The Art and Science of Raising Money –

Part 1: Getting to the Ask

Presentation prepared for DCNP by

Kristin Miller, Director of Advancement
NIU College of Visual and Performing Arts
Overview

- The Topic
- Role Definition – Board and Staff
- The Art
- The Science
- Take Home Tips
- Discussion/Questions
The Topic

Big Questions

1. Why is fundraising so critical to the success of an non-profit?

2. Why is fundraising so intimidating to Board members?

3. Why is fundraising so frustrating for staff?

4. How does my NPO approach relationship building with donors so we raise more money?
Local Relevance

DeKalb County Non-profit Study*

- Single greatest concern?
  - 42.9% said, “acquiring new donors”
  - 30.3% said, “obtaining funding in general”
- 88% consider their Board of Directors to be a strong asset
- 69.2% rate their Board average or above average in terms of fundraising performance
- 70.4% of organizations have no “give or get”

*DeKalb County Nonprofit Study expected to be published in early 2018
Feelings about Fundraising

SHOW ME THE MONEY HONEY
Goals for Today
Answer the Big Questions

1. Why is fundraising critical to the success of your NPO?
   ANSWER: MONEY puts your mission into motion

2. Why is fundraising so intimidating to Board members?
   Unfamiliar with the process

3. Why is fundraising so frustrating for the staff?
   Shortage of systems, process and a plan

4. How does my NPO approach relationship building with donors so we raise more money?
   Focus on BUILDING THE RELATIONSHIP (aka “getting to the ask”)

Whether you are a board member or staff, there are a few big things to understand about raising money:

1. It is not about YOU. It is about the organization you represent.
3. Determine impact. Donors make a difference.
Role of the Board
Definition

Google search – “Role of Board + Fundraising”

“Fundraising is one of the major responsibilities of a nonprofit Board of directors.”

The Board’s role is to provide leadership, financial support as well as a CONNECTION to donors and potential donors. Once the money is secured the Board must ensure that it is properly used.
Recruitment

SAMPLE BOARD MEMBER AGREEMENT

By Jan Masanka

I, ___________________________ understand that as a member of the Board of Directors of ____________________________, I have a legal and moral responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward.

As part of my responsibilities as a board member:

1. I will interpret the organization’s work and values to the community, represent the organization, and act as a spokesperson.
2. I will attend at least 75% of board meetings, committee meetings, and special events.
3. I will make a personal financial contribution at a level that is meaningful to me.
4. I will actively participate in one or more fundraising activities.
5. I will act in the best interests of the organization, and excuse myself from discussions and votes where I have a conflict of interest.
6. I will stay informed about what’s going on in the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies and other board matters.
7. I will work in good faith with staff and other board members as partners towards achievement of our goals.
8. If I don’t fulfill these commitments to the organization, I will expect the board president to call me and discuss my responsibilities with me.

In turn, the organization will be responsible to me in several ways:

1. I will be sent, without request, quarterly financial reports and an update of organizational activities that allow me to meet the “prudent person” section of the law.
2. Opportunities will be offered to me to discuss with the executive director and the board president the organization’s programs, goals, activities, and status. Additionally, I can request such opportunities.
3. The organization will help me perform my duties by keeping me informed about issues in the industry and field in which we are working, and by offering me opportunities for professional development as a board member.
4. Board members and staff will respond in a straightforward fashion to questions I have that I feel are necessary to carry out my fiduciary, legal and moral responsibilities to this organization. Board members and staff will work in good faith with me towards achievement of our goals.
5. If the organization does not fulfill its commitments to me, I can call on the board president and executive director to discuss these responsibilities.

Signed: ________________________ Date: ________________
Member, Board of Directors

______________________________ Date: ________________
President, Board of Directors

Have the Board President sign two copies of this Agreement, and ask new board members to sign them, return one copy to the Board President, and keep the other for reference.

Source: Bo and Call, March 2006
Expectations

GRANTLAND®

THANKS FOR COMING TODAY AND FOR AGREEING TO DO SOME VOLUNTEER WORK FOR OUR ORGANIZATION.

WHAT EXACTLY IS IT THAT YOU WANT US TO DO?

FUNDRAISING!!
Realistic Expectations

1. GIVE money
2. CONNECT the community to your cause
3. COMMUNICATE the case for support
4. SERVE as an advocate
Role of the Board

- The process works best when Board members participate in it.
- Board members must know the organization and be committed to it.
To be the best fundraising Board member think of yourself as…

- An ambassador
- A cheerleader
- A visionary

- A CONNECTOR for your CAUSE in the COMMUNITY
Role of the Staff
Love your work

GRANTLAND®

CONGRATULATIONS, GRADUATES! BY DECIDING TO GO INTO THE NONPROFIT WORLD,

YOU HAVE CHosen a CAREER THAT will GIVE YOU A GREAT DEAL --

THE SATISFACTION OF DOING GOOD, PRIDE IN TRULY MAKING A DIFFERENCE,

AND THE COMFORT OF KNOWING YOU CAN WORK LONG HOURS AND WEEKENDS WITHOUT HAVING TO FRET ABOUT HIGH INCOME TAXES.
Own the Process

1. Provide clear roles and responsibilities for Board membership. Ensure they are understood.
2. Explain expectations as they relate to fundraising.
3. Provide training and support to your Board.
4. HAVE A PLAN. One for fundraising (Development) and one for donor relations (Communication).
5. Be proactive so your Board can be reactive.
Engage Everyone

6. Keep mission at the center of everything.
7. Immerse Board members (and donors) in the work of the organization.
8. Get to know your Board members. Why do they love your organization?
9. Remember that fundraising is a process and every Board member is different. Carve out a role for each person.
10. Celebrate success!
Building a Culture of Philanthropy

1. Shared Responsibility for Development
   Staff, Board and Volunteers participate in the Development Process.

2. Integration and Alignment with Mission
   Fund Development is a valued and mission-aligned component of the organization’s work and helps to achieve long-term goals.

3. A Focus on Fundraising as Engagement
   Building the relationship through multiple channels.

4. Strong Donor Relationships
   Donors are seen as partners and connected to the work of the organization.
The Art of Fundraising
FAIRY TALES FOR BOARD MEMBERS

... SO THE WEALTHY
PHILANTHROPIST FELL
IN LOVE WITH
CINDERELLA'S
ORGANIZATION
AND FUNDED IT EVER
AFTER.

AGAIN, AGAIN!
The Fundraising Process

- Stewardship
- Identification
- Solicitation
- Cultivation
Step 1: Identification

- Identification: The beginning of the relationship.
- Prospects vs. Suspects
- Who is passionate about the mission of your organization?
- Determine who has the interest, capacity and connection to fund your cause
Step 1: Identification

Who is likely to give?
Step 1: Identification

Why do people give?

- Someone I know asked me
- I have an emotional connection to the work
- I want to help save or change a life
- Giving is a tradition in my family
- I want to connect to others and build a social network
- I want to leave a legacy
- I want to be seen as a leader in the community
Step 2: Cultivation

Some definitions:

- **Cultivation**: Treating the donor like a real person, instead of just a checkbook.
- **Cultivation**: Getting to know the donor.
- **Cultivation**: What you are doing while procrastinating about asking for the gift.
- **Cultivation**: Building trust.
- **Cultivation**: Friendraising.

Building the Relationship
Step 2: Cultivation

Immerse people in the story you have to tell.

“The best way to spread Christmas cheer is singing loud for all to hear! – Buddy the Elf
Step 3: Solicitation

- The “Ask” is just one moment in time.
- Working the *process* makes the “ask” easy:
  1. Identified the right prospect
  2. Prospect Research
  3. Cultivated the prospect, ready to solicit
  4. Determined who will make the “ask”
  5. Team Approach
  6. Answer 3 questions: Why me? Why now? What for?
Step 4: Stewardship

**Definition:** The ongoing relationship with a donor after the gift has been made.

- Invitations to see mission in action
- *Event attendance*
- Phone calls to say thank you, give updates
- *Stewardship begins the cycle of cultivation again after the gift is in hand*
The Science of Fundraising
Grantland

"Recipe for setting gift targets."

"Mix 400 bags of hopes and dreams with 200 gallons of fantasy."

"Sprinkle lightly with reality and serve quickly."
2016 Highlights from Giving USA
2015 Contributions - $373.25 Billion
Total increase of +4.1%

By Source
Individuals – 71%**
Foundations – 16%
Bequests – 9%
Corporations – 5%

**Single largest contributor to the increase in total charitable giving in 2015 was an increase of $9.77 billion in giving by individuals (67% of the total change between 2014 and 2015).
Facts: National Snapshot

2015 Giving by Source

- Individuals: 71%
- Foundations: 16%
- Bequests: 9%
- Corporations: 5%
The Basics

- Individuals give the most money!
- 7 out of 10 people give
- People give because they are asked
- Most effective way to ask is face-to-face
- Raising money is all about relationships
Trends

- Mission-driven and Donor-Centered
  - Mission means everything
  - Donors have proven it is all about them

- Diversified Earned/Contributed Revenue Stream
  - Ideal – 35% contributed, 30% grants, 35% fee for service or earned revenue
The Budget

✓ Understand that “the gap” is not “the goal”

✓ Base the goals on actuals from prior year

✓ Make data driven analytical decisions

✓ Organizations must spend money to make money

✓ ROI is most expensive for events ($.50/$1 raised)
Raising $10,000 or $100,000

#1 – Look at your data

**Group 1 - Who is already giving?**
Question 1: Can they give more?
Question 2: Who knows the donor? What partnerships can Board members provide to cultivate the relationship?

**Group 2 – Who gave in the past but is not giving now?**
Question 1: Why did they stop giving?
Question 2: Who can find out the answer to Q1?

**Group 3 – Suspects and Prospects**
Question 1: Who are charitable people in the community that may like your organization (suspects)
Question 2: Who are people that have attended your events or are patrons of your organization that may become donors if cultivated? (prospects)
#2 - Build your plan to approach the segments

#3 – Ask for the largest gifts first

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<th># of Prospects</th>
<th>Gift Amount</th>
<th>Total Gifts at Level</th>
<th>Total Raised</th>
<th>Overall Raised</th>
<th>%</th>
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Gift Range Chart - $10,000
### Raising $10,000 or $100,000

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**Gift Range Chart - $100,000**
Take Home Tips
Take Home Tips

Know your role

1. Be educated about the process.
2. Reinforce your belief in the mission.
3. Complete tasks that don’t involve soliciting.
4. Board: If your *friends* are ready to be asked then be prepared to solicit.
5. Be an ambassador and market the organization.
6. Experience the work of the organization.
7. Give money and get money.
Take Home Tips
for Board or Staff...

- Help the staff make thank you calls to donors
- Send a follow-up email after an event
- Sign a thank you letter
- Invite a prospect or donor to see the work of the organization (facility tour, interact with clients, etc)
- Shadow a staff person for a day
- Send a thank you email
- “Like, Share and Repeat” on Give DeKalb Co Day
- Share posts on social media
- Host a small gathering in your home
- Listen to the stories your donors share
Homework
Check out these resources

Asking Matters – www.askingmatters.com
Find your asking style:
- Rainmaker – Analytic Extrovert
- Go-Getter – Intuitive Extrovert
- Mission Controller – Analytic Introvert
- Kindred Spirit – Intuitive Introvert

Joan Garry - Nonprofits are Messy – Website and Podcast
www.joangarry.com

Jerold Panas – Panas, Linzy and Partners – Download his free book!

Gail Perry – Fired Up Fundraising
www.gailperry.com

Tom Ahern – Donor Communications – www.aherncomm.com
Questions/Discussion
Thank you!