and to use in educating other people in your organization about the fundamentals, details, and realities of fundraising and fund development.

Subscriptions to online databases of foundation and corporate grantors or to prospect research services are often beyond the reach of small nonprofits. But a library card is still free for the asking and many public libraries have great fundraising resources. Through its Cooperating Collection program, the Foundation Center provides a core set of materials to hundreds of public libraries across the United States.

### Knowledge, Expertise, Enthusiasm, and Sufficient Human Power

Even if you could raise all the money your organization needs by yourself, don't go at it alone. First, and most important, your organization needs everyone who can tell its story out in the community talking face-to-face about the great work that it does. Even in a small community, one person can't effectively evangelize for an organization solo and do all the planning and tracking needed to sustain fundraising revenue. Second, if only one person does all fundraising, people in the community are likely to think that's the only person in the organization who really cares. Third, what might happen if the solitary fundraiser moved away or took another job? The responsibility of the chief fundraiser is to involve as many people in the organization as possible, passing on his or her skills and experience. Healthy organizations have a team approach to fundraising. Some of the key players are:

## MAKING YOUR CASE

(Adapted from Joe Breiteneicher, "Construct a Case Statement" in *Quest for Funds*, 1998)

Sometimes called a case for giving or case for support, a case statement assembles basic program facts into a form that can serve various fundraising approaches. Use it as the core information on which to build grant proposals, cannibalize it as a letter to local corporations, and even use it, greatly reduced, to recruit new supporters, volunteers, and board participants.

### Program

Define the community need or problem your organization seeks to address. Explain the significance of these issues, including demographics, in the context of broader public concerns.

Summarize your organization's approach to the need or problem. Refer to research or other evidence that supports the appropriateness of your methodology. Explain how the project avoids duplicating existing efforts or how it is designed to compliment the work of other organizations.

Outline the program's measurable objectives. Evaluation of projects is becoming increasingly important for donors. Make it clear that measurable ends matter to your organization.

Provide the program, project, or organizational timeline.

### People

With as much detail as possible, paint a picture of those being served by the program or by your organization.

It's a good idea to provide an overview of your organization's supporters by race, sex, age, income, or other details germane to the mission.

Show evidence of the management skills of the key staff.

Demonstrate the engaged leadership of your board of directors; this is a great place to highlight organizations with 100 percent board giving.

### Financial Structure

Outline the program's budget.

Show that financial statements are accurate and understandable.

State how the program will be funded if the financial need is greater than any prospective source's normal grant.

Show how the program will be funded once initial donor support has run its course.

### Experience and Commitment

Briefly describe your organization's history.

Outline previous fundraising experiences. Show that your organization is capable of generating the funding necessary to underwrite program objectives.

### Staff and Fundraising Committees

In large organizations, development departments often have very specialized employees: major gifts officers, prospect researchers, corporate giving officers, gift processors, and information technology experts. Ideally, every organization, no matter what size, should have designated people who plan, coordinate, and evaluate fund development and fundraising. In small and startup organizations, those designated people are often the executive director and members of a fundraising committee. The executive director manages organizational support for fundraising, prepares grant proposals, and frequently cultivates major individual and institutional funders. The committee plans special events and works with the board president to engage board members in giving and in soliciting gifts. All-volunteer organizations usually have a fundraising committee that is responsible for planning, coordinating, and implementing a fundraising program, with the committee chair serving the important leadership function.

As organizations grow, creating a full- or part-time staff position dedicated to fundraising should be a priority. Often, this employee will be a development generalist who prepares the fund development plan, coordinates fundraising activities, and tracks fundraising data. Hiring your first development position is a real indication of fundraising maturity; the organization is finally ready to go public in admitting it takes money to make money. Be careful to foster realistic expectations about the new employee's powers. One person simply cannot raise all the money, and her tenure will be quite short if she's expected to.

### The Board of Directors

No one has more credibility in the eyes of donors and funders than board members, who are voluntary leaders and fiduciaries of the nonprofit corporation. Fundraising, when well-organized, can be the most meaningful and enjoyable aspect of board service. Board members should be expected to cultivate prospects and to personally solicit gifts. Don't surprise

## KEEP TRACK

For each and every fundraising appeal, campaign, and event you should track:

- The targeted donor audience(s)
- The cost of the appeal
- Number of solicitations
- Number of gifts received
- Gross amount raised
- Net revenue to programs and operations
- Highest, lowest, and average gift
- Staff/volunteer hours dedicated to the activity

To most effectively target fundraising appeals and create a development path for each individual donor, you should build a profile of every donor in your database. Along with a record of appeals sent and gifts made, donor profiles should include as much of the following information as possible:

- Address, phone number, e-mail address and, increasingly, social networking pages—be sure to include business contact information
- Preferred method/frequency of contact
- Birth date—it's a nice touch to send a birthday greeting, and really useful to know your donor's age or age cohort
- Relationship status—including donors' partners and spouses in invitations is thoughtful and expands awareness of your organization
- Profession
- Awards, honors or distinctions
- Estimated annual income
- Estimated net worth
- Schools and degrees—a fellow alumni on your board might be the perfect person to cultivate the relationship
- Community affiliations, professional association memberships, and religious affiliations—these indicate a donor's interests and, importantly, connections
- Other causes/organizations they support
- Source—how did your organization connect with this individual?
- Organizational connections—has the individual volunteered or served on the board? Does anyone in your organization have a personal friendship or working relationship with the individual?

The best way to gather a lot of this information is in the course of conversations with the donor. Reading the local newspaper and using internet search engines are also quick, simple, and inexpensive ways to find out more about current and potential donors.

new members with this news after they've already come on board.

Board members are not immune to fundraising phobias, so don't expect them to jump right in. Empathize with their fears and encourage them to gain the knowledge that can diminish their anxiety. Supply them with this publication, enroll them in trainings, and continue to keep fundraising front and center. If board members are unwilling or unable to participate, use the fundraising challenge to begin replacing them with directors who are willing to learn to ask, happy to give, understand their role, and bring with them useful connections or special knowledge.

Above all, know that most foundations no longer make grants to nonprofits reporting that less than 100 percent of their board members are donors. Many individual donors are adopting that policy and for good reason. Why would *anyone* support organizations whose own leaders don't care enough to give?

### Volunteers, Vendors, Consultants, and Other Good Friends

Volunteer fundraisers are gifts from above. And they are not as rare as you'd think. Lots of people love to fundraise for the causes and groups they are passionate about. Use these volunteers to greatest effect. Donors highly esteem volunteer fundraisers' credibility; after all, volunteers have nothing to gain by lending

### ASK FOR THE POSSIBLE

Recognize that your fundraising program will require a broad range of knowledge and skills. Do not ask board members or staff to do what they cannot do; it creates a toxic environment of unmet goals, guilt, and passive aggression. There are many different fundraising tasks: researching, writing, developing contacts, making presentations, and thanking donors. Strive to match work assignments to the skills, interests, and available hours of staff, board members, and volunteers.



Asking board members to be tour leaders at a newly restored site, for example, is a good way to strengthen their relationship with the organization.

Photo courtesy of the Colorado Chautauqua Association

their good name to a bad organization.

Your fundraising appeals will need the specialized talents of printers, designers, caterers, mailing houses, and software salespeople. It's worth seeking out vendors who have worked with nonprofits and who are familiar with the particular needs and constraints of the sector. Sometimes a vendor can offer a pro bono or barter arrangement, but don't assume that will be the case. Still, it's a good idea to ask whether they can make some accommodations in return for recognition in your marketing and promotional materials. Be aware that the IRS does not allow professionals to take a charitable deduction for the value of contributed services, but that volunteers can deduct certain expenses, such as mileage and parking, related to their service.

Sometimes it makes sense to outsource actual fundraising activities. Producing special events, researching corporate and foundation funding, and writing grant proposals are time consuming, and therefore expensive, uses of staff time. You may find you can get a higher return on investment by engaging specialist contractors to do these types of projects. Other fundraising consultants should be used strategically for specific, time-limited purposes. An



experienced consultant can be very helpful as you create your first development plan, overhaul your membership program, or embark on a capital campaign.

Don't be someone's experiment—select only consultants or contractors who have proven expertise in your area of need. Before you sign a contract, talk with their previous clients. Work with them so that the consulting engagement permanently builds your organization's fund development capacity; make sure your staff and volunteers understand and can continue to use the tools and materials created by the consultant. Beware of any contractor or consultant who offers to work on a percentage basis. This is a sure sign they are ignorant or dismissive of the ethical standards for fundraising.

Lots of civic, fraternal, religious, and youth organizations have philanthropic work at the heart of their own missions. Very often, such groups will offer to raise



Workshops and coaching sessions can help board members and staff become more comfortable with their fundraising responsibilities.

Photo courtesy of the National Trust for Historic Preservation

money for your organization. This can be the beginning of a mutually beneficial relationship, as long as you work closely with your new friends to make sure your organization is accurately portrayed and that all funds raised are meticulously accounted for. Make sure that a representative from your organization is available to answer questions, support planning efforts, and be present at any events. Ask your fundraising partner to share contact information for people who gave money and/or participated in the event. And make sure that every supporter gets a thank-you note directly from your organization.

It will be easier to supervise and manage any type of outsourced fundraising work if everyone understands the scope of work, respects timelines and deadlines, keeps communication channels simple and open, abides by the organization's fundraising policies, and agrees about the expected outcomes. Be sure to provide third parties with an overview of the organization and its work. They need to understand the context for their work to produce the best results. If there are budget or other limitations, be upfront about them right from the beginning.

## FUNDRAISING PLAN

A written fundraising plan with benchmarks, clearly assigned responsibilities, and

a schedule of activities and tasks emphasizes the central role fund development plays in the organization. With a plan, people are less likely to become overwhelmed or lost in the fundraising forest. Folks are able to accomplish big projects in bite-sized pieces. Because people can see how their personal efforts contribute to the organization's overall success, and know that others are aware of their assignments, they are more likely to follow through on their commitments.

Your annual fundraising plan should be prepared in conjunction with your annual budget, because it underwrites the annual budget. Activities should be scheduled so that cash flow is aligned with ebbs and flows in expenses and so that work loads are relatively consistent from month to month. Research foundation, government, and corporate funding sources well before the fundraising plan is finalized. Keep in mind that most foundations and corporations are not equipped to make quick funding decisions. The time to present a proposal is not two weeks before you need the funds. Most foundations take three to five months to review a proposal; most corporations take six weeks to five months. You can usually find out what the turnaround time will be by checking the funder's guidelines on its website, or simply by calling and asking.

A basic, very functional fundraising plan contains:

1. An annual goal for raised revenue, with a narrative justification based on programming and operational priorities.
2. A description of each planned fundraising appeal and campaign.
  - development strategy or strategies: acquisition, retention, or upgrades
  - target audiences
  - revenue goal
  - non-monetary indicators of success such as response rate, participant satisfaction, or number of staff hours involved
  - sequence of principle activities
  - services or equipment required
  - projected expenses
  - responsible personnel
3. A detailed fundraising and fund development calendar.
  - date-specific activities such as committee meetings and report deadlines
  - timelines for other fundraising activities, such as drafting copy for a letter or preparing grant proposals
  - blackout dates imposed by local federated campaigns such as the United Way or by your national affiliate, if you have one
  - community celebrations or other organizations' events
  - holidays and other instances when your offices will be closed
  - vacations or planned absences by development staff and volunteers

Try organizing the data in a spreadsheet; it's easy to update data, manipulate information, and select specific activities to create individualized work plans for each staff member or volunteer.

Don't let a fundraising plan languish in a drawer or collect dust on your credenza! Post a big wall calendar with important fundraising deadlines and events in a prominent spot in your offices. Bring the plan to staff and board meetings. Encourage participation and follow through by reviewing action items and commitments at the beginning and end of each meeting. Report progress regularly, lavishing praise on all who helped make it happen.

## FUNDRAISING WITH INDIVIDUALS

Foundations and corporations often change their funding interests, and most structure their granting programs to spread their influence and dollars as widely as possible. That means that grants and corporate donations will come and go. For more than 50 years, through recessions, inflation, corporate downsizing, and bank collapses, annual contributions from individual Americans have continued to climb.

In 2007 individual Americans gave more than \$250 billion. In reality they probably gave much more than that. Most studies of giving patterns draw their data from itemized federal tax returns. While about 80 percent of U.S. households give charitably, less than 50 percent itemize.

People are a sustainable resource; if they feel connected, they'll keep giving. Best of all, people are more than check-books. Before and after people write a check, they volunteer, serve on the board, write a letter to the editor, or vote. People are your community. Institutional donors, such as foundations and public agencies, view financial backing from the community as evidence of a group's local legitimacy. A broad base of support is taken as proof that an organization can satisfy its core budget needs from sources other than large corporations and foundations.

Many community organizations have starved to death waiting for that one very rich donor to show up. Don't despair—prospective donors are all around you! A few key facts drive home the case for focusing development efforts on your individual donor program:

- Most gifts come from your Average Joe, who gives about \$1,600 a year.
- Average Joe gives more of his income than Average Thurston Howell, III.
- Most donors give to 10 to 12 organizations.
- 73 percent of donors report they could give more.

Remember it's important to prioritize donor audiences; target those individuals who you can reach with the resources you currently have. For many organizations

just starting an individual fundraising program, an important audience to target is close at hand: people in your closest supporters' network. Expanding your house list (an organization's proprietary database of donors and prospects, as opposed to rented or purchased lists) doesn't have to be an expensive or even particularly intensive undertaking—simply “friend raise”!

### Methods for Raising Money from Individuals

#### Personal Solicitation

Remember that the number one reason donors report for making a charitable gift is that someone asked them. Personal solicitation is the most effective fundraising method—one in four people will make a contribution when asked. Asking face-to-face is more productive, too; the average gift is bigger than those solicited by other methods. Asking is inexpensive. You'll spend a little on postage and gift processing, but that's trivial compared with the expense of galas or direct mail.

Many nonprofits use personal solicitation only with major donors, which is a pity because all types of donors are more likely to keep giving, to make increasingly substantial contributions, and to make a planned gift when they feel closely connected to and valued by the organizations they support. The greatest value in asking is that it creates a warm and personal

relationship right from the start. Face-to-face solicitation is a great method to use in any phase of donor development—acquisition, retention, and upgrading—with donors at all levels.

properties or undertake bricks-and-mortar projects. Donors enjoy supporting projects that reflect their interests; many enjoy socializing with other people who share their dedication. Keep in mind that these gifts need to be managed as restricted funds. Legally these dollars must be used for or allocated to the specific projects for which they were solicited. Even if your organization is cash-strapped, such donations cannot be used for general operations or other purposes unless the donor agrees to release all or part of the gift from the restriction.

#### Membership

Many preservation organizations have membership programs; it's likely to be their principal vehicle for individual giving. Used deliberately to advance long-term development goals, membership programs can generate significant, fairly predictable revenue. However, it's important to understand that membership programs do have limitations:

- Some people who would otherwise support your work just aren't joiners, or they are heritage tourists who don't see much value in joining an organization outside of their own community. If you depend only on your membership list to develop a donor base, then you will miss those folks who aren't interested in membership, but who support your work.
- Some membership programs can actu-

**YOUR ANNUAL FUNDRAISING PLAN should be prepared in conjunction with your annual budget, because it underwrites the annual budget.**

ally discourage people from making a gift at all if they can't afford the basic level. Conversely, membership programs can place an artificial cap on giving by individuals who could make larger donations. After all, they already gave!

#### Giving Societies

Special interest programs can be a great way to acquire, retain, or upgrade donors. This is particularly true for preservation organizations that maintain historic

- Providing and administering membership benefits can be expensive. Once you factor in the cost of ornaments and gift shop discounts, each membership may generate only a few dollars to support



Look for creative ways to reach new supporters. Historic Denver, Inc., advertised its young professionals happy hour, One Past 5, on Facebook and other social media.

Photo by Hans Osheim

programs and operations.

- In tough times, people tend to see memberships as an optional expense.
- Membership does have its privileges. Consider carefully how much influence members will have on your programs and priorities. It's desirable for your members to feel a sense of connection to your work, but not so much for them to feel a sense of entitlement.

Think of membership as a technique used in donor acquisition and retention. Membership dues are just the first gift members make, and renewals provide opportunities to retain and upgrade donors giving under \$250 a year. Don't encourage the "already gave" mentality. Make it apparent right from the start that there are lots of other opportunities to support your organization by inviting them to events or introducing them to a giving society. If you offer premiums, free admissions or other goodies, you must inform donors that the value of benefits affects the tax deductibility of gifts. Check to see whether they are truly valued by your members. Tote bags and coffee mugs seem to be going the way of the dinosaurs, for example.

#### Direct Mail

Increases in postage and production costs coupled with failing response rates have made direct mail a pricey way to fundraise. Nevertheless, direct mail continues to be an effective way to reach many prospects. And you need mail—including your newsletter—to support other fundraising efforts. The

important thing is to use it wisely.

You can use direct mail to add prospects to your house list. For this you need to purchase, rent, or borrow up-to-date mailing lists. You may be able to do so by groups that have purposes similar or sympathetic to yours. You can also approach a local publication or friendly politician about sharing their subscriber or supporter list. The important criterion here is that the names should have come onto these lists through a previous mail solicitation, meaning the people on the list have proven to be "mail-responsive." Mailing to an unproven list is like mailing to all the names in the telephone book; it is a total waste of money.

A brilliant appeal is completely wasted if it's mailed to someone who throws away the envelope unopened. Brilliance is in the eyes of the beholder. Some people respond with enthusiasm to elaborate appeals complete with stickers and colorful brochures. Others will think your organization is profligate and would react more positively to a simple letter. Some target audiences will embrace your core messages if they are conveyed with lots of images and little text. Others, particularly those unfamiliar with your organization and its work, will need more information to be inspired to make a gift.

In direct mail the rule is *always* test. Before you mail thousands of pieces to a previously unused list, test your appeal. Conduct a focus group with a select number of current donors or prospects to see

what they think. Mail to a small number of prospects and measure the response rate; if it's not 1 percent or higher, redesign the appeal. Or prepare two alternative test samples and mail them to two similar segments of the targeted audience. The sample that generates more responses or higher gift levels (whichever raises more money) should be the one that gets sent to the whole list.

#### E-Philanthropy

E-philanthropy includes a whole range of fundraising vehicles and tactics, from online grant proposal and report submission to cause pages on social networking sites to giving by cell phone (known as mobile giving). While online giving currently accounts for only 3 percent of charitable giving, e-philanthropy is the most important and fastest growing trend in fundraising. Between 2001 and 2004 online donations increased by more than 100 percent, while telemarketing and direct mail revenue increased only by 6 percent.

Donors of all generations respond well to e-philanthropy; the demographics of online donors correlate closely with those

#### MAJOR DONORS

Not every supporter has the capacity to be a major donor. But many do. Every organization defines what it considers a "major gift." For a small organization, it might be \$250; for a major museum, it might be a five-figure amount. One way to identify major gift level donors is to analyze your database to determine the gift amount that signals the top 20 percent of annual gifts.

Major gifts are not normally made in response to acquisition strategies, nor is solicitation of major gifts a retention strategy. Unless of course, the gift is being solicited from a current major donor. Major gifts are usually the culmination of individualized, consistent upgrading over a period of time.



## FRIEND RAISING

(Adapted from Bob Hohler, "Friend Raising: Like Building a Rolodex" in *Quest for Funds*, 1998)

Before you spend a nickel on costlier options, consider this inexpensive and effective shortcut to building up your numbers and strengthening your capacity to grow: Ask your present supporters to help you build a network of supporters and donors. Ask them to enlist their friends, relatives, and colleagues in a get-acquainted effort, to sign them up for your mailing list. This personal, face-to-face recruitment is really the first stage of good fundraising.

Launching a friendship campaign requires nothing more than asking those closest to you to go out and tell your story to those they know.

This process is easily described. It is "each one reach one." A technique as old as the hills, it's the way many of the most successful nonprofits in America were built. Individuals recruiting individuals and building upon this process, block by block. It's the heart and soul of political organizing. Many of our greatest religious institutions and community service organizations were launched and grew this way.

Friend raising is far from being an onerous task. After all, it's not a chore to make friends. Be sure to tell that to those doing the recruiting: your colleagues, board, whoever it is you're encouraging to work with you. While they may tell you that they don't like to ask for money, they will seldom tell you that they can't make friends. Making friends for your cause can and should be everybody's business.

We like the friendship campaign and make much of it. Why? If you can get your board or key volunteers enthusiastically involved in recruitment, you're actually introducing them to *face-to-face* cultivation, the heart and soul of good fundraising. Later on, you or your fundraising committee can go back to them and ask these same friends for large gifts. They will no longer be strangers to the process. They might even like it.

### Sign-up Card: A Campaign Tool

The sign-up card is a simple and direct way of getting individuals to sign on to your "get acquainted" campaign. You can print these in abundance and pass them out to your core recruiters. They're self-explanatory. When recruiters ask their friends to fill out the cards, they also ask for help in identifying and recruiting others. Each recruitment involves signing one card and passing along at least one more. Numbering each card by hand increases the value of the exchange. It says: "Someone cares enough to keep track of this."

of people who bank online. Mobile giving resonates strongly with Millennials (those born between 1982 and 2002) who seem to be inseparable from their cell phones. Organizations of all sizes can harness the power of new giving technologies. A study conducted by the internet charity portal Network for Good estimated that 70 percent of giving unrelated to disaster relief

was directed to small- and medium-sized organizations.

Effectively launching an e-philanthropy program involves more than installing a Donate Now button on your website or signing up with an online charity portal. Determining how e-philanthropy fits into your overall fund development plan is a critical first step. Identify which

e-philanthropy tools are most appropriate for your current capacity and fundraising audiences. E-philanthropy offers exciting opportunities for acquisition, retention, and perhaps even upgrading donors to intermediate giving levels. But major gifts are highly unlikely to be generated through mobile solicitations or to be made online.

Evaluate your initial efforts carefully.

**SIGN-UP CARD**

**YES, I CARE. Put me down in support of efforts to improve the quality of life in our community. Keep me informed and let me know how I can help.**

NAME(S) \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

EMAIL \_\_\_\_\_

PHONE (home and work) \_\_\_\_\_

**I agree to pass along one or more of these cards to an interested friend, colleague or family member.**

**Need more cards? Call Isobel at Preserve Centerville 413-456-7892**

This process works as long as it's not overextended. "The Rule of Five" comes into play here. Never hand out more than five cards to your recruiters. Generally speaking, you can assign five of anything—phone calls, solicitations, visits—but that seems to be the limit a busy person can handle effectively.

Here are some projections for a group that begins a friendship campaign with an inner core of 40 board supporters, staff, and volunteers.

Month I 450 new names  
Month II 900 new names  
Month III 1,150 new names

By the end of the third month this group has the names and addresses of 2,500 new friends. This represents a moderate effort. It requires very little extra energy on the part of staff and volunteer leadership. To succeed, simply keep at it.

The cost for increasing your house list by 2,500 names? Under \$1,500 for printing the cards and entering the data. The value of 2,500 prospective donors? Priceless. Your house list is your most precious asset. If you manage it well, you can expect to receive steadily increasing income. We think of a donor list as a living endowment. We urge you to handle it with the care a financial manager would bring to an investment portfolio.

Do your donors like electronic newsletters? Are you really building your house list by asking people to sign up on your website? Don't continue using an e-philanthropy tool just because it's trendy. Also realize that a website or charity portal is not a magic bullet. You must devise ways to inform prospective and current donors about your ability to accept online gifts and educate non-Millennials about the benefits of online giving. Make sure that your other fundraising channels are aligned with your online efforts and that your online presence is absolutely up-to-date. Donors used to instantaneous information aren't very impressed to find your website advertising last summer's house tour! E-philanthropy brings with it a new set of ethical considerations. You'll want to consider carefully how your organization can ensure that your site is secure and that credit card processing or other fees are clearly communicated to donors.

E-philanthropy has been called "we-philanthropy," an indication of its potency in creating and sustaining relationships with and among supporters of a cause. As the field of e-philanthropy continues to develop at a blazing speed, the smart nonprofits are exploring websites targeted to particular donor segments, e-newsletters customized to specific donors' interests, and text messaging to grow contributor interest and increase loyalty. Computers, phones, and mobile devices can be valuable fundraising equipment; they are undoubtedly powerful vehicles for communicating and connecting.

### Special Events

A dinner, an auction, a theater night, or a day at the races can bring high visibility to an organization and attract many new friends. Sometimes they even make money.

These activities require a high degree of organization and a devoted cadre of volunteers. If you have the staff and the lead time to plan (six to eighteen months depending on complexity), a special event could be in the cards for you. Consider carefully, though, before embarking on a program like this. Never, ever believe anyone who tells you that a special event is a great way to raise money. Unless you are very lucky, it

usually takes years of repeating that event to build an audience and turn a profit. Moreover, unless an event is underwritten through corporate sponsorships or donated goods and services, the net revenue generated will be much lower than the amount the event "raises." The skill and effort that goes into this kind of individual cultivation and fundraising is admirable. Just know what you're getting into.

### Planned Giving

The Center on Wealth and Philanthropy at Boston College has estimated that over the next 50 years, charitable bequests will total between \$6.6 and \$24.7 trillion. Members of the Greatest Generation and Baby Boomers are great donors. But even more important, *they are passing on their wealth to their children and heirs*. It is the greatest transfer of wealth between generations in the history of the world. Reflect carefully on this: Inheritance and tax laws make it possible for nonprofits to play a major role in this gigantic movement of assets. You can structure giving arrangements that help families avoid crushing capital gains and

inheritance taxes and benefit community organizations hugely in the process.

Any nonprofit can begin a planned giving program simply by using its newsletter or a brochure to provide prospective planned givers with information about how to include the organization in their estate or financial planning. It's very simple for donors to include an organization in their wills or to name it as a beneficiary on a life insurance policy.

Planned giving is for everyone, not only for wealthy senior citizens. Only a minority of Americans actually has made a will, so encouraging younger donors to contemplate planned giving provides an important service. Planned giving enables every single donor the opportunity to make a major gift, even those who were able to make only modest annual contributions. And donors who have committed to a planned gift are very loyal—planned giving is a promising retention strategy.

## FOUNDATION FUNDING

Foundations are tax-exempt organizations formed by an individual, family, or

## FRIEND KEEPING

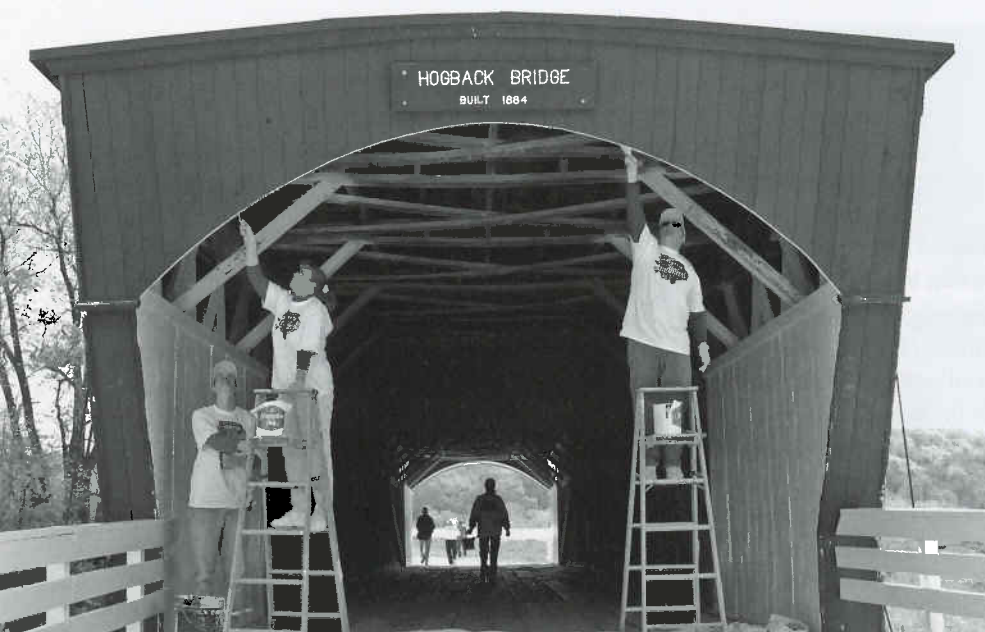
Accountability has become a major preoccupation of the philanthropic sector, and with good reason. Policy makers want to ensure that tax-exemptions and other benefits are claimed only by organizations working for the common good. Donors want to be sure that their gifts are being put to best use by well-managed nonprofits. Wise organizations never take this public trust and private investment for granted. They see themselves as stewards, not owners, of community assets and strive to be transparent about their financial health, strategic direction, accomplishments, and challenges.

Good stewardship makes both ethical and philanthropic sense. Communicating regularly and openly with your supporters increases their sense of comfort and strengthens their relationship with your organization.

Soliciting feedback encourages thoughtful involvement from all of the organization's supporters.

Donors of every level want to know what their contribution helped your organization accomplish. The more concrete you are in explaining your impact on a community, the more likely it is that your supporters or prospective supporters will respond to you. Tell real stories. Avoid abstractions like the plague.

This cultivation will lead to increased giving and ultimately result in some very major gifts. Somewhere among your names are donors who are capable of making significant commitments to your organization. They will, too, if you devote the time and energy it takes to inform and involve them.



Many corporations and businesses see engagement with community groups as a valuable form of employee development. Here employees with Hampton Hotels “Explore the Highway with Hampton, Save-A-Landmark Initiative” help paint a bridge in Winterset, Iowa.

Photo courtesy of Hampton Hotels

group of donors to accept tax-deductible contributions. Most hold those contributions as endowment, invest them, and spend the income each year on grants. Others do not have a permanent endowment, but “pass through” the money they receive each year as grants from other foundations or contributions from their own donors. Be aware that not all organizations that have “foundation” in their name make grants; some may be private operating foundations that conduct their own programming.

Private foundations made grant awards in 2007 of \$38.5 billion. There are more than 70,000 grant-making foundations. A few are quite large (assets exceeding \$50 million) and have more than half of all foundation assets and make almost 40 percent of all grants. Unlike these giants, most foundations make yearly grants considerably under \$1 million, do not have full-time staff, and rely on a few trustees to control decision-making.

Community foundations are public charities that seek to serve a specific geographic area. Community foundations manage philanthropic funds established by individuals and families; foundation staff function much like program officers in private foundations, identifying worthy organizations and coordinating grant-making from various funds to local agencies. Community foundations also frequently help nonprofits establish and grow their endowment funds, charging modest fees and offering specialized assistance that commercial banks and fund managers cannot.

A community foundation, if one exists

in your area, should be a first stop in the funding quest. By law, these special philanthropic entities must be responsive to the major concerns of their communities. Even if community foundations cannot provide funds, they should be able to convey a sense of other donors’ priorities in the region. These are resources with whom to build long-term relationships.

Every foundation has its own mission, which is embodied in its fields of interest, geographic focus for giving, and method of grant-making. In a sense grants are sub-contracts to the nonprofits carrying out the foundation’s mission. Generally foundations see themselves as the venture capitalists of philanthropy. They want to provide start-up funds for innovative approaches and ventures; they do not like replacing government cutbacks, and few fund organizations indefinitely. The more closely and genuinely your organization’s purpose and methods match a foundation’s, the more likely it is to receive serious consideration.

Grants come in many forms, and few foundations make every kind of grant. It’s useful to know what sorts of grants are out there, so that you can seek the funder and grant type that best suits your organization’s needs.

#### Types of Grants

- **Capital Grants** enable purchase of facilities or large, durable equipment.
- **Program Grants** fund the work of a specific project.
- **General Operating Grants** support the organization in general, rather than

a specific project or program. While general operating grants have, thankfully, become more popular with large foundations, many small funders still steer clear of providing basic operating support because they feel it is difficult to track its impact.

- **Capacity-Building Grants** finance the improvement or expansion of organizational systems or infrastructure.
- **Technology Grants** underwrite the acquisition of equipment, staff training, or work of specialized consultants.
- **Challenge or Matching Grants** require the grantee to secure additional funding.
- **Recoverable Grants** are essentially interest-free loans that are made out of the grant-making budget of a foundation, and are recorded as grants only if not repaid.

Foundations sometimes offer other kinds of help such as technical assistance, program-related investments (also known as “loans”), emergency loans/grants, in-kind gifts of supplies, services, equipment, or facilities, introductions to other funders, training, and scholarships to conferences.

#### Finding the Right Funder

Don’t approach foundation funding with a direct mail mentality. A few, well-crafted proposals that reflect genuine attention to the funders’ mission, values, and interests are likely to have a better yield than a few dozen generic proposals with funders’ names changed using the “search and replace” function in your word processing program. Foundations generally log every proposal, and a “spray and pray” strategy can permanently damage your reputation.

The Foundation Center and its regional library collections are excellent places to start your research on potential foundation and corporate donor sources. The Founda-

tion Center maintains the greatest collection of data on the philanthropic world. The Center's *Foundation Directory* will be the best guide to developing your broad list, which can then be narrowed down using other data from the Center on current giving, regional and state directories of giving programs, and anecdotal information gathered from other community programs with similar interests.

Most areas of the country now have regional associations of grant-makers (RAGs) that compile and make available general data on their members. These philanthropic trade associations can also help in locating grant data and funding guidelines.

Organize all the data you gain from your research into a prioritized roster of

provide a more fully briefed proposal.

Be meticulous in preparing your proposal. Answer every required question completely, but don't make anything up. Send precisely the number of copies in the exact format called for by the funder's guidelines. Send only supporting materials requested by the funder and nothing more, unless requested by a foundation staff member. Proposals that arrive by mail several days ahead of deadline make a better impression than an applicant frantically pounding on the door at 5:05 on the due date.

### Winning the Grant, and Being Declined

If your request is funded, congratulations! Your work has just begun, and the

opinion of your project will get maximum exposure. Use a declined request as an opportunity to deepen your organization's relationship with the funder. Send a note of appreciation for the consideration of the request. Ask if the funder has any suggestions for strengthening the proposal. You may be invited to revise the proposal for a future funding cycle.

### CORPORATE SUPPORT

Corporate giving accounted for \$15.6 billion of the philanthropic dollars donated in 2007. While corporate gifts represented a little over 5 percent of charitable donations, most corporations do not make charitable contributions and many provide only token amounts. By law, companies may donate up to 10 percent of pre-tax net income; the national average is slightly under 1 percent. However the full impact of corporate support of nonprofits should not be measured simply by the dollar value of grants and outright cash donations.

These days, "corporate social responsibility" is very important to consumers, employees, and investors. Consequently, businesses have found literally hundreds of ways to direct resources to worthy causes; event sponsorships and cause marketing are just two. It has been estimated that companies contribute \$3 of in-kind goods for every \$1 they give in cash. When the economy falters, corporations are much more likely to offer in-kind donations. Businesses follow consumer polling carefully, and 75 percent of Americans believe that during economic hard times corporations should maintain or increase support to community groups. Even in good times, in-kind giving is literally money in the bank if your organization would otherwise foot the bill for light bulbs, carpeting, or paint.

Businesses and corporations can also help nonprofits offset professional expenses and build organizational capacity by contributing expertise—whether in marketing, management skills, or financial planning. Since almost half of all businesses see engagement with community groups and worthy causes as a valuable form of employee development, your need for paint-scrappers, demolition crews, or

**THE MORE CLOSELY and genuinely your organization's purpose and methods match a foundation's, the more likely it is to receive serious consideration.**

targets, moving from most likely to least likely sources: an "A" list of local/regional foundations and corporations that are known to support causes similar to yours or with which you can establish a connection; a "B" list of regional donors worth contacting; and a "C" list of national foundations with interests broad enough to encompass your organization's activities.

### Making Contact and Preparing the Request

Review your most promising foundation prospects with board members and other supporters to see if they know any of the target foundation's decision-makers. If there are members who know someone at a foundation, ask them to make the initial contact. If your organization does not have a good contact or if the request involves a large philanthropic institution, work your case statement into a brief letter of inquiry—show that you know the donor's interests and suggest they match yours—concisely outlining your program and financial needs and requesting the opportunity to make a personal presentation or to

focus must now shift to managing the grant. Observe guidelines about allowable expenses and activities. Note any restrictions around the release of grant funds. Document all expenditures and activities as required by the funder. For bricks and mortar projects, which usually involve many separate transactions, it's helpful to set up a weekly or bi-weekly collection of receipts and other proof of expenses incurred. If you copy, date, collate, and file these documents in batches, you'll be avoiding a time-consuming hassle when the final project report is due. You can take the same approach to construction plans, change orders, and photographs.

Even the most targeted, carefully crafted proposals can be declined, especially when a faltering economy shrinks a foundation endowment and limits the grant dollars it can distribute. Be prepared for inevitable rejections and treat them as part of the long-term marketing process. Do not respond to bad news with hostility or a quickly assembled additional request. Realize that foundation program officers trade information. A funder's negative

Many corporations want to give back to the communities where they do business and where their employees work and live. As part of a partnership with the National Trust, Lowe's has donated millions of dollars to help restore landmarks across the country including funds for the restoration of the Shiloh Rosenwald School in Alabama.

Photo courtesy National Trust for Historic Preservation



even board members may be met by a friendly corporate partner. An investment firm might share its subscriptions to online research tools that give you insight about the capacity of major gift prospects.

The key thing to remember is that corporations are motivated by business interests as much as, and often more than, by charitable sensibility. Corporations are very aware that 8 out of 10 consumers report favorable impressions of businesses that demonstrate active engagement with worthy causes. Nonprofit organizations seeking to increase their bottom line through corporate support need to know who and where the decision-makers are and what their organizations can offer to prospective corporate supporters.

Fortune 100 companies tend to establish corporate foundations with giving practices similar to those of other private foundations. Other corporations make contributions through an unincorporated giving program, often located in a community relations department. Many businesses prefer to support nonprofits with event or program sponsorships, because they offer visibility and targeted outreach to particularly desirable market segments. Sponsorships are likely to be determined by marketing personnel. Similarly, entrepreneurial businesses interested in cause marketing, in which the good karma of a worthy cause is associated with a product or service in exchange for a portion of sales or other consideration, often work with nonprofits through their marketing departments. Human resource departments are often the go-to source for information about programs that match employees' charitable contributions or supply volunteers.

Whether it's your neighborhood lumberyard, or a big-box home improvement

giant located on the outskirts of town, giving decisions are usually made at the local level. A major impetus for corporate support of nonprofits is a desire to engage meaningfully in communities where they do business and in which their employees work and live. So network with regional vice-presidents of those big box stores and have lunch with the owner of the local hardware store!

As you contemplate a quest for corporate funds, take an inventory of the advantages affiliation with your organization can offer to corporations.

- What goods and services does your organization use in carrying out its mission? A high profile preservation project can be a valuable "product placement" opportunity for a manufacturer of energy-efficient windows that also comply with historic district guidelines.
- Do you know much about the buying habits and consumer preferences of your donors, visitors, or other constituencies? Your strategic position in seeking corporate dollars is greatly strengthened if you can describe in detail the market segments that you can access.
- How can you provide media exposure to corporate supporters? Paid and earned media exposure, including your own publications, can be very attractive.
- Can you make use of corporate volunteers, especially for day-long, hands-on projects? Businesses look for ways to promote employee community involvement and corporate team-building.
- Is your historic property just right for a corporate retreat or event?
- Are you willing and able to provide

naming opportunities? Exclusivity matters to corporations; they'd much prefer to have their logo on the front of a visitors' center than on a plaque inside.

- Can the CEO or other bigwig emcee or speak at a high-profile event?
- Would your organization be able to host product sampling or distribute manufacturers' coupons?
- Is your organization able to connect corporate supporters with one another? Corporate decision-makers actively seek cross-marketing opportunities and networking—a post-event/annual business breakfast or happy hour would be an attractive benefit.
- Could your organization provide technical assistance, such as advice on maintaining their facilities, to corporate funders?
- What sorts of events or programs can you offer to corporate employees and their families?

Business support can benefit your budget, certainly. But, as with all fundraising, the benefits are much more than financial. National corporations, regional businesses, and local mom-and-pop stores are as much a part of your community as your organization is. Acknowledging, honoring, and encouraging their contributions to the quality of life of residents and to the positive impressions of visitors simply makes sense. Gaining corporate support isn't "selling out." Rather, failure to engage corporations in historic preservation denies your organization an opportunity to uniquely engage businesses in building your community's connections to its past and future.

## FINAL THOUGHTS

Make a mental list of your organization's successes. How many historic districts were designated? How many buildings were saved from demolition and restored to good use? How many students learned more about the history of their hometown? I'll wager you're beginning to feel a warm glow of pride, and well you should.

Preservation organizations have a singular advantage in fundraising: impact that is visible, tangible, and local. As Americans increasingly rediscover the value of community and sense of place, your organization has a tremendous opportunity to offer newcomers and long-time residents, small businesses and big corporations, family foundations and huge national funders something of great value—connection to things that really matter.

## FOR FURTHER EXPLORATION

In the last 25 years or so, there's been an information revolution in the nonprofit sector. The following list of resources is, admittedly, highly selective, but it covers most bases.

### Philanthropy & the Independent Sector

#### Books

Crutchfield, Leslie and Heather McLeod Grant. *Forces for Good: The Six Practices of High-Impact Nonprofits*. San Francisco: Jossey-Bass, 2007.

Friedman, Lawrence J. and Mark D. McGarvie, eds. *Charity, Philanthropy, and Civility in American History*. New York: Cambridge University Press, 2004.

#### Periodicals/Reports

Giving USA Foundation, *Giving USA Chronicle of Philanthropy*

#### Websites/Online Resources

The Internal Revenue Service, [www.irs.gov](http://www.irs.gov)  
Charity Channel, [www.charitychannel.com](http://www.charitychannel.com)  
Guidestar, [www.guidestar.org](http://www.guidestar.org)

#### Organizations

Council on Foundations, [www.cof.org](http://www.cof.org)  
The Center on Philanthropy at Indiana University, [www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

National Council of Nonprofits, [www.councilofnonprofits.org](http://www.councilofnonprofits.org)

### Planning & Fund Development

#### Books

Ahern, Tom. *Seeing Through a Donor's Eyes: How to Make a Persuasive Case for Everything from Your Annual Drive to Your Planned Giving Program to Your Capital Campaign*. Medfield, Mass.: Emerson & Church Publishers, 2009.

Bryson, John M. and Farnum K. Alston. *Creating and Implementing Your Strategic Plan: A Workbook for Public and Nonprofit Organizations*. 2nd edition. San Francisco: Jossey-Bass, 2004.

Burk, Penelope. *Donor-Centered Fundraising*. Cygnus Applied Research, Inc. and Burke and Associates, Ltd. Hamilton, Ontario: 2003.

Klein, Kim. *Fundraising for Social Change*. 5th edition. San Francisco: Jossey-Bass, Chardon Press, 2006.

Sargeant, Adrian. *Marketing Management for Nonprofit Organizations*. 3rd edition. New York: Oxford University Press, USA, 2009.

Schaff, Terry and Doug Schaff. *The Fundraising Planner: A Working Model for Raising the Dollars You Need*. Nonprofit and Public Management Series. San Francisco: Jossey-Bass, 1999.

#### Periodicals/Reports

"To Increase Charitable Donations, Appeal to the Heart—Not the Head." *knowledge@wharton*. 2007. [www.knowledge.wharton.upenn.edu](http://www.knowledge.wharton.upenn.edu).

Logan, Chris. "Choosing Donor Software: Things to Remember." *Network for Good Learning Center*. 2008. [www.fundraising123.org](http://www.fundraising123.org).

Nonprofit Overhead Costs Project. *Getting What We Pay For: Low Overhead Limits Nonprofit Effectiveness*. Brief Number 3. Facts and Perspectives. Washington, D.C.: Center on Nonprofits and Philanthropy Urban Institute and Center on Philanthropy, Indiana University, 2004.

#### Websites/Online Resources

Foundation Center Online Training Courses, [www.foundationcenter.org/getstarted/training/online](http://www.foundationcenter.org/getstarted/training/online)

Network for Good Learning Center, [www.fundraising123.org](http://www.fundraising123.org)

Donor Bill of Rights, [www.afpnet.org/ethics/ethics\\_and\\_donors](http://www.afpnet.org/ethics/ethics_and_donors)

Understanding and Drafting Gift Acceptance Policies, [www.kathrynmireeandassociates.com/resource\\_docs/understanding.pdf](http://www.kathrynmireeandassociates.com/resource_docs/understanding.pdf)

### Organizations

Association of Fundraising Professionals, [www.afpnet.org](http://www.afpnet.org)

The Foundation Center, [foundationcenter.org](http://foundationcenter.org)

### Fundraising Methods

#### Books

Barrett, Richard D. *Planned Giving Essentials: A Step-by-Step Guide to Success*. 2nd edition. Aspen's Fund Raising Series for the 21st Century. Sudbury, Mass.: Jones and Bartlett Publishers, Inc., 2002.

Harris, Dianne. *The Complete Guide to Writing Effective & Award-Winning Grants: Step-by-Step Instructions with Companion CD-ROM*. Ocala, Fla.: Atlantic Publishing, 2008.

Lister, Gwyneth J. *Building Your Direct Mail Program*. The Excellence in Fund Raising Workbook Series. San Francisco: Jossey-Bass, 2008.

Martin, Patricia. *Made Possible By: Succeeding with Sponsorship*. San Francisco: Jossey-Bass, 2008.

Robinson, Ellis M.M. and Kim Klein. *The Nonprofit Membership Toolkit*. San Francisco: Jossey-Bass, Chardon Press, 2003.

Roth, Stephanie and Mimi Ho. *The Accidental Fundraiser: A Step-by-Step Guide to Raising Money for Your Cause*. San Francisco: Jossey-Bass, Chardon Press, 2005.

Walker, Julia Ingraham. *Nonprofit Essentials: Major Gifts*. AFP Fund Development Series. San Francisco: Jossey-Bass, 2006.

Warwick, Mal, Ted Hart and Nick Allen, eds. *Fundraising on the Internet: The ePhilanthropy Foundation.org's Guide to Success Online*. 2nd edition. San Francisco: Jossey-Bass, 2009.

Wendroff, Alan L. *Special Events: Proven Strategies for Nonprofit Fundraising*. 2nd edition. San Francisco: Wiley, 2003.

#### Periodicals/Reports

Business Civic Leadership Center. *Report on the State of Corporate Community Investment*. Washington, D.C.: Business Civic Leadership Center, 2008.

#### Websites/Online Resources

Corporate Giving Online, [www.foundationcenter.org/findfunders/fundingsources/cgo.html](http://www.foundationcenter.org/findfunders/fundingsources/cgo.html)

#### Organizations

Mobile Giving Foundation [www.mobilegiving.org](http://www.mobilegiving.org)

Partnership for Philanthropic Planning [www.pppnet.org](http://www.pppnet.org)