

DOLLARS AND SENSE: THE PHILOSOPHY OF MAJOR DONATIONS

This presentation teaches the fundamentals of developing relationships with donors.

The first thing that must be done is to develop a project that needs to be funded. Conduct research to ensure that there are no other projects that will compete with your fund raising efforts. It is important to be able to create a story about the project and then present it to potential donors. The story needs to focus on what is going to happen within the structures that will be built rather than focusing on the structures themselves. Combining areas of Interest, such as projects related to children, culture, or history, will gain a wider base of possible donors. It can be very beneficial to build your project around something compelling; an anniversary that is directly related to the project can generate a rally point that can greatly aid in generating funds.

Making contact with potential donors can be done in a variety of ways. The easiest method involves asking current donors or friends groups to ask their friends and acquaintances to consider potential donors; get to know what these people's interests and passions are. When meeting and interacting with potential donors a person needs to remember to treat that person as an individual rather than focusing on the fact that they have money to donate. Asking people for donations the first time you meet them or, have the opportunity to tell them about a project, is never a good idea. Give the person some time to think about the project and decide if they are interested in donating. See the donors as people and not as dollar signs. If the prospective donor does not donate find out why; if they donate make sure they receive a written thank you and remain informed about the project through periodic updates. Once an institution develops a network on local donors, it gains the credibility to garner support from federal donors.

Major donations can be big sums of money or multiple small donations from one individual. Different ways for accomplishing major funding were discussed at this session including that of vision action groups, mile stones, and phases.

Vision Action Groups are groups of potential or previous givers along with staff that come up with visions for the future. These are not company goals but should be more broad and futuristic. This group not only comes up with visions but also ways of achieving them like drives, concerts, and other events.

Mile stones are things that naturally happen and can be celebrated, or create a cause for raising money. Examples of this maybe the community's birthday or a 25 year anniversary of service from a community volunteer. Mile stones are great ways to generate money for a good cause and can also include a creation of a fund, scholarship, or donation.

Phase of the project are important when there is a lofty vision that is trying to be achieved. When a big project is given phases it makes it attainable. Each phase can be looked at as a separate goal to the whole vision. Being flexible in which phase is achieved first is helpful because some individual may want to donate to a specific phase.

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People Are Giving Generously

The trend in giving by Americans is UP*

2004	\$248.52 billion
1994	\$147.96 billion
1984	\$121.43 billion
1974	\$100.35 billion

Giving by category*:

Individuals	75.6%
Foundations	11.6%
Bequests	8%
Corporations	4.8%

Beneficiaries*:

Religion	35.8%
Education	13.6%
Health	8.8%
Human Services	7.8%
Arts, culture	5.6%
Public good/society	5.2%
Environment/animals	3.1%

*Giving USA 2005, American Association of Fundraising Counsel

Define Your Project

- Select a well-defined, compelling project
- Select a project that has wide appeal
- Select a project that is fundable (not too big, not too small)
- Select a project that makes sense for your organization
- Select a project with a reasonable timeframe
- Select a project that can be successful

Involve donors, prospective donors, volunteers, policy makers, customers in project selection

Use anniversaries and other significant events to generate interest

Tell Your Story

The Case Statement:

1. What is your mission?
2. What do you want to accomplish? (Goals)
3. How will you do this? (Programs)
4. How will you measure success? (Objectives)
5. Who will help you succeed? (Governance and Staff)
6. What impact will this have?

Budget and Sustainability

Your budget should include all costs—in-kind, volunteers, staff, overhead, facilities

Example (\$61,300 project)

<u>Description</u>	<u>Donor</u>	<u>Park</u>	<u>In-kind</u>
Staff salaries (1 FTE @\$35,000)	\$35,000		
Staff benefits (30% of salary)		\$10,500	
Volunteers (100 hours @ \$8/hr.)			\$800
Office space (200 sq. feet)		\$3,000	
Office supplies		\$500	\$1,000
Marketing	\$5,000		
Transportation	\$2,500		
Program supplies	\$2,000		\$1,000
TOTAL	\$44,500	\$14,000	\$2,800

Can you do the project in phases or do you need all of the funding to start?

- Consider a Challenge or Matching Gift request

How will you sustain the program when the money runs out?

Your Tax Status

- Friends Groups
- Government

Identify Your Donors

- Current Donors
- Lapsed donors
- Board members
- Staff
- Customers
- Vendors
- Volunteers
 - 44% of adults volunteer
 - 42% of adults volunteer and give

(2001 Independent Sector report)

- New Prospects
 - Individuals who give to similar organizations
 - Local corporations
 - Local foundations
 - Regional or national corporations
 - Regional or local foundations

Cultivate Your Prospects

THE #1 REASON PEOPLE DON'T GIVE: THEY WERE NOT ASKED

Types of Giving:

- Annual fund
 - Operating support (unrestricted)
 - Direct mail/online/phone-a-thons
 - Tribute gifts
 - Small amounts
- Major Gifts
 - Operating support or special projects (restricted or unrestricted)
 - Determine what is a major gift for you
 - Consider giving circles/clubs
 - Naming opportunities
 - Usually needs face to face request
- Special Events (restricted or unrestricted)

- Grants and Sponsorships (restricted)
- Deferred/Planned gifts (restricted or unrestricted)
 - Bequests
 - Insurance/annuities
- Endowment
 - 5% rule

Asking for a Gift

- Create a relationship with the donor
- Do not view your donor as a \$\$ sign
- Focus on the long-term
 1. Open (3-5 minutes)—small talk
 2. Engage (5-20 minutes)—ask questions and LISTEN, test ideas
 3. Tell your story (10-15 minutes)—key the story to the donors interest, use photos or plans, answer questions, LISTEN
 4. Ask/Close—ask for a specific amount and get a yes or no answer
 5. Thank you—follow up with a thank you, no matter what the result
- Remember that it is not personal!
- No may mean not yet
- If no, probe to learn why—could they give a smaller amount? Is there a better time?

Stewardship

- Invite donors and prospects to key events
- Send donors frequent updates on projects
- Establish protocols for responding to gifts
 - How quickly will a receipt/thank you be sent and by whom?
 - How will the gift be processed?
 - How will donor information be protected?
 - What gifts will be accepted?
- Involve donors in planning

Other Issues

- Donor research
- Gift tracking/software