

DEVELOPING A COMPREHENSIVE FUNDRAISING PLAN



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BOARD RESPONSIBILITIES

1. Ensure Legal & Ethical Integrity
2. Build a Competent Board
3. Determine Mission, Vision & Purpose
Ensure Effective Planning
Monitor Program & Service Quality
4. Protect Assets, Manage Resources
Wisely & Ensure Fiscal Oversight
5. Ensure Adequate Resources
6. Enhance the Nonprofit's Public Standing
7. Hire, Support, Monitor & Evaluate
the Chief Executive



STEPS IN DEVELOPING A FUNDRAISING PLAN

- i. *Fundraising Self-Assessment Audit*
 1. Prioritize organizational needs (via npo strategic plan)
 2. Prioritize funding needs & clarify the case for donating
 3. Identify target donor constituencies for each funding need, along with strategies to raise funds from each constituency
 4. Compile into development plan document; gain approvals
 5. Implement, review, evaluate, update



i. FUNDRAISING SELF-ASSESSMENT/AUDIT

Use this assessment to create a shared picture of your fund development program. Then, Board & Staff together, outline strategies to address areas to improve.

- Organization's Readiness for Fundraising
- Board & Staff Fundraising Roles
- Systems & Procedures
- Cultivation & Stewardship
- Is there an integrated development plan in place?

+	~	-	?	To what degree does our nonprofit have...
				1. A justifiable reason, recognized by the community-at-large, to raise public and private contributions?
				2. Services and programs that are deemed worthy by our constituents and the community-at-large?
				3. A mission statement that can be accurately summarized in a few sentences?
				4. A strategic plan that addresses program goals, markets, and fundraising needs (both operating and capital) over a period of 3-5 years?
				5. A process to review, update, and extend this strategic plan on a regular basis?
				6. A positive public image?
				7. An accurate record of clients/audience, volunteers, and donors?
				8. Ongoing strategies to build our constituent base and cultivate relationships?
				9. A process that identifies constituents and new markets and outlines strategies to develop and strengthen relationships with these groups (constituency development)?
				10. Ongoing evaluation processes that assess program and board effectiveness? And a commitment to intervene as needed?
				11. Management systems which fulfill accountability and reporting requirements to government, donors, and clients?
				12. Adequate financial management which includes annual budgeting and revision processes, monthly statement of revenue and expense compared to budget, fund accounting, a Finance Committee, and an annual external audit?
				13. Plans already outlined for programs and projects--before fundraising begins?
				14. A process to identify, cultivate, and recruit new committee and board members?
				15. A process to remove ineffective committee and board members?

i. FUNDRAISING SELF-ASSESSMENT/AUDIT

- Organization’s Readiness for Fundraising
- Board & Staff Fundraising Roles
- Systems & Procedures
- Cultivation & Stewardship
- Is there an integrated development plan in place?

+	~	-	?	To what degree does our nonprofit have...
				16. Fundraising expertise and community contacts on the board?
				17. An active and committed board whose members are willing to fundraise to secure the nonprofit’s mission?
				18. Annual financial contributions to the organization by 100% of the board members? 100% of senior staff?
				19. A strong board committee structure including fundraising committees as necessary for the fundraising plan?
				20. Board willingness to budget dollars necessary to fund fundraising?
				21. High caliber professional fundraising assistance available as-needed, through a volunteer, consultant, and/or staff?
				22. Administrative support for fundraising?
				23. Discussion of fundraising progress at every board meeting?
				24. A persuasive, written case statement for each project?
				25. Commitment to securing a diversified funding base (i.e., grants, corporate, and individual gifts)?
				26. The desire to develop an annual fundraising plan, with solicitation strategies, personnel responsible & deadlines.
				27. An accurate record of all fundraising projects and results for the past several years?
				28. Fundraising record systems that include a donor file on each contributor; with ability to analyze by gift size, approach, campaign, etc.?
				29. A system to acknowledge all gifts within 1 week of receipt?
				30. A system to recognize donors and their gifts?
				31. A process to continuously identify new prospects for individual gifts, foundation grants, corporate sponsors and government funding?
				32. A process to regularly research and cultivate individuals, corporations, foundations and government funding sources?

STEP #1: PRIORITIZE ORG NEEDS VIA STRATEGIC PLANNING

Guiding Principles

Big Goals

Business Strategies

**V
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N**

Mission

Goal #1

Program Delivery

Marketing

Client Service

Finance, Funding & HR

Goal #2

Program Delivery

Marketing

Client Service

Finance, Funding & HR

Values

Goal #3

Program Delivery

Marketing

Client Service

Finance, Funding & HR

Goal #4

Program Delivery

Marketing

Client Service

Finance, Funding & HR

**Critical
Success
Factors**

Goal #5

Program Delivery

Marketing

Client Service

Finance, Funding & HR

STEP #2: PRIORITIZE FUNDING NEEDS & CLARIFY THE CASE FOR DONATING

Offer donors a buffet of options, so they can select what's right for them

1. **What's the need to be met?**

... clear understanding of what the donor is being asked to support

2. **Why is it important to the world?**

... strong & moving case for support

3. **How is our nonprofit going to meet the need?**

...solid plan for meeting goals

4. **How much will it cost?**

...cost/benefit, amongst other priorities

5. **Who else is involved?**

...evidence of other support ... sense of leadership

6. **What do you need from me, the donor?**

...how do I fit in?

7. **What's in it for me, the donor?**

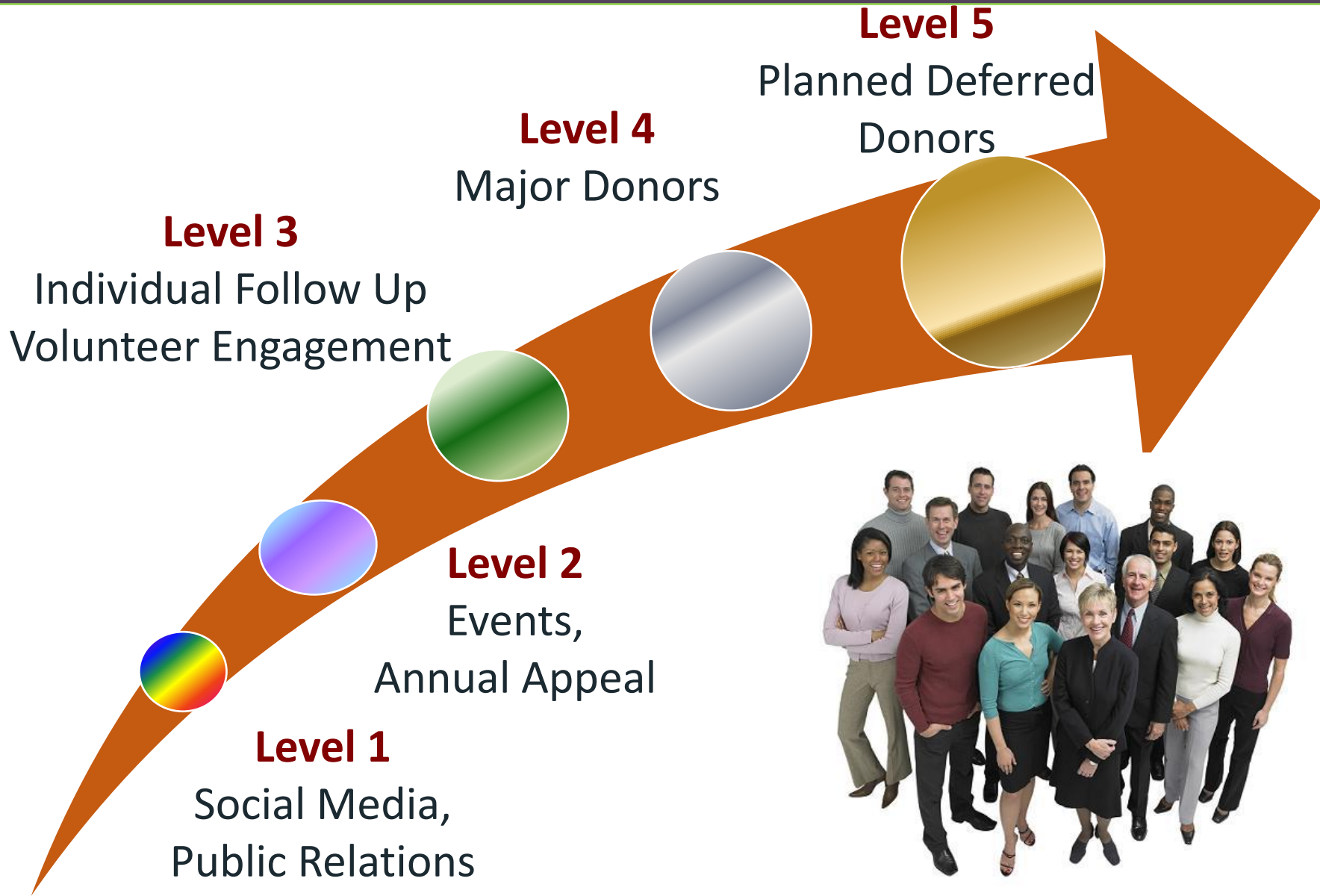
...avenues for meaningful involvement, participation, recognition/anonymity as desired

8. **How will we know when we've accomplished what we aim to do?**

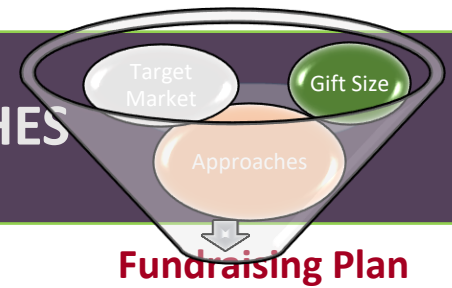
...sense of impact



STEP #3: IDENTIFY TARGET MARKETS & APPROACHES



STEP #3: IDENTIFY TARGET MARKETS & APPROACHES



Target Markets

- Geography
- Age
- Income/wealth
- Psychographics
- Closeness to cause
- Introducer/door opener
- Asker

SOURCES

- Individual gifts
- Foundation grants
- Corporate sponsors
- Government funding

Gift Size

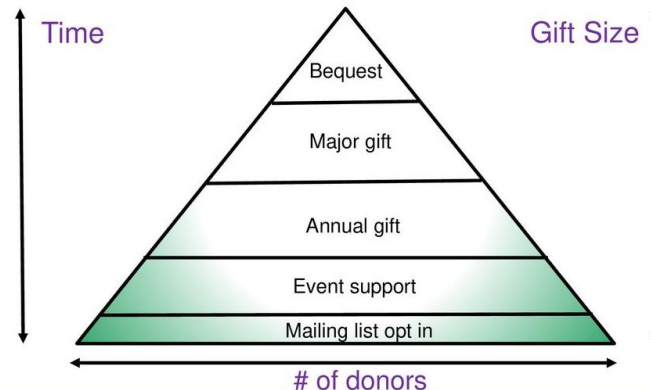
- Large \$\$\$\$
- Medium \$\$\$
- Small \$\$
- Very Small \$

Approaches

- Large group
- Medium group
- Small group
- Individual meeting

- Social media
- Event in person
- E-mail, text
- Mail
bulk, personalized, handwritten
- Talk by phone
1:1, phon-a-thon, paid solicitor
- Meet in person

The Donor Pyramid



STEP #4: COMPILE DEVELOPMENT PLAN DOCUMENT

ACTION OUTLINE

- Tactics
- Due Dates
- Assignments

GOALS

- Number of prospects
- Number of donors/participants
- Number of gifts/participants
- Number of dollars



STEP #5: IMPLEMENT, REVIEW, EVALUATE & UPDATE

Raising funds is NOT enough.....

Ascertain fund-raising results

Compare actual result\$ to goal\$

What worked?

What didn't work?

Revise & update plans

Ascertain friend-raising results

Relational, not transactional

The ultimate aim is to deepen supportive relationships

Aim is not just raising money for today's needs.
Aim is cultivating supportive partners for the long-term



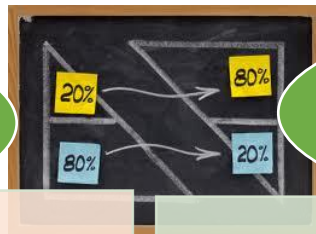
FUNDRAISING MATH

INDIVIDUAL ASKING ROI

Costs Less & Generates More



20% of funds
80% of donors
ARMS LENGTH



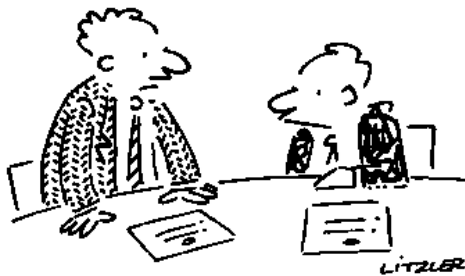
80% of funds
20% of donors
RELATIONSHIP - BASED

- Overall broad introduction
- Direct mail, social media, events, phone solicitations
- Labor & resource intensive
- Staff implements solicitation
- Higher costs & modest financial returns

- Highest impact
- Major gifts, campaigns, deferred planned gifts
- Requires less up-front cash
- Volunteers crucial to opening doors & cultivating. Staff usually solicits.
- Lowest costs, highest returns
- Ideal for major donors, market influencers, board recruitment
- Takes time to cultivate authentic, trusting relationships



- “I’ll do anything but ask for money.”
- “That’s not what I signed up for.”
- “That’s the staff’s job!”
- “I give my time – that’s the same thing.”
- “Galas, grants & golf! That’s my fundraising.”



“You can't be a conscientious objector to our campaign — you've got to make your calls.”

© Chronicle of Philanthropy



TAKE THE FEAR OUT OF FUNDRAISING

FUNDRAISING ROLES: AMBASSADOR TO STEWARD CONTINUUM

- **Major gift solicitors are made, not born, to the role.** For most people, asking other people to part with their money is difficult at best. Practice helps. Passion is key.
- Developing and sustaining major donors is a circular process that is **ongoing & regenerating.**
- The majority of the nonprofit-donor relationship has **nothing** to do with actually asking for money.
- Here are 6 ways that Board Members help develop enthusiastic donors for nonprofits:

#1-BE A DONOR

Make your own **stretch gift.**

Confirm your own commitment & confidently convey words of commitment to others.



#2-BE AN AMBASSADOR

Ambassadors **naturally talk about our nonprofit** wherever they go. To be a good ambassador:

- Understand and overcome your own roadblocks to talking about our nonprofit.
- Think of past opportunities you have had to talk about our nonprofit.
- Observe good ambassadors in action.
- Identify situations where you can share your personal feelings about our cause.
- Select potential donors to talk with about our nonprofit.
- Practice! Practice! Practice! Talk about our nonprofit...
 - at home
 - at work
 - with close friends
 - with strangers



TAKE THE FEAR OUT OF FUNDRAISING

FUNDRAISING ROLES: AMBASSADOR TO STEWARD CONTINUUM

#3-BE A SLEUTH



A sleuth is always looking for potential donors to the nonprofit.

ACTIVE sleuths find out, when talking with another person, if they are open to the possibility of learning more about our nonprofit.

QUIET sleuths explore, through third party means, viable prospects for our nonprofit.

To be a good Sleuth:

- Know what kinds of people our nonprofit aims to **develop partnerships** with.
- **Test** if someone is given to philanthropy by recounting a personally fulfilling experience with our nonprofit, as a lead in to evoking a parallel feeling from the prospect about a nonprofit of their choice. Establish common ground about the satisfaction of participating as a volunteer.
- Tell the prospect that you would like to put their name on our **nonprofit's mailing list**. Ask if they would like to come **visit our nonprofit** at some point.
- Ask people who know our nonprofit to **suggest other individuals** who might be interested in us.
- **Look for leads** in the press, social media, and other nonprofits' materials.

TAKE THE FEAR OUT OF FUNDRAISING

FUNDRAISING ROLES: AMBASSADOR TO STEWARD CONTINUUM

#4-BE A CULTIVATOR



A cultivator actively participates in **structured activities** that are part of our nonprofit's organized fundraising process.

Cultivation is **pre-planned & carried out explicitly over time, as a precursor to soliciting the prospect.**

It is important to plan the process with volunteer & staff leadership.

Cultivators should have:

- a list of ways **to involve the prospect** (tours, receptions, 1:1 meetings, volunteer opportunities)
- **materials** (fact sheet, annual report, event fliers)
- a **confidential prospect profile**
- **coaching sessions**, including how to communicate about major and planned gifts

#5-BE A SOLICITOR

Solicitors **ask a prospect, face-to-face, for a gift.**

Practice helps.



#6-BE A STEWARD



Stewards make sure that **care goes into sustaining and growing** partnerships with our nonprofit's donors after receipt of a gift.

This includes: follow up site visits; review of strategic plans & annual reports; formal & informal question/answer sessions.

KEYS TO SUCCESSFUL INDIVIDUAL DONOR FUNDRAISING

1. COMPELLING PURPOSE

- Strong, moving **case for support** that addresses personal needs & interests
- Specific **goals**: clear understanding of what the donor is being asked to support
- Solid **plan** for meeting goals & completing the defined work
- Evidence that the gift will have meaningful **impact**

2. MEANINGFUL CULTIVATION & RELATIONSHIP DEVELOPMENT

- Strong **leadership** (board, staff, volunteers)
- Methods to **promote engagement** & ownership
- Understanding donor's **motivations** & frames of reference
- Cultivation, solicitation & stewardship by people who have **already given**, & are asking others to do the same
- Evidence of **other support**
- Opportunities for **recognition**, if desired
- Avenues for involvement & **meaningful participation**



Sample Annual Fund Development Plan

ABC LITERACY CENTER, INC.

FY 20xx FUND DEVELOPMENT PLAN

Excerpted from the *AFP CFRE Review Course, Association of Fundraising Professionals*

INTRODUCTION

The purpose of developing an annual giving development plan is to help the staff and board set realistic income goals with respect to the annual budgeting process. The plan also outlines the strategic steps required to reach those goals, as well as board and staff responsibilities in accomplishing the plan. This proposed FY plan identifies targeted financial goals necessary to support the FY operating budget being recommended by the Finance and Executive Committees as of (date). The plan will be revised and updated on an as-needed basis in conjunction with revisions to the operating budget.

I. FINANCIAL GOALS

INCOME	FYXX Projections	FY LY Actual	% of Total FYXX Income
Govt: Federal Grants	200,000	225,000	24%
Govt: County Grants	100,000	75,000	12%
Business Sponsors	75,000	65,000	9%
Foundation Grants	80,000	60,000	10%
Federated Campaigns: UW	25,000	25,000	3%
Individuals: Board	25,000	20,000	3%
Individuals	250,000	225,000	30%
Special Events	75,000	65,000	9%
TOTAL CONTRIB INCOME	830,000	760,000	100%

II. STRATEGIC GOALS (non-monetary goals impacting success of plan)

- 100% giving by ABC Board, executive director, and key staff (92% giving was achieved in previous FY).
- 100% participation by board in some fundraising task, including cultivation of donors (65% participation achieved previous FY).
- Enhanced communications re: fund development within the board & with prospects, including regular presentations at board meetings by fund development chair.
- Develop plan for ongoing recruitment/training of fundraising volunteers. Recruit a minimum of 10 non-board volunteers to help in fund development.
- Develop new prospects for personal solicitation campaign and direct mail solicitation; cultivate family foundations.
- Strengthen donor cultivation program and board and staff understanding of the purpose and process of cultivation.
- Actively involve ABC staff and students in special events and fundraising activities (e.g., in previous FY students helped with several direct mails, supported phonathon, walk; staff coordinated concert, participated in walk, and received Achievement Award for their increased participation in the last United Way campaign.)
- Strengthen coordination between the PR & fund development committees to further support fundraising efforts.
- Maintain systems for ongoing monitoring/evaluation of progress in all areas of fund development.

Monitoring the Fund Development Plan and Process

-The Fund Development Committee will meet 6 times a year to review the progress of the plan and, with fund development staff, will identify problems and solutions. Development staff and committee chair will discuss development issues on a regular basis. Committee chair and development staff will monitor sub-committee chairs; committee chair will follow-up re: problems. Development Committee will discuss fund development plan and progress at monthly board meetings. Development staff will provide financial and statistical data with which to help evaluate progress.

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III. SOLICITATION STRATEGIES

A. Personal Solicitation Campaign

1. Board Solicitation (Chairs: President, Fund Development Chair)

Time Frame: September-December, 20xx

of Prospects: 26

Goal: 100% giving; \$25,000 (Amount raised in previous FY: \$20,000)

Method: Personal solicitation. Request amounts based on donor history (one-time annual giving in lieu of multiple direct mail solicitations; these individuals will, however, get notice of special events.)

Solicitors: President and Fund Development Chair

2. Individual Solicitation (Chair(s): Name(s), with 12 team solicitors)

Time Frame: September-December, 20xx

of Prospects: 50-75 top individual donors, Advisory Board, committee members

Goal: \$250,000; 60% renewals, 15% gift upgrades

Method: Personal solicitation by board and non-board volunteers (one-time annual giving in lieu of multiple solicitations)

Solicitors: (names)

3. Fundraising Event: Walk for Literacy (Walk Chair: Name)

Time Frame: October 2, 20xx

of Walkers: 100

Goal: \$ 6,000 gross/\$14,800 net (FY 20xx Walk grossed \$16,100)

Method: Social media. Mailing: 2,500 pieces; to recruit walkers, pledgers, donations; news articles and other promotional publicity; other personal recruitment by board, staff, students.

4. Benefit Concert (Chair(s): Name(s))

Time Frame: March 25, 20xx

Attendance Goal: 350

Goal: \$2,000 gross/\$1,500 net (concert raised \$2,000 in March 20xx)

Method: Social media, mailings, flyers, posters, e-newsletters, and newspaper coverage.

Solicitors: staff, volunteers, other?

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B. Direct Mail

Each direct mailing has a different theme to encourage multiple gifts and to reach individuals with varied interests. Direct mail is responsibility of finance director and fundraising assistant.

1. Direct Mail

Time Frame: December 20xx

of Prospects: 2,500 (1,000 new)

of Donors: 200

Goal: \$8,000; 60% renewal, 15% gift upgrades, 5% new donors (\$8,000 raised in most recent Holiday Drive)

Method: Mailing with remit enclosure; follow-up articles in newsletter; holiday mailing possibly signed by individual students from each class. Follow-up mailing to major donors in previous campaign who have not renewed their gift.

2. Direct Mail

Time Frame: April-May, 20xx

of Prospects: 3,000 (1,000 new)

of Donors: 200

Goal: \$8,000; 60% renewal, 15% gift upgrades, 5% new donors (\$6,000 raised in 20xx Friends Drive)

Method: Mailing with remit enclosure; follow-up articles in newsletter; and follow-up letter within one month to non-respondents. Mailing signed by selected board members and students. Follow-up mailing to major donors in previous campaign who have not renewed their gift.

C. Government and Foundation Grants

Time Frame: On-going throughout the year

of Reports: 165

of New Prospects: at least 10

Goal: \$365,528: 9 government applications; \$30,000: 15 foundation proposals; \$65,000: United Way Grant

Method: Finance Director & program staff

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IV. Cultivation Strategies (Making "Friends")

The purpose of cultivation is:

- 1) To add prospects to our donor base and develop them to become active supporters and regular donors; and
- 2) To improve relationships with current board members, donors, volunteers, and other friends of ABC, building a greater understanding of how they can help achieve our mission.

Donor and volunteer recognition are critical to the cultivation process. Cultivation needs to be discussed regularly at board meetings to encourage each board member to become part of the cultivation process.

A. Open Houses:

Responsibility of the PR Committee; chair(s) to be named through that committee.

Time: Twice per year: December 20xx (Donor Recognition) & April 20xx (Volunteer Recognition)

Goal: Appreciation evenings at ABC, Inc. for donors and volunteers; opportunity to see facilities, meet staff and students; recruitment of potential volunteers; and cultivation of potential donors.

Method: Social media; special mailings with invitations; newsletter articles; personal invitations by board.

Responsible: board, staff, students, other volunteers

B. Communications

Holiday Card: Holiday greeting card to 300 friends and major donors (this is not a solicitation)

E-Newsletter: 4x per year. Sent to agency e-mail list (3,500+) provides regular updates on agency programs, student writings, activities, and special events.

Mailing list includes funders, donors, volunteers, home-based students, elected officials, other agency executives, and service providers.

Annual Report: Annually to coincide with July 1 fiscal year. Mailing in September.

This is a major communications tool sent to government and private funding sources, large donors, agency executives, and public officials, and is submitted with most proposals and requests to large donor prospects.

C. Other Publicity/Public Relations: A separate public relations plan will be developed by PR Committee to help reinforce cultivation efforts of this Fund Development Plan. A close communications linkage between the Fund Development and PR Committees is needed. PR plan may include such strategies as:

- Radio and TV PSAs.- TV coverage of special events; - Newspaper and magazine articles.; - Articles in ABC, Inc. and other agency newsletters. - Community Bulletin Board announcements to publicize events. - Radio and TV interviews. - Displays in public buildings. - Brochures. - Bookmark. - Posters/Flyers. - Video and/or slide show presentation. - Speakers Bureau (board and staff volunteers).
- Publicity/outreach to private and government workplaces to encourage participation in federated campaigns (posters, brochures, etc)

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V. Fund Development Calendar FY 20xx

July	Prepare Annual Report Review results of June Recognition Dinner	March	Finalize plans for Direct Mail #3 Update progress on ad campaign Review results of Federated Campaigns (UW, ST, CTC) Benefit concert See February
Aug	Annual Report mailed with cover letter Plan PR for UW, gov't employee Campaigns Send letters to UW, gov't and CFC Donors (Direct Mail #1)	April	Volunteer Recognition Evening Process Direct Mail #3 Review results of benefit concert Update Progress re: ad book campaign Update Progress re: Recognition Evening Begin FY 20xx fund development planning process
Sept	Mailing/phonathon/other publicity for Literacy Walk Personal solicitation of board members (Sept.-Nov.) United Way employee campaign at ABC, Inc.	May	Complete ad campaign Review progress re: Direct Mail #3 Update Progress re: Recognition Evening Mailing for Recognition Dinner Begin planning for 5th Annual Literacy Walk
Oct	Literacy Walk Follow-up re: walk pledges Personal campaign with large donors (Sept.-Dec.) Direct Mail #2 planned	June	Recognition Evening Review results of ad campaign and dinner ticket sales Update results of Direct Mail #3 Full board to approve FY 200xx Fund Development Plan and operating budget
Nov	Discuss cultivation strategies (On-going) Evaluate results of Literacy Walk Prepare holiday mailing/ mailing lists PR Committee plans Open House Evaluate previous ad campaign; plan 20xx campaign		
Dec	Direct Mail #2 Holiday Open House Advance solicitation for corporate sponsors of yearbook Review progress of personal annual campaign		
Jan	Review results of Direct Mail #2 Review progress of ad campaign Review results of personal campaign Plan benefit concert		
Feb	Review progress of ad campaign Continue discussions of cultivation strategies Review plans for Volunteer Recognition Evening Review plans for Student Recognition Evening Review plans for benefit concert		

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