

# Funding Boot Camp 2014

Lutheran Elementary School Association

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# Let's Get This Party Started!

- Introduce yourself
- Housekeeping
  - Materials
  - Food and fun
  - Restrooms
  - Parking lot
  - Questions?

# Boot Camp – Part One

Building the Foundation for Annual  
Fund Development

# To Raise Money...Get Healthy

- Donors want to know you're a good investment
  - Clear mission, vision, and values
  - Excellence in programming
  - Strong staff
  - Committed board
  - Balanced budget
  - Healthy fundraising program
  - Compliance with state/federal regulations
  - A “clean closet”

# Mission, Vision, Values...Do they really matter?

- You bet they do!
- Let's define them
  - Mission
    - Fundamental purpose of an organization
    - Why are we here?
  - Vision
    - Long-term, idealized view of our organization
    - In a perfect world, where do we want to go?
  - Values
    - Beliefs that are shared among key stakeholders
    - The “We believes...”

# The Strategic Plan...

## It Deeply Impacts Fundraising

- What is a strategic plan?
  - The organization's strategy to pursue its mission and the actions to implement that strategy
- Why is it important for fund development?
  - Organization has a clear, quantifiable plan
  - Organization uses plan to determine needed resources
  - Organization can persuade donors with its “call to action”



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Taking Your Annual Fund to the Next Level

# “Development Drives Program”

- My mentor always said it...and it's true!
- If you develop programs that are “un-fundable,” they will fail...and so will you
- If you consider “fundability” when developing programs, you will have a better chance at success
- What if I have current programs that are hard to fund?
- When strategic planning, remember this key adage

# The Culture of Philanthropy

- What is philanthropy?
  - The word means, “love of humankind”
    - 460BC – Aeschylus
  - The desire to promote the welfare of others, expressed esp. by the generous donation of money to good causes
- Who is responsible for building the philanthropic culture inside your agency?
- How do you get buy-in?



# Building the Culture of Philanthropy

- Staff driven vs. volunteer driven fundraising
- Who must be involved for fund development efforts to be truly successful?
  - Board
  - CEO
  - Staff
  - Donors and prospects
  - Volunteers
  - Those served
  - The community

# The Case for Funding

- What is the case?
  - It's the “why”
  - Simon Sinek TED talk
- What is a case statement?
  - It's the document that provides the rationale and justification for your fundraising efforts
- Do we need one for the annual fund?
  - Yes, yes, yes!!!

# The Case for Funding

- What's the purpose of the case statement?
  - It is the “organizational script”
  - It provides an opportunity for key stakeholders to understand AND give feedback on your work
  - It offers organizational language that can be used in a variety of documents
  - It provides a clear understanding of the need and the various ways donors can participate in funding the need

# CRAFTing the Case

- Credible
  - “If a child gets a good education, his chances for a happy life improve.” Credible?
- Realistic
  - Sensible, practical idea of what can be achieved
  - Last year, we served 400; this year, 4,000. REALLY???
- Attractive
  - Is it sexy? There are 40,000+ nonprofits in MO...it better be!
- Fundable
  - Are donors going to be willing to pay what it costs to accomplish your mission in this way?
- Transmittable
  - Make sure it is easy to share! Too much complexity moves us from the heart to the head...not good

# The Case for Funding

- What's included in the annual fund case statement?
  - Who are we?
    - Mission, vision, values – lead with “we believe’s”
    - History
  - What is the need?
    - Explore the problem
  - Is it pressing?
    - Give data to back it up
  - Is our organization up to the challenge of meeting this need?
    - We have the solution! Share programs
    - Show evaluative data

# The Case for Funding

- Who are our competitors?
  - How are we unique?
  - Why should WE receive the funding over another charity?
- Answer the objections
- Ways you can help – not just \$\$

# Key Stakeholders

- Who are they?
- How do we engage them?
- What feedback do we take and implement?
- How do we get buy-in?

# Let's Use the Case

- After getting agreement from key stakeholders, begin to use the case statement
  - Brochures
  - Annual report
  - Website and social media outlets
  - A Giving Guide
  - Other...any place you need copy!



# Boot Camp – Part Two

## Methodologies

# Building a Healthy Annual Fund

- Multiple funding streams are pivotal
  - Makes the agency healthy
  - Supports the agency even when funders change
  - Provides multiple opportunities for donors to give in a way that feels good to them
  - Provides opportunities for a variety of constituent types to participate
    - Individual
    - Foundation
    - Corporation
    - Other (UW, Fed/State funding, etc.)

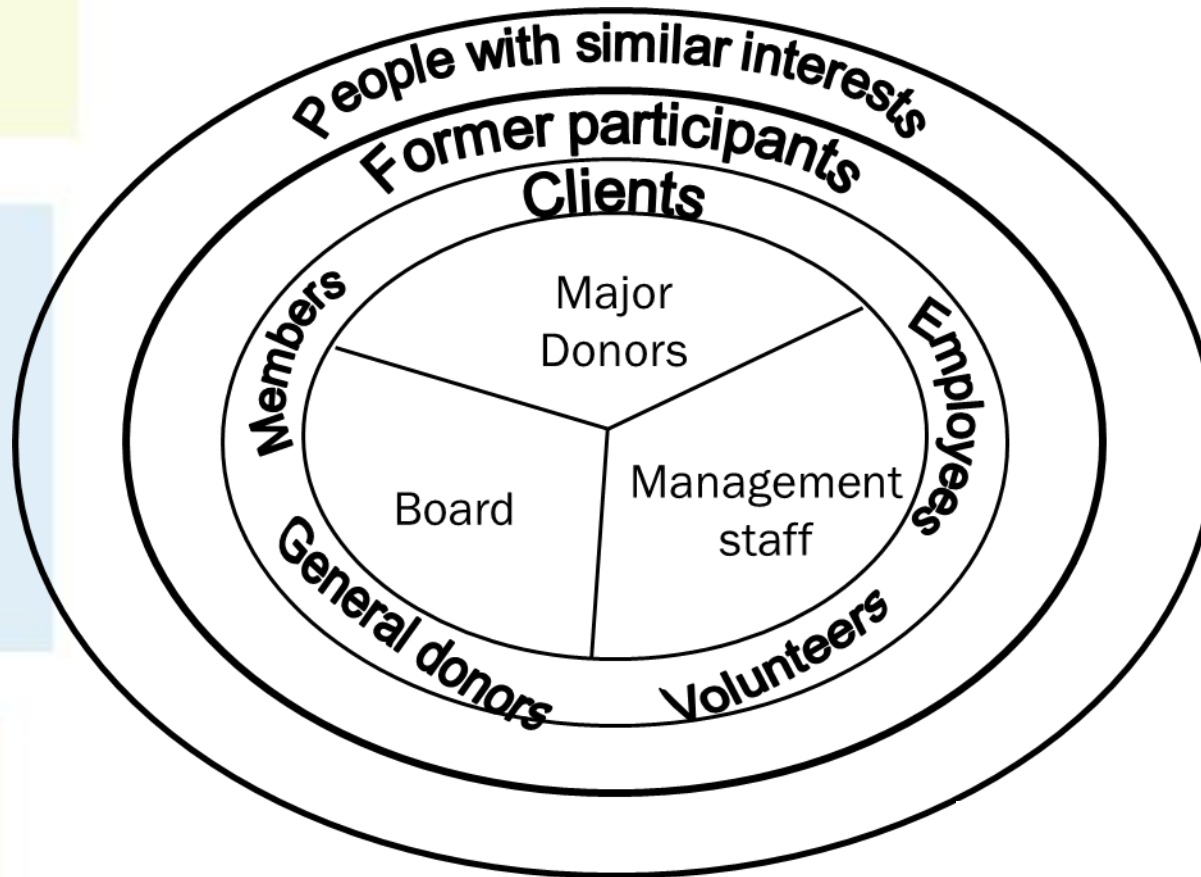
# The KEY to Fundraising Success

- Relationship Building
  - Excellent fundraising is relational, NOT transactional
  - Donor centered fundraising is at the CORE of successful fundraising
    - It is ALWAYS about the donor!
    - Major gifts' seminar example
      - “...but that doesn't work very well for us!”
  - Penelope Burk is a great resource
    - <http://www.cygresearch.com/pb/>

# Relationship Building

- It's just like dating
- The three main steps
  - First impression (the first date)
  - Cultivation (courting)
  - Stewardship (keeping the love alive)
- Make sure you do it WELL!
- Make sure you do it with EACH constituent group (individuals, foundations, corporations)

# How Do I Choose?

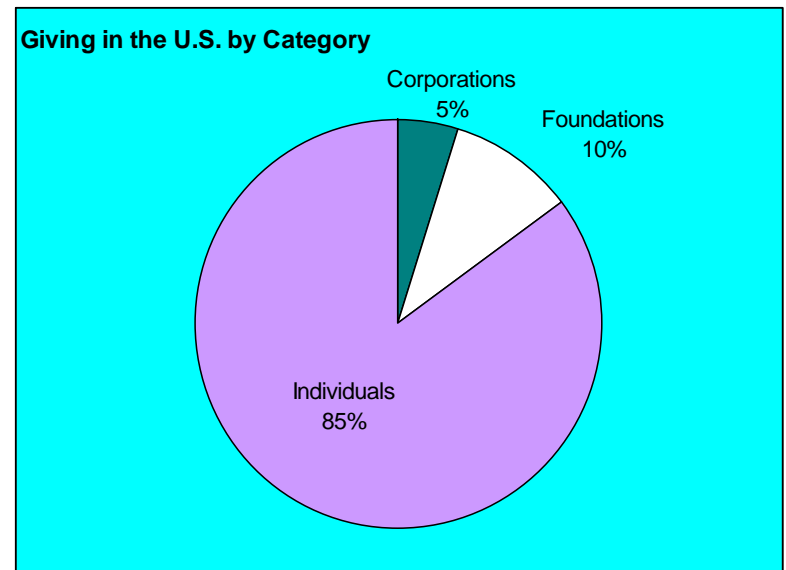


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Taking Your Annual Fund to the Next Level

# How Do I Choose?

- The giving pattern of constituents over many years remains the same
- Know this!
  - 85% from individuals
  - 10% from foundations
  - 5% from corporations
- It will vary a little each year but this ratio will keep you on target



# Methodologies

- There are a million ways to raise money!
- It's your job to choose the BEST ways!
- Today we'll cover some of the basics
  - Direct mail
  - Grants
  - Events
  - Giving clubs
  - Corporate strategies

# Why Direct Mail?

- Direct mail is still a fairly inexpensive, direct way to ask donors and prospects for support
- Direct mail can be personalized, especially with today's technological advances, so the donor can feel special
- Direct mail allows us to share our best stories and ask for a specific gift amount
- Direct mail can be tracked, tested, analyzed, and adjusted based on results so we can continuously improve.



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# Direct Mail

- What is it?
  - The “appeal” itself – what’s your story?
  - Package contents
    - Brochure, buckslip, premium?
  - Reply device
    - The ask amount is crucial
  - Outer envelope (teaser or not?)
  - The lead – grab them!
  - The copy
  - Bullets, underlining, italics
  - The P.S.

# To Whom Should We Mail?

- Donors
  - Current
  - Lapsed
  - Very lapsed
- Qualified prospects
  - Beware list purchase
  - Consider list exchange
  - Be careful with event attendees

# When Should We Mail?

- Best giving months of the year?
  - November and December
- Around your organizational calendar
  - When do your donors think of you?
    - If you're an educational institution, it might be "back to school"
    - If you're an autism charity, it might be Autism Awareness Month
- Normally, avoid the summer months (June, July, and August)



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# Direct Mail

- BEWARE: Prospects and donors respond differently!
  - Donors feel like part of the family
    - Letter should look like it came from the President's desk
    - Letter must be personalized – the more, the better
    - Don't make them feel like they are being manipulated
      - Beware front-end premiums
  - Prospects need to be convinced
    - Outer envelope is VERY important – good “teaser” may get the mail opened
    - Graphics can help but be careful
    - Premiums may assist but watch for the “guilt trap”
    - The list is EVERYTHING!
    - Test, test, test!!!

# Good “Rules of Thumb” for DM

- When creating appeals, always consider a participant-focused approach, sharing the compelling story of a client who has been positively impacted by your services
- Keep letters to one page when possible and always include a P.S. (they read this first!)
- Ask directly for a gift of support and use an interrogative sentence structure – ask the question: “Would you consider a gift today of \$\_\_\_\_\_?”
- When conducting prospect appeals, use current giving data to determine gift ask. If the current average gift of a prospect is \$150, use that number as the appeal ask.

# Good “Rules of Thumb” for DM

- After the prospect ask, including an “out” for a lower-end donor is acceptable: “Would you join us today with a gift of \$150.00? Your special gift of any size will help us reach more cancer patients and make St Louis a healthier community in which to live.”
- When conducting donor appeals or renewals, use upgrade tables. Ask for an upgrade at least one time per year, usually in the strongest giving months (November or December)
- If a current donor has been asked for an upgrade and does not respond, wait 30-45 days and ask for the current level of giving: “Last year, you provided a wonderful gift of \$500. Would you consider renewing your gift at that same level?”

# Good “Rules of Thumb” for DM

- Do not “clutter” the ask with a variety of options for giving, i.e., planned giving options, “come for a tour,” etc.
  - The donor needs to clearly understand what you would like him to do – “Would you consider a gift of \$1,000 today?”
  - An additional opportunity to participate (put us in your will or come for a tour) weakens the ask and keeps the donor from having to make a “yes/no” decision on the gift.
- Remember to keep copy “donor centered” – remind the donor how his giving will impact him, as well as your organization
  - “When you give, you’ll not only help a cancer patient but you’ll also be able to rest in the knowledge that you have reached out to another member of our community who needs help.”
  - This tying together of both extrinsic and intrinsic motivators strengthens the ask.

# Good “Rules of Thumb” for DM

- Attempt always to keep the tone warm and personal – giving comes from the heart, not the head.
- Although providing supporting statistics is permissible and important, it should not make up the focus of the appeal.
- When you touch a donor’s heart, he will give spontaneously, in response to his feeling...his need to make a difference.



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# Winning in the Mailbox

- Can you touch hearts when you write? If not, you may struggle
- Segmentation and personalization are keys to direct mail success
- Testing, tracking, and analysis are absolute “musts” if you are to continue to grow your direct mail program and make it the bedrock of your annual fund

# Foundation Support...

## The Art of Grants Development

# Do I Need Grants?

- It depends. . .
  - Individual donors vs. foundation grants
  - Consider organizational readiness
  - You want a framework to learn about your organization, industry sector, financials, etc.
  - You love to write OR...
  - You're willing to hire a contractor

# Grants – Good, Bad & Ugly!

- Grants are about relationships!
- Can be BIG dollars!
- Know your grant success ratio
- Highly responsive to the economy
- Grants can be magical
- Grants beget grants
- Grants can be expensive but can be worth your investment!

# The Perfect Grant Application

- Compelling
- Factual
- Motivational
- Informative
- Readable
- Follow directions!

# Grants – A Team Approach

- Development Team
- Program/ Operations
- Finance
- Funder
- Who else is at the table?



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# In-House Grant Writer...or Consultant?

- Evaluate current grant program vs. program goals
- Number of grants
- Grant types
- Missed opportunities
- Research and relationships
- What skills do you have/ need in order to reach your goals?

# Corporate Giving

Do Well By Doing Good



# Corporate Giving

- Corporate giving makes up only 5% of national giving...proceed with caution
- Approach those corporations with whom you have real ties
- Do your research first!
  - To whom do they give?
  - How much? How often?
- Peer solicitation is the best approach

# Corporate Giving

- Corporations usually give to be viewed as “good corporate citizens”
- Corporations usually expect something in return
  - Press
  - Recognition and acknowledgement
  - Opportunities for their employees to get involved
  - Corporate giving is competitive
  - From external sources
  - From internal push by each VIP

# Corporate Giving

- As with ALL fund development, corporate giving is based on relationships
- Mobile On-the-Run example

# Corporate Giving

- Various ways to get corporate support
  - Matching gifts
  - Sponsorships
  - Corporate grant programs
  - Pro bono services – GREAT gifts!
  - Volunteer, \$-match programs
  - 3<sup>rd</sup>-party fundraisers
  - Cause marketing: “the public association of a for-profit company with a nonprofit organization, intended to promote the company's product or service and to raise money for the nonprofit.”

# Cause-Related Marketing (CRM)

- First by American Express in the 1980s in regard to its campaign to raise money to help restore the Statue of Liberty.
- American Express made a one-cent donation to the Statue of Liberty whenever an American Express charge card was used.
- The result was a 45% increase in the number of new card holders and card usage increased by 28%.
- Of course, millions of dollars were raised for the Statue of Liberty.



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# Corporate Giving

- To build your program:
  - Consider your current corporate connections
  - Consider real opportunities for corps to be involved
  - Consider an annual sponsorship package
  - Make your pitch cool and unique
  - Cultivate and steward VERY well!
    - Get to know employees and the internal culture
    - Invite, invite, invite!



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# Giving Clubs

Join Our Club!



# Want to Join Us? Giving Clubs

- What is a giving club?
  - An opportunity for a donor to give a specific amount in a consistent and timely manner and to receive benefits in return
- How do we use giving clubs?
  - With your best and most committed friends
  - With new friends who are moved by the ask
  - With “joiners”



# Giving Club Benefits

- Giving Clubs are a great way to identify major gifts prospects
- Giving Clubs help with revenue projection
- Giving Clubs can make upgrading donors easy and consistent
- Giving Clubs offer organizations a chance to thank donors consistently and well by offering features and benefits
- Giving Clubs can help us identify and increase loyalty
- Giving Clubs offer wonderful recognition options

# Giving Club Challenges

- Creativity is a must for enticing donors to join
- Giving levels may downgrade donors
- Giving clubs require excellent and consistent data management
- Giving clubs may require the management of pledges and pledge payments
- Giving club benefits must be well delivered; otherwise donors may become disillusioned
- Taking club donors for granted is a potential pitfall – be careful!

# How Do We Create a Giving Club?

- Build the ask around a specific program or opportunity
- Make the levels feel real (\$1,673 vs. \$1,500)
- Create levels that fit your donor base
- Create engaging benefits; avoid too much “stuff”
- Determine how you will solicit for members and deliver benefits
- Make sure you have people and systems to manage the club
- Develop a stewardship plan  
UP FRONT!

# Giving Club Example

## *Mission 100*



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# Special Events

To Do or Not To Do?  
That Is the Question...

# Is It TIME for an Event?

- How effective are events as fundraising tools?
  - It depends
    - On Understanding of the Pros and Cons
      - How much is it actually costing you to raise that dollar?
        - » Hard costs AND soft costs
        - » Figure CDR (cost per dollar raised) – expense/income
        - » Consider both efficiency (CDR) AND effectiveness (total revenue)
      - How much “awareness” are you building?
      - How much “friend-raising” will you actually be able to do?
      - Will you be pulling staff away from other, more effective fundraising methods
      - Is the Board “on board”?
      - Key question: is it the BEST way to accomplish your fundraising and friend-raising goals?



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# Is It TIME for an Event?

- How effective are events as fundraising tools?
  - It depends
    - On Planning
      - Have you considered
        - » Connection to your mission
        - » Volunteer leadership
        - » Ability to interact with donors both individually AND as a group?
        - » Timing of event(s) – how many can your donors manage?
        - » Competing events
        - » Venue (indoors/outdoors)



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# Is It TIME for an Event?

- How effective are events as fundraising tools?
  - It depends
    - On Implementation
      - Do you have the staff?
      - Do you have the expertise?
      - Can you produce a nearly flawless event? It is a public reflection on your charity.
      - Do you have the time?



# To Fundraise Well, Spin Many Plates

- Events should be only PART of your fundraising strategy and usually not the main part
- Evaluate all fundraising methods and plan with purpose
- Ensure that the event is the beginning or continuation of cultivation with donors, not the “be all, end all”
- Be aware that event participants are not initially donors

# Choosing Your Event

- But Linda...
  - We've been having this event for 25 years!
  - My boss (board chair, biggest donor) wants to have it
  - A parent called and is willing to lead it
- To answer?
  - Lead with the mission
  - Lead with your responsibility as a fund development officer

# Engaging Your Board

- Be sure to include them in the decision-making process
  - Brainstorm with your team and development committee
  - Let a volunteer present the idea
  - Go in with your best idea
  - Include at least one “back up”
  - Try to get “buy-in” from a vocal Board leader, preferably the chair OR your development committee chair, BEFORE you go into the meeting
- Be clear what their roles and responsibilities will be
  - Discuss staff-driven vs. volunteer-driven fundraisers
  - Provide a clear projected budget and get their commitment BEFORE you begin
    - Without it, failure is likely!

# Engaging Your Board

- Make your “ask” to the Board
  - Create a mission connection
    - Provide mission moment
    - Share opportunity: “If we can clear \$75,000, we can support 35 students for the entire year.”
  - Realize that this is your most important ask – be prepared
    - To meet projections for \$100,000 gross and a net of \$75,000, we’ll need to fill 10 tables at \$2,000 each”
  - If possible, have a “plant” to get the commitments going
  - Expect that folks may not want to commit in public
  - Be ready for objections

# Planning Your Event

- Plan WELL in advance – for big events, ONE YEAR!
- Engage powerful volunteers
- Determine all tasks that need to be undertaken
- Assign staff, volunteers, or contractor(s)
- Set and meet deadlines
- Meet with leadership team/contractor regularly to stay on track (monthly, then weekly)
- Solicit early
- Be prepared for the “month before” syndrome
- Know that things will go wrong – have backup plans.
- Create post-event engagement strategy for attendees.

# Using Contractors

- Why a contractor?
  - Brings expertise
    - Contractors think of things you might not consider
  - Brings comprehensive knowledge of venues, vendors, etc.
  - Provides the opportunity for staff to stay focused on other fundraising initiatives
  - Allows agencies to avoid hiring events' staff member
    - Often the staff member we can afford is inexperienced both with events and with fundraising
    - Contractors don't need benefits
    - Staff turnover at non-profits in fund development is 18 months

# Building the Committee

- Choose a strong volunteer leader
  - Willing to lead and work
  - Able to recruit and retain volunteers
  - “Plays well with others”
  - Access to resources
- Invite members at every level
- Include at least one board member
- Do some “team building” activity
- Make responsibilities and boundaries clear
- Mission, mission, mission!
- Cultivate and steward well

# Obtaining Event Sponsorships

- Prepare well
  - Ask early
  - Have sponsorship packages ready
  - Create meaningful features and benefits
  - Offer reasonable giving levels
  - Know your audience
- Remember the concentric circles
  - Solicit those closest to you
  - Engage your board and volunteers
  - Invite your vendors to move closer to your agency through giving



# Evaluating Your Event

- Team, Board, and committee debrief and thanks
  - Three categories
    - What went well?
    - What went poorly?
    - What was “so-so”?
  - Listen well and accept feedback
- Compare financial results to projections
  - Determine cause/effect
- Compare financial results to previous years’ results to identify trends
- “It was fun!” is not enough...

# Maximizing Your Event

- Call to say thanks
  - Ask committee and Board to help with calls
- Provide an immediate letter of thanks to all attendees for whom you have contact information
- Send pledge reminders where necessary – follow through
- Provide a next opportunity to be involved – no ask
  - Create an engagement strategy – pre-event – to engage attendees with the mission
- Identify those who expressed *keen* interest and begin serious cultivation efforts
- Fulfill all benefits offered
- Work with your CFO to ensure that all monies are properly accounted for, all credit cards processed, etc.

# Boot Camp – Part Three

Supporting the Methods

# Volunteer Development & Management

If You've Got 'Em, Hold 'Em!

# Volunteer Development & Management

- What is a volunteer?
  - Literal: A person who freely offers to take part in an enterprise or undertake a task.
  - Figurative: A person that has a spirit of service, creativity, sensitivity for human pain, strong moral values, the ability to work in a team, and a social conscience. They practice solidarity, leadership, good interpersonal relationships, discipline, communication skills, and care for themselves and others. (from Expand Peru)

# Where Do You Find Them?

- Rule Number One: use common sense
- Understand and use concentric circles to guide your search
- Reach out and ask close organizational friends to do the same
- Put it out there! (Facebook, website, newsletters, direct mail, UW Volunteer options)

# What Makes For a Happy Volunteer?

- Meaningful work
  - What are **THEY** looking for?
  - How will it impact your agency? Will it truly make a difference...or are you just “making up a job”?
- Excellent training
- Positive, consistent support
- Helpful feedback
  - do you evaluate?
- Evidence of success

# How Do We Keep Them?

- Build the relationship
  - Treat them like you'd treat a friend
  - Have a designated volunteer coordinator or, at the very least, a “point person”
- Show them regular progress
  - Review what “success” should mean, up front
  - Provide feedback immediately, short-, and long-term
- Be professional
  - Have projects well prepared
  - Train them in advance
  - Provide all necessary resources



# How Do We Keep Them?

- Keep in touch
  - Provide written updates on the agency
  - Invite them to ***all*** events
  - Use social media (Facebook page – be our “friend”!)
  - Conduct well-timed thanks calls
- Say thanks well!
  - Special touches
  - Consistent interaction
  - A volunteer party they’ll WANT to attend!

# About the Board...Volunteer VIP's

- Choose board members carefully, using Rosso's Circles to guide you
- Set term limits
- Orient and train
- Focus them on 2 main components of Board service
  - Governance
  - Fundraising
- Build the relationship
- Steward with the mission in mind  
(mission moments)

# Stewardship

**FEELING  
GRATITUDE  
AND NOT  
EXPRESSING IT,  
IS LIKE  
WRAPPING A  
PRESENT AND  
NOT GIVING IT.**

William Ward

# Stewardship

- Four elements:
  - Gift acceptance and management
  - Acknowledgement
  - Recognition
  - Reporting

# Stewardship

- Gift acceptance and management
  - Clear understanding of organizational need and the willingness to stand by that and say “no” to a gift if necessary
  - A method of keeping donor and gift records that provides accuracy and an audit trail
  - An ability to ensure that donor restrictions are managed
  - A gift acceptance policy

# Let's Talk Databases

- Which do you have?
- What are the challenges?
- Two major options:
  - Raiser's Edge
  - eTapestry
- Many others – choose wisely!

# Stewardship

- Acknowledgement
  - Accurate, timely, meaningful expression of thanks
    - Immediate call of thanks, if reasonable
    - Letter within 24 hours
      - Your gift is tax deductible as allowed by law. No goods or services were provided in exchange for your gift.
      - <http://www.irs.gov/pub/irs-pdf/p1771.pdf>
  - Opportunity to stand out from the non-profit crowd
    - Consider unique and special thanks to donors, both in groups and as individuals



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# Stewardship

- Recognition
  - Donor specific/donor driven
  - Takes into account institutional values/boundaries
  - Is usually public
  - Can include
    - Giving clubs, donor societies
    - Public recognition in newsletters, annual report, on social media sites, etc. (avoid \$ figures)
    - Walls, bricks, etc.
    - Major opportunities for large gifts (naming rights, endowed chair, etc.)



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# Stewardship

- Reporting
  - Qualitative (anecdotal)
    - One of the best ways to report
    - Who did my gift help?
  - Quantitative (statistical)
    - Target reports (we hit the goal!)
    - Financial reports
    - 990
    - Annual report
    - Endowment updates

# Boot Camp – Part Four

Putting Your Knowledge Into Action!

Building YOUR Annual Plan

# Creating the Annual Plan

- When?
  - Minimally three months before fiscal year end
  - Gives you time to complete the plan, get approval, AND prepare for anything that occurs in the first month of the plan
- Whom?
  - Plan is built by DOD (if you have one)
  - Plan can be built by a consultant WITH YOU if you don't have a DOD
  - Plan should have development committee and board support

# Creating the Annual Plan

## — In planning:

- Be realistic but aggressive
- Know your donors
- Know your methods, current and prospective
- Study efficiency vs. effectiveness BEFORE setting the final goal
- Set team goals, monitor them, and reach them!
- Say “Thank you” VERY well

# Lead with Key Fundraising Principles

- Make the case
  - Talk about impact
  - How will the donors' gifts change a life...address a social issue? Touch their hearts first.
- Remember: donors' needs over the agency's
- Get to know them – cultivate
- Make the ask
- Say “thank you” well

# Creating the Annual Plan

- What is included?
  - All fund development initiatives
    - Includes cultivation and stewardship
    - Includes organizational events and materials that make up potential touches (do NOT plan in a vacuum)
    - Includes all constituent groups (foundation, corporation, individual)
  - Development budget outline
    - Includes projections for revenue, expense, and CDR per initiative AND for the overall program
    - Includes team member responsibility



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# Creating the Annual Plan

- Detailed planning sheets for each initiative
  - Helps build realistic projections
  - Helps define the details of each initiative
- Strategic goals document
  - Can include info on new and retained donors, special areas of focus, etc.
- Development calendar
  - This is a KEY, working document
  - Keeps you and your team on track
  - Can be merged with organizational calendar

# Annual Planning Meetings

- A variety of materials and reports are needed to make planning meaningful
  - Organizational budget for last three years
  - Organizational calendar and development calendar for each of the past three years
  - Total revenue raised per initiative
  - Total expense per initiative
  - Total staff time per initiative (guesstimate)
  - Number of single gift of \$1,000+ per year for the last three fiscal years
  - Number of total gifts per year for the last three fiscal years



# Annual Planning Meetings

- Number of individual and corporate donors per year for the last three fiscal years
- Detailed grant information for each of the last three years
  - Number of total grants received, total revenue, total expense, name of grantors
  - Grant detail for each grant
- Board giving per year for each of the last three years; percentage of board members who gave; total given; total gotten through solicitation of their respective companies
- White mail totals for each of the last three years
- Direct mail detail per mailing for each appeal in the last three years (Number mailed and number of gifts received; total spent; total received)
- A sample of all support pieces, i.e., annual reports, newsletters, thanks letters, etc.

# Assessing Methodology

- Of current initiatives
  - Is it efficient? (CDR)
  - Is it effective? (produces enough money to make it worthwhile)
  - If it is a “friend-raising” event, is it effective? Are we turning those “friends” into donors? Do we have a strategy to convert friends to donors?
  - Do our donors like it?
  - Is our leadership behind it?
  - KEY: is this the MOST effective way to raise funds or friends?

# Assessing Methodology

- For potential initiatives
  - Does it “fit” our agency?
  - Can our staff create, manage, and maintain it?
  - Do we have staff and systems to support it?
  - Will the Board get behind it?
  - Are we ready from an organizational perspective?
    - CEO buy-in, evaluations in place, fits our mission?
  - Will our donors go for it?
  - KEY: is this the BEST strategy to add to raise funds and friends?

# Assessing Methodology

- In this recession-weary environment...
  - What can your current donors handle?
    - Are they willing and able to give more?
  - Is it a feasible time for donor acquisition?
    - Can we afford the investment and guarantee the return?
    - If we choose to move forward, how do we manage the risk?
      - Prepare additional channels/efforts for backup
      - Make educated decisions, not emotional ones
      - Discuss with leadership
      - Take the risk together.

# Adding Methodologies

- Caution! Don't add too many at once!
- Consider the calendar
  - The type of touches donors are already receiving
  - The timing of touches donors are receiving
- Is it efficient and effective? Or can it become so relatively quickly?
- What is motivating the addition?
  - Additional revenue?
  - Board member wants to add it
  - Parent suggested it
  - Use caution!

NOW LET'S BUILD THE PLAN!

# Annual Plan Meeting Guidelines

- Preparation for FY 2013-14 – Case + Realistic Revenue = Goal
  - Determine case for funding and associated financial need
  - Review revenue trends to determine feasible development goal
  - Determine case sections that will need funding
    - General operating
      - Project support
    - Capital needs
    - Other
- Review of previous FY initiatives
  - Successes
  - Challenges
  - Revenue/expense
  - Donors
- Goals (ongoing throughout the planning process)
  - Projected total income
  - Projected total expense
  - Projected CDR
  - \$1,000+ gifts
  - Number of new donors
  - Marketing
  - Public relations
  - Other

# Annual Plan Meeting Guidelines

- Review each area
  - Review methodology
  - Review income/expense/CDR
  - Define necessary support materials and project associated costs
  - Assign tasks
  - Create timelines
  - Add to master calendar



# Annual Plan Meeting Guidelines

- Board Development
  - Current
  - Prospective
  - Educate, inspire, motivate
- Giving Club
- Signature Event
- Other Events (don't forget cultivation!)
- Direct Mail
- Major Gifts
- Grants
- Tax Credits — YOP or NAP

# Annual Plan Meeting Guidelines

- Third-party Events
- Memorials
- White mail
- Stewardship
- Volunteers
  - Current
  - Prospective
  - Management and stewardship
  - Solicitation
- Newsletters
- Annual Report
- Other Communications/Marketing
  - Website
  - Social media
- Other

# Evaluating Methods

- Cost per dollar raised
  - Expense/income
  - Per initiative
  - Per total program (include overhead here)

# Efficiency vs. effectiveness

- Consider efficiency vs. effectiveness
  - How much will we raise?
  - At what cost?
  - Is this the BEST method? (or is it just new and cool and someone said, “You should try mobile giving!”)
  - Ask the hard question: If we spent the same amount of time and money on another method...or just one method...would our results be greater?
  - Dan Pallotta TED Talk – great for educating boards



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# Efficiency/Effectiveness Example

- Is generating \$4 million from a \$1 million investment with a CDR of \$0.25 better than generating \$3 million from a \$600,000 investment and a CDR of \$0.20?
- You have \$3 million to spend in scenario 1 vs. \$2.4 million in scenario 2
  - What say you???

# The Tools of Planning

- Use tools to create the plan
  - Development Budget Outline
  - Strategy Guide
  - Projection tools for each initiative

Development Budget Outline					
Solicitation Method	Income	Expense	Net	CDR	Staff Member
Development		\$250,000	\$0		TEAM
Signature Event	\$250,000	\$62,000	\$188,000	\$0.25	Suzy
United Way	\$151,000	\$0	\$151,000	\$0.00	Mary
Major Gifts	\$130,000	\$5,000	\$125,000	\$0.04	Mary
Event 1	\$115,292	\$5,000	\$110,292	\$0.04	Dan
Grants	\$170,000	\$2,500	\$167,500	\$0.01	Suzy
3rd Party Events	\$10,000	\$0	\$10,000	\$0.00	TEAM
Memorials	\$7,500	\$1,000	\$6,500	\$0.13	TEAM
Event 2	\$25,000	\$2,000	\$23,000	\$0.08	TEAM
White Mail	\$15,000	\$0	\$15,000	\$0.00	TEAM
Corporate Giving Program	\$60,000	\$5,000	\$55,000	\$0.08	Mary
Family Giving Campaign	\$66,208	\$2,000	\$64,208	\$0.03	Dan
Event 2	\$60,000	\$12,000	\$48,000	\$0.20	Dan
<b>TOTAL</b>	<b>\$1,060,000</b>	<b>\$346,500</b>	<b>\$713,500</b>	<b>\$0.33</b>	<b>TEAM</b>

# Development Budget Outline



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<b>Strategy Guide - Overall</b>			
Total Income	\$336,336		
Total Expense	\$72,200		
CDR	\$0.21		
Retention of current donors			
Number of new donors (major gifts, tours, and gala)	100		
Sponsorship Campaign (gala and non-gala)	# of Gifts	Level Amt	Total
	55	\$394	\$21,691
	20	\$789	\$15,775
	5	\$1,578	\$7,888
	8	\$3,155	\$25,240
	4	\$5,000	\$20,000
	88		\$90,593
(adding Teacher Support level)			
Fundraising (key initiatives)			
1 Adding trivia to reach low-end donors			
2 Major gifts development - FOCUS			
3 Focus on donor retention to stem attrition issues			
Marketing/Public Relations (key areas of focus)			
1 Get PR for all events and "wins" - work with Stephanie			
2 Market summer programs & work with Paraquad			
3 Increase marketing touches to all donor segments - 6 non-ask touches			
Other Key initiatives			
1 Grow M100 program; include additional giving options like teacher & program support			
2 Continue to grow grants program, including new sponsors for special ed, etc.			
3 Grow board to 25 members			
4 Hire new development officer			
5 Continue tours and consider in-home parties to invite board member contacts			

# Development Strategy Guide



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# Giving Club Projection

TOTAL PROJECTIONS	# of Gifts	Level Amt	Sub-total
Clark Kent/Lois Lane	55	\$394	\$21,691
Batman/Cat Woman	20	\$789	\$15,775
Captain America/Golden Girl	5	\$1,578	\$7,888
Superman/Wonder Woman	8	\$3,155	\$25,240
TOTAL	88		\$70,593



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# Direct Mail Projection

Fiscal Year	Description	Number Mailed	Percent Response	Average Gift	Number of Gifts	Income	Package Cost	Expense	Net	CDR
Sep-11	Current/lapsed	250	12%	\$60	30	\$1,800	\$0.40	\$100	\$1,700	\$0.06
	Prospects	900	2%	\$40	18	\$720	\$0.40	\$360	\$360	\$0.50
TOTAL		1,150	4%	\$50	48	\$2,520	\$0.40	\$460	\$2,060	\$0.24

# Grant Projection

## Probable Requests

Foundation	Program	Requested Amount	Due Date
John Allen Love Foundation	Mac computers	\$10,000	August 30, 2011
Norman J Stupp Foundation			September 1, 2011
Ronald McDonald			September 14, 2011
ERAC Foundation	Mission 100	\$15,000	October 20, 2011
Trio Foundation		\$5,000	September 16, 2011
Build-a-Bear		\$5,000	October 28, 2011
Saigh Foundation	Mission 100	\$15,000	3 mths before quarterly meeting
Mary & Ettie Jordan Foundation			Can't find deadline
Dana Brown	capital		deadline?
Boeing Corporate	Mission 100	\$15,000	No deadline
Boeing ECF	Mission 100	\$10,000	January 1, 2012
Crawford Taylor	Mission 100	\$2,500	August 1, 2011
Kellwood Foundation 314-453-0571	Mission 100	\$5,000	(board meets July & December)
Gannet Foundation	Mission 100	\$5,000	August 17, 2011
Tilles Foundation		\$5,000	August 15, 2011
TOTAL		\$92,500	

## Projected Revenue

Foundation	Ask	Projected Amount
Boeing ECF	\$10,000	\$5,000
Dana Brown Foundation	\$15,000	\$10,000
Saigh	\$15,000	\$10,000
ERAC	\$15,000	\$5,000
John Allen Love	\$10,000	\$5,000
TOTAL		\$35,000



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# Event Projection

## Special Event Projections

<i>Description</i>	<i>Number Invited</i>	<i>Number Attended</i>	<i>Income</i>	<i>Hard Costs</i>	<i>Staff Time (hours)</i>	<i>Hourly Rate</i>	<i>Cost for Staff time</i>	<i>Total Expense</i>
							\$0	\$0

<b>REVENUE</b>	<b># of Items</b>	<b>Value per Item</b>	<b>Total Revenue</b>
Tickets			\$0
Live Auction			\$0
Silent Auction			\$0
Wine Pull			\$0
Raffle			\$0
Ask Level 1			\$0
Ask Level 2			\$0
Ask Level 3			\$0
Miscellaneous			\$0
Direct Mail Only			\$0
<b>TOTAL</b>	<b>0</b>		<b>\$0</b>

<b>EXPENSE</b>	
Venue	
Food/Beverage	
Service charge	
Entertainment	
Video	
Misc*	
Events planner	
<b>TOTAL</b>	<b>0</b>

<b>Net</b>	<b>\$0</b>
<b>CDR</b>	<b>\$0.00</b>

Misc =graphic design, printing, postage, linens, florals, photography, etc.

# Major Gift Projection

Gift Type	Gift Size	Number of Gifts	Number of Prospects	Total
<i>Major Gifts</i>	\$50,000	1	4	\$50,000
	\$25,000	2	8	\$50,000
	\$10,000	4	16	\$40,000
	\$5,000	8	24	\$40,000
	\$2,500	16	32	\$40,000
	\$1,000	32	64	\$32,000
<b>TOTAL</b>		<b>63</b>	<b>148</b>	<b>\$252,000</b>



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# Monthly Projection

	United Way	Gala	Grants	Major Gifts	April	Statewide	Golf	Apples	Adopt-a-Home	All Stars	Misc	Monthly Total
July 2010											\$3,750	\$3,750
August 2010				\$10,000					\$5,000		\$3,750	\$18,750
September 2010			\$10,000	\$10,000		\$1,000			\$10,000		\$3,750	\$34,750
October 2010		\$20,000		\$10,000		\$1,000			\$10,000		\$3,750	\$44,750
November 2010		\$40,000	\$15,000	\$35,000		\$1,000					\$3,750	\$94,750
December 2010		\$210,000	\$75,000	\$75,000		\$1,000					\$3,750	\$364,750
January 2011	\$146,000	\$26,000	\$10,000	\$10,000		\$1,000					\$3,750	\$196,750
February 2011			\$45,000	\$10,000		\$1,000				\$10,000	\$3,750	\$69,750
March 2011				\$10,000		\$1,000			\$5,000	\$30,000	\$3,750	\$49,750
April 2011				\$10,000		\$1,000		\$40,000	\$10,000	\$20,000	\$3,750	\$84,750
May 2011				\$10,000	\$40,000	\$22,000		\$40,000	\$10,000	\$10,000	\$3,750	\$135,750
June 2011			\$80,000	\$10,000			\$62,000	\$35,000			\$3,750	\$190,750
TOTAL	\$146,000	\$296,000	\$235,000	\$200,000	\$40,000	\$30,000	\$62,000	\$115,000	\$50,000	\$70,000	\$45,000	\$1,289,000

# Monthly Tracking

Month	Monthly Revenue Goal Annual Fund	Actual Gifts/pledges Annual Fund	Monthly Differential	Percentage of Total Goal	Total Gifts/Pledges to Date	Monthly Progress to Goal
July	\$3,750.00	\$10,093.30	\$6,343.30	0.8%	\$10,093.30	\$6,343.30
August	\$18,750.00	\$12,390.56	-\$6,359.44	1.0%	\$22,483.86	-\$16.14
September	\$34,750.00	\$113,610.62	\$78,860.62	8.8%	\$136,094.48	\$78,844.48
October	\$44,750.00	\$149,317.37	\$104,567.37	11.6%	\$285,411.85	\$183,411.85
November	\$94,750.00	\$82,711.91	-\$12,038.09	6.4%	\$368,123.76	\$171,373.76
December	\$364,750.00	\$260,427.00	-\$104,323.00	20.2%	\$628,550.76	\$67,050.76
January	\$196,750.00	\$173,596.55	-\$23,153.45	13.5%	\$802,147.31	\$43,897.31
February	\$69,750.00	\$40,610.70	-\$29,139.30	3.2%	\$842,758.01	\$14,758.01
March	\$49,750.00					
April	\$84,750.00					
May	\$135,750.00					
June	\$190,750.00					
TOTAL (to date)	\$1,289,000.00	\$842,758.01				

Goal	\$1,289,000.00
Raised to date	\$842,758.01
Remaining	\$446,241.99
<b>Percentage of goal raised to date</b>	<b>65.38%</b>

Month of FY2010	\$1,000+ single gift or pledge	Progress to Goal 200
July	1	199
August	2	197
September	4	193
October	9	184
November	26	158
December	46	112
January	2	110
February	4	106
March		
April		
May		
June		
TOTAL (to date)	94	



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Month	Board	Major Gifts	Direct Appeal/Mailing	Special Events	Stewardship	Marketing/PR/On-line	Foundations/Corps	Volunteers	Mission 100
January	BK/LH Meet With Mbrs Board Recruitment 2012 Year-End Gift List	Create Plan Set Meetings - 6 visits 2012 Year-End Gift List	2012 Year-End Gift List	Gala Committee Recruiting	Call all donors 2012 Year-End Gift List	E-blast 1/15	2012 Year-End Gift List Boeing ECF 1/31		Solicit New Partners Calendar Note from Kids 2012 Year-End Gift List
February	BK/LH Meet With Mbrs Board Recruitment	Set Mtgs - 6 visits	Valentine's Day Appeal (prospects only)	Chess Competition Gala Committee Recruiting	Call all donors	E-blast 2/19	Peabody Request Emerson Request Monsanto App 2/28		Solicit New Partners Calendar Note from Kids
March	Board Meeting 3/21 Board Recruitment Annual Report	Set Mtgs - 6 visits Annual Report	Annual Report	Lunchbox Luncheon 3/29 Gala Committee Recruiting	Call all donors Annual Report	E-blast 3/19 Annual Report	Annual Report Boeing ECF report Build-a-Bear & Variety	Annual Report	Lunchbox Luncheon 3/29 Calendar Note from Kids Annual Report
April	Board Recruitment Newsletter	Set Mtgs - 6 visits Newsletter	Newsletter	Game Jam 4/20 Gala Committee Recruiting	Call all donors Newsletter	E-blast 4-16 Newsletter	Newsletter Crawford/Taylor Pott Fdn & Saavis	Newsletter	Game Jam 4/20
May	Board Recruitment	Set Mtgs - 6 visits	Spring Appeal (donors & prospect)	Animated Short Night 5/7 YLC Art Show 5/17	Call all donors	E-blast 5-21	Honda Fdn & Dollar General Grant Char Trust Miracle Makers Report		Animated Short Night 5/7 YLC Art Show 5/17 Calendar Note from Kids
June	Board Meeting 6/20 Connect & Cultivate Invite	Set Mtgs - 6 visits Connect & Cultivate Invite	Connect & Cultivate Invite		Call all donors Connect & Cultivate Invite	E-blast 6-18 Connect & Cultivate Invite	Connect & Cultivate Invite Best Buy Roblee & Boeing Corp	Connect & Cultivate Invite	Solicit New Partners Calendar Note from Kids Connect & Cultivate Invite
July		Set Mtgs - 6 visits		Connect & Cultivate	Call all donors	E-blast 7-16	Trio Report Incarnate Word App		Connect & Cultivate Calendar Note from Kids
August	White Paper	Set Mtgs - 6 visits White Paper	White Paper		Call all donors White Paper	E-blast 8-20 White Paper	White Paper Trio & John Allen Love US Bancorp Tilles Fund App	White Paper	Solicit New Partners Calendar Note from Kids White Paper
September	Board Meeting 9/19 Superman Gala Invite	Set Mtgs - 6 visits Superman Gala Invite	Back-to-School Appeal (donors & prospects) Superman Gala Invite		Call all donors Superman Gala Invite	E-blast 9-17 Superman Gala Invite	Superman Gala Invite Herbert Woods Stupp & SOS Fund Verizon Fnd App	Superman Gala Invite	Send Re-up/Upgrade Ltr Calendar Note from Kids Superman Gala Invite
October	Superman Gala 10/17	Set Mtgs - 6 visits		Superman Gala 10/17	Call all donors	E-blast 10-15	Superman Gala 10/17 Saigh App		Superman Gala 10/17 Calendar Note from Kids
November	Board Meeting 11/14 In-House YOP Appeal	Set Mtgs - 6 visits In-House YOP Appeal	Holiday Appeal (donors & prospects) In-House YOP Appeal		Call all donors	E-blast 11-19	In-House YOP Appeal (corps only)		Solicit New Partners Calendar Note from Kids
December		Set Mtgs - 6 visits			Call all donors	E-blast 12-17	Enterprise Holdings RMHC Report Cardinals Care Jordan Char Fund App		Solicit New Partners Calendar Note from Kids
Leader(s)	Bill, Linda	Bill, Linda	Linda, Contractor	Cheri, Linda	Linda, Ashley	Linda, Ashley, contractor	Michelle, Linda	Michele, Linda	Linda, Ashley



# The Annual Plan

- How do you use it?
  - CEO
  - Board
  - Development Committee
  - Staff

# Questions? Concerns?

- How may I help further?
- About what are you concerned or worried?
- Do you think this is doable?
- What additional resources might you need?
- You will receive
  - The PowerPoint I've used today
  - Digital copies of all tools shared today.
- Don't forget TED Talks
  - Dan Pallotta/Simon Sinek

# Additional Educational Opportunity at Let's Build Hope, LLC

- Annual Fund Training Camp
  - Week-long annual fund intensive
  - 10 seats available
  - Next session: October 20-24, 2014
  - Cost: \$2,500 per agency (3 attendees)  
\$1,500 per individual
  - Some scholarships; applications available
  - E-mail me for more information
    - (lhaley@lbh-stl.com)

# You Are Official

Boot Camp  
Graduation...  
Way to Go!



# Thank you!

Gratitude makes sense of our past,  
brings peace for today, and creates a  
vision for tomorrow.

Melody Beattie