# SUCCESSFUL FUNDRAISING

A HANDBOOK FOR BEST PRACTICES

**Successful Fundraising**



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# Welcome to Philanthropic Service for Institutions

Philanthropic Services for Institutions (PSI) is a consulting service of the North American Division of Seventh-day Adventists (NAD). It is both a one-stop shop and a gateway to services. Thanks to the dedication of the NAD leadership to building strong organizations the services of PSI are without charge or low cost to those who request our assistance. This introduction will give you an overview of PSI.

## Who we are

PSI was established by the NAD in the mid-1970s in order to develop a philanthropic mentality and practice in church organizations, primarily higher education and healthcare. Since that time, PSI's outreach has extended to all North American institutions, including churches, community service organizations, education, and ministries. PSI can be described as follows:

- PSI serves the Seventh-day Adventist Church in North America as the primary vehicle for promoting philanthropic generosity and action through consulting and advising, educational opportunities, operational resources, and information-sharing.
- Our resources help churches and their institutions develop a responsible approach to fundraising, provide structure to help clarify mission, and set realistic goals.
- PSI uses educational tools to help church leaders, fundraising professionals, and volunteers learn how to most effectively meet the financial needs of their organizations through careful planning and implementation of campaigns.
- PSI provides information to clients, keeping them current on the newest trends and established practices that promote organizational success.

## Whom we serve

- Pastors, churches, and their institutions (especially schools and community services)
- Universities and colleges
- Healthcare systems and institutions
- Senior professionals
- Academies

- Elementary schools
- Conferences
- Ministries
- Novice fundraisers
- Career changers
- Speakers of other languages (contact PSI to find out the language resources we have)
- Non-NAD ministries as resources allow
- And all who ask us for assistance, whenever possible (such as overseas organizations)

### How we serve—highlights of our services

PSI offers a variety of resources, ranging from personal consultations to conferences, articles, and specific books, and all other services and materials that make it a full-fledged consulting department. For customized and personalized service, please contact PSI staff. Due to cross-training, our staff can receive your request and either assist you or refer you to someone else on staff. If desired, you can also be referred to people or organizations who have benefited from PSI and who can share their experiences. The following is a list of services available:

- Training—workshops, seminars, short presentations, courses, one-on-one training, institutes, online offerings (podcasts, Webinars), board training, and the PSI conference
- Education—assistance toward receiving certification, higher education class presentations, career advice, and mentoring
- Resources—library, online materials, hard-copy materials, publications, and referrals to other organizations and their services that enhance what PSI provides
- Small capacity-building grants—available for needs that can't be met in an organization's budget
- Events—PSI conference, special interest meetings, presidents' dinner, and colloquium.
- Information-sharing—responses to phone calls and e-mails, answering questions, sending materials, and referring to experts/colleagues among our ranks
- Customized services—special materials such as for faith-based organizations and speakers of other languages
- Consulting services—responses to e-mail and phone requests for assistance and information and face-to-face meetings, on site or at PSI offices
- Career development—career advice, advising of those who want to increase expertise in fundraising while maintaining their present positions, creating awareness, training, mentoring, and academic programs
- Data sharing—maintenance of a database so that all groups and persons can receive information and updates.

- Communications—e-Dollar (online newsletter), e-Blast via e-mail, inclusion in NAD materials, and a dynamic, informative website as well as social media
- Networking—connecting members for mutual benefit and with other organizations, materials, professional organizations, and career opportunities
- Internships—please see PSI's website for specific types of internships, and contact us
- Senior professionals—opportunities for professional growth and involvement

Of particular interest for pastors and lay leaders are PSI's collection of reading materials, forms, and related document that you will find helpful. The list below is a partial listing, and you may contact us for this material and for other items:

Sample forms for capital campaigns

Resources on ethics and fundraising

Board practices and responsibilities, including the board and fundraising

Accountability and transparency in fundraising

Choosing a database (including software information)

Social media and fundraising

Cross-cultural philanthropy and fundraising

Trends shaping the near future

How to ask for money

Information on faith-based fundraising is growing and quality material is being added on a regular basis. Much of that material is available on our website and below is a list of some of the more helpful websites:

- Evangelical Council for Financial Accountability (ECFA): www.ECFA.org
- The Lake Institute for Faith and Giving, The Lilly Family School of Philanthropy, Indiana University,www.philanthropy.iupui.edu
- Maximum Generosity: www.MAXIMUMGenerosity.org. Free eNewsletter for pastors and church leaders.
- State of the Plate Research: www.stateoftheplate.info
- The Empty Tomb: www.emptytomb.org/research.html
- Christian Leadership Alliance: www.christianleadershipalliance.org
- Association of Fundraising Professionals (AFP): www.afpnet.org

There are some things that PSI cannot do for you. We cannot find the funds for you, tell you the "ten easy steps for fundraising success" (they do not exist), provide you with full-fledged, ongoing campaign consulting (although we are available for ongoing advice and even on-site visits), and we cannot work miracles. Fundraising is a demanding but exciting process, and we can help you have a positive experience with your fundraising

### In Summary

This is brief introduction to what PSI can do for Adventist personnel and organizations. Visit our website, call us to see how we can help you build stronger organizations and services. We welcome your questions, requests, and suggestions.

Please contact PSI personnel at

General e-mail: info@philanthropicservice.com

General number: +1 301 680-6131

Website: www.philanthropicservice.com. Please check our website regularly. This is our dynamic service that we keep up-to-date and includes many resources. You can also contact staff through the website, and specific details of staff responsibilities and expertise are listed on the site.

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Chapter 1

# Introduction to Fundamentals of Fundraising

By Dr. Lilya Wagner, CFRE

Much can be accomplished for all nonprofit organizations of all types if sound fundraising principles are followed, and practice is based on successful experience. Fundraising is an organized practice, a logical process—one that takes time and careful thought to implement.

In this handbook, any organization for which money is raised will be referred to as a nonprofit organization.

Often well-meaning individuals perceive a need and immediately seek to remedy it by seeking funds. This kind of practice frequently results in failure or a disagreeable experience. Certain steps must be taken in order for fundraising to be effective and productive. Following is a brief description of steps involved in a successful fundraising program.

1. *Understand that fundraising is an exchange of values*. A responsible fundraiser begins the fundraising process by realizing that it is a reciprocal relationship. Any nonprofit invites individuals to donate, and it also cultivates and solicits its friends of many types, many of whom become donors. Donors should be thanked and recognized, and should be informed about the use of the money. As donors provide funds for programs and operating needs, they desire gratitude and recognition, as well as some intangible rewards, such as a sense of belonging and making a difference. In short, there is an exchange taking place—if donors of any kind support the cause, they will do so because they share the values the organization represents.
2. *Consider the environment and climate for fundraising*. An organization's environment has an impact on the feasibility of fundraising. If current economic factors, changing demographics, and other factors aren't considered, it may be difficult to meet fundraising goals. Internal circumstances also dictate success or failure, such as an organization's readiness to raise funds. Have appropriate personnel assignments been made? Is there an accounting and recording system? Has strategic planning been done? These and other questions must be answered before donors are approached.
3. *Create and examine the case*. A case includes the reasons someone should or could give money to an organization. Making a case means sharing the mission, goals and objectives, and programs. It includes describing programs and evaluation procedures, and providing financial reports. It means there is an effective governing body committed to the mission of the organization to whom

the organization is accountable. It means leadership is credible and competent. Once a case has been developed, various methods of communications are then prepared for expressing the case. These materials must be appropriate for the potential donors with which the nonprofit seeks a relationship. Because there isn't one "right" case statement or case materials, please contact PSI for appropriate samples and help in preparing your own materials.

4. *Involve board and other volunteers*. Although board membership and practice varies greatly among organizations the use of volunteers and boards in securing and managing financial support is crucial. Therefore, boards should be involved from the inception of planning for programs and fundraising. Volunteers are the most effective persons to ask for funds because they represent a selfless commitment to a cause. However, volunteers must be carefully selected. Also, volunteers should have credibility if they are going to interface with potential or existing donors. A recognized leader should model contacts with prospects and donors. The right volunteer can be engaged and trained to visit the right candidate selected as a potential donor. Steps for volunteer involvement include:

   a) Identify volunteer needs—what kind of persons are the best for meeting face-to-face with those persons being invited to support a project and campaign? What qualities are needed?

   b) Invite volunteers to become involved—expecting people to willingly give their time in today's busy societies and lives is unrealistic. Being invited makes this endeavor special. Besides, inviting according to established criteria suitable for the project or campaign avoids potential ill feelings by those who would be willing but aren't, perhaps, the right candidates.

   c) Train volunteers—be sure they understand how fundraising is a process and what steps are taken toward success; that they are comfortable with the roles selected for them (or self-selected); that they are willing to work on the project or campaign.

   d) Value the volunteer's time and resources—busy people often make the best volunteers, but a plan must be in place to maximize their time and talents.

   e) Recognize volunteers—celebrate, thank, and ask for feedback. Build a team!

5. *Determine possible donors*. Potential funders for projects and programs are primarily and initially the various constituencies, but they should also include foundations of various types (explained later in this chapter), businesses of all kinds, government agencies (for particular projects), and, most importantly, individuals. Many of these possible funders may become apparent because of relationships with the organization. In addition, another possibility for funding is collaboration—working with a similar organization when requesting funds, a practice many donors like.

6. *Select programs and strategies*. How will the prospects be solicited, and for what programs? It starts with systematic giving as a foundation, and then may extend to capital campaigns, special projects, and other fundraising efforts as needed. Strategies for approaching donors include use of the Internet and other electronic

means, mail, telephone, special events, and face-to-face solicitation. The more personal the approach, the more effective the solicitation will be. Matching potential and existing donors with the right tools for inviting them to give is important. Some members of the fundraising team are best at writing, while others excel in personal visits or public presentation. Because face-to-face solicitation is often feared, perhaps because of fear of a rejection or because the asker doesn't know how to carry out such a personal request, a fundraising plan should consider the right person for the right task, and this can happen quite effectively because fundraising is a process consisting of many steps and components.

7. *Research prospects*. It is vital to have at least minimal information about all prospective donors, such as their interest in the project and their possible level of giving, so they can be invited to give appropriately. It's also very important to assure prospects and donors about confidentiality, and that the organization will not violate their trust.

8. *Create, use, and communicate a plan*. Planning is a means to determine what must be done, how it will be accomplished, and who will do it. It is the ultimate step in accountability, a major interest of all funders today. By now prospects and donors have been selected and matched with strategies for solicitation. The fundraising campaign has been chosen, the case has been prepared (along with materials that will express the case), board members and other volunteers have been involved in all steps, and the organization's readiness to raise funds, which includes a strong infrastructure such as a way to track donations and thank donors, has been determined. Now it's time to create a plan that includes details on all fundraising program elements, and one that provides evidence of good stewardship on the part of the nonprofit. If help in planning is needed, please contact PSI for guidance, sample plans, and even personal visits by staff members or professionals contracted by PSI.

9. *Solicit the gift*. After all this preparation, the time has come to ask for the donation. Thorough preparation, which may vary in intensity, time, and detail, ensures the likelihood of success. It also increases the pleasurable aspects of fundraising which, while not easy, yields great satisfaction. Appropriate and timely recognition paves the way for the next step.

10. *Renew the gift*. The best prospect for a donation is the person who has already given. The opportunity to give and give again should be provided to all who are prospects and can be attracted to support an organization's cause. Donor retention requires continuing to nurture the relationship, reporting appropriately, thanking and acknowledging the donor and the gift, providing ongoing reports, and keeping the donor engaged in ways that are suitable for him or her.

As can be seen, fundraising is a highly integrated management process and takes time to implement. Time elements may vary; each step in a successful fundraising program may not require the same emphasis for each organization, but no steps can be missed without diminishing the likelihood of favorable results. However, rushing into a fundraising effort without adequate preparation often causes disappointment and lack of results. At times organizations feel that they can skip steps or can "just do it," but this is not advisable. Again, we need to stress that the timeline of a campaign, which emphasizes much preparation before the campaign is launched, can vary according to the type of organization, what kind of donors and prospects are available, how strong is current giving and how effective is the team in planning and organizing a campaign.

It is a privilege to raise funds for worthy causes because fundraising is a way of accomplishing worthy goals, and money is the price tag for those worthy causes. Those who are willing to be engaged in such activity and do it with some level of success deserve a special honor because they have helped bring about needed and valuable results.

Perhaps a few points of what fundraising is not are appropriate to remember. First, it is not begging, coercing, or giving a guilt trip. It is honestly sharing the excitement and potential of a cause that deserves financial support and inviting others to be part of such an endeavor. If a leadership person connected with a campaign or gift initiative views fundraising with distaste, this attitude will permeate the rest of the team, constituents and potential donors.

Second, the simplistic methods of fundraising used in the past, for the most part, will not work today. Donors are much more savvy and have greater expectations from the organization requesting their funds, want more information, and unrestricted giving on the basis of "trust us, we'll use the money well," is a dream of the past. Neither do simple strategies such as dinners, events and pledge cards raise the sums of money needed for projects and capital campaigns. Yes, small amounts can be raised by a letter-writing campaign or even a bake sale, but these are minimal and certainly do not engender loyalty by the givers.

Third, fundraising must be done ethically and professionally, and a process must be followed. There are, of course, exceptions to the process depending on the campaign or the situation, but in general these exceptions should be carefully undertaken. Today all organizations that succeed in raising funds do so intelligently, understanding what is needed in our times.

Chapter 2

# Making a Case: Preparing for the Funding Request

By Dr. Lilya Wagner, CFRE

One of the most important functions of fundraising is how to make a case for funding that is suitable for all prospects and donors identified as potential givers (these are explained in the next section). A case is the compilation of information about the organization, its needs, and its opportunities, which will be presented to the prospective donor through a variety of means, ranging from face-to-face conversation to brochures.

A case tells the listener (prospect or donor) why he or she could or should support the cause. Preparing this document takes considerable time and thought because all the appropriate information must be gathered, agreement on the content must be achieved inside the organization, and the case must be customized for all possible donor markets—individuals or groups.

### The preparation of a case statement serves various purposes:

1. Bringing internal agreement on what needs exist and how these can be met.
2. Verifying information so that accuracy and credibility are achieved.
3. Achieving support from the organization's leadership and constituents.
4. Seeing what gaps in information exist.

### Case preparation consists of three steps:

1. Gathering all relevant information about the organization, the cause, and the need for which fundraising is to take place;
2. Compiling this information into one accurate, concise, clear document for internal use, which is the case statement; and
3. Developing case expressions for various purposes and types of donors, such as brochures, letters, and personal visits.

### A case statement should consist of these parts:

1. Definition of the problem—a description of the problem that exists or what need should be met. Donors cannot and most often will not respond to a simple request that says, "We need money for . . ." They want to know what problem will be solved. However, donors don't give money for the problem; they give money to

the next step. They give money because the case has touched their hearts and minds and they know they will be making a difference in the lives of people.

2. The solution—a case statement should be explicit about what will improve, what will be better, what will be different, and what will change when money is given to solve the problem or meet the need.
3. Values—it is equally important to explain the value of working toward a solution for the problem. Fundraising is an exchange of values, and explaining the values answers the question of "Why is this important to solve, or why should this need be met?" In addition, mission statements express values, and this is a good testing point to see if an organization is adhering to its mission.
4. An explanation of what will be done to reach the expected outcomes, who will perform these tasks, when will they be accomplished, and any other detail necessary to understand the case being presented to the donor.

   In compiling the information for the case statement, the following documents should be included:

   - Mission statement, because this is the underlying philosophy and belief of why the organization exists.
   - Goals and objectives of what is to be achieved along with brief descriptions of how these will be achieved.
   - Qualifications of those who will carry out the project, program, or campaign to show that they are capable of carrying out the programs.
   - A project budget.
   - Success stories that verify the organization is capable of carrying out the goals and objectives—in other words, a track record.

Once the internal case statement has been prepared with input of the organization's leadership and board members then case expressions can be developed that will address various audiences. One case expression cannot meet all audience needs. Sometimes a brochure or even a flyer is appropriate. For other instances, the case expression is actually the person interfacing with the donor on a one-to-one basis. Materials that express a case can include the following:

- Proposals
- Brochures
- Letters, personalized or for mass mailings
- Phone conversations, or mass phoning
- The many uses of the Internet, e-mail, and texting
- Oral presentations to groups
- One-on-one conversations

The fundamental case statement, which an organization prepares, is the foundation for approaching prospects and donors for a specific purpose. The preparation of the case statement and case expressions will sometimes expose weaknesses in operations, planning, and project or program implementation. Without a strong case statement that is based on facts as well as carefully analyzed needs for funding and human resources, the fundraiser, whether a full-time professional, a volunteer, or a part-time employee, will have a difficult time talking to a prospect or donor about the cause and the need, and bringing the effort to a successful conclusion.