

## FUND DEVELOPMENT

### **An Overview of Strategies and Methods for Nonprofit Boards**

**THE BOARD'S ROLE:** Ensure that the organization has the resources to carry out its mission.

- Adopt policies and plans to guide fund development (e.g. gift acceptance policies; fund development plans)
- Adopt a fund development budget annually
- Give annually a contribution that is meaningful according to his/her personal means
- Work with the chief executive and development staff to raise funds from the community.

### PLANNING FOR FUND DEVELOPMENT

#### THE FUND DEVELOPMENT PLAN

- Creates a culture of fundraising.
- Ensures that revenue goals are realistic.
- Ensures that your organization has an appropriately diversified funding stream.
- Is a monitoring tool for measuring progress.
- Helps you avoid “out of context” fundraising that can jeopardize your organization’s long-term success.
- Outlines roles and responsibilities.
- Helps funders know where they fit into your funding patterns.

#### Components of a Fund Development Plan

- Statement of purpose
- Strategic goals
- Fundraising goal
- Implementation plan
- Operational goals
- Calendar
- Evaluation

#### Steps in Creating the Fund Development Plan

- Gather information on your past fundraising efforts
- Analyze your past efforts and fundraising strategies
- Evaluate the current internal and external environment
- Create a Fund Development Team (including donors)
- Set strategic and financial goals
- Select activities to achieve goals and assign responsibilities
- Develop an implementation timeline
- Decide how to evaluate progress
- Communicate the Plan

#### Finding the Right Strategies

- Foundation grants
- Corporate support/grants
- Corporate sponsorship

- Government support
- Direct mail
- Telemarketing
- Special events
- Individual donors cultivation
- Planned giving
- Online giving
- Earned revenue

### Factors to Consider in Selecting Strategies

- Your organization's history / field of work
- Internal and external capacity
- Fund development goals
- Evidence that the strategy is cost effective and worth your efforts & resources
- Community conditions that could impact your efforts
- Alignment with fund raising target audience
- Timing

## BUILDING RELATIONSHIPS WITH INDIVIDUAL DONORS: THE ESSENTIAL STRATEGY!

### Individual Donor Cultivation - Why?

- Nationally, individuals give more than any other source (73% of 2010 giving)
- Mostly unrestricted
- Gift that keeps on giving:
  - Long-term relationships
  - Donors as advocates – attract other donors
  - Donor commitment can increase and evolve over time (giving continuum)

### Why would Donors Give to YOU?

- Because you meet needs (not because you have needs) connected to issues they care about;
- A gift THROUGH your organization, not TO your organization (to improve lives and community);
- They trust your credibility, effectiveness (impact) and stewardship (accountability), and they **SHARE YOUR VALUES**.
- Have opportunities to be INVOLVED.

### Steps in Donor Development

- Identify
- Qualify
- Develop plan to build relationship

- Cultivate
- Solicit / involve
- Follow up / involve
- Appreciate / involve
- Renew / upgrade / involve

### Characteristics of 21<sup>st</sup> Century Donors

- Investor (in community, in organization; likes to be involved beyond funding)
- Wants results and expects accountability
- Savvy (clear on personal giving interests, wants information)
- Idealist/optimist/realist/ impatient
- Big picture dreamer
- DIVERSE (age, gender, ethnicity, socio-economics, etc.)

### DIVERSE: Family, Faith, Community: Giving in Communities of Color

- Don't identify themselves as philanthropists or donors but give generously.
- Understanding their definition of "community" is important in cultivating them as "donors".
- Their level of identification with their ethnicity and culture impacts how they give back to their communities.
- Respondents to a survey stated that the causes they choose to support are relevant to their identified "community".
- Giving as a communal activity.

### THE CASE STATEMENT

- A brief and effective way of telling your organization's story.
- A story that will inspire donors to fulfill their own commitment to changing lives and communities through a gift to your organization.
- Must inspire, motivate and appeal to the heart and the mind.
- A good case statement is the starting point for any conversation with any potential donor or funder.

### Case Statement answers the following questions

- How does your organization serve people?
- Whom do you serve?
- What vital services do you offer and what difference do you make?
- What is your organization's track record and why are you the best at what you do?
- What are your plans for the future?
- How do you use your money?
- Why do you deserve support?

## RESOURCES

### Tools and Websites

- Grants and Philanthropy Resources – Third Sector New England - <https://www.tsne.org/blog/grants-and-philanthropy>
- Fund Raising Guide – Society for Nonprofit Organizations - <http://www.snpo.org/funding/index.php>
- Giving USA <https://givingusa.org/>
- Ways to Raise Money in a Recession <http://www.socialvelocity.net/2008/11/ways-to-raise-money-in-a-recession/>