Fundraising 101

June 19, 2024

The Greenly Center
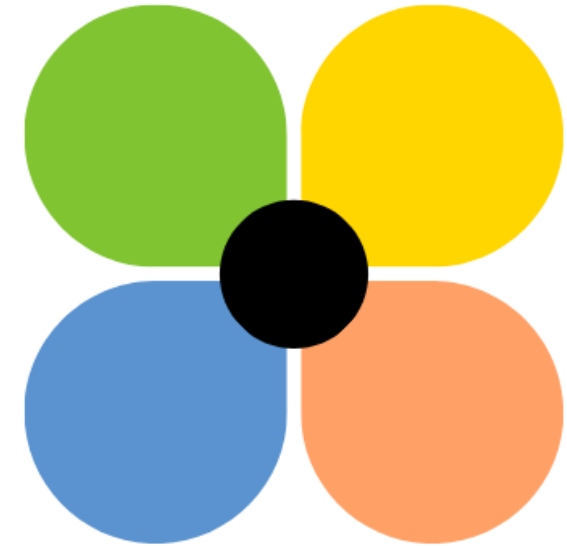
Columbia County

PLACEMAKING INITIATIVE

Hailstone
ECONOMIC

USDA

About This Project

- Rural Placemaking Innovation Challenge

- Columbia County Placemaking Plan

- Implementation Support through September 2024

Learning Objectives

- How to identify, connect with, and engage individual and corporate donors
- How to streamline your fundraising activities
- Strategies to ask for contributions
- How to manage and use donor information
- The advantages and disadvantages of various types of fundraising activities
- How to evaluate the feasibility and success of fundraising activities
- Legal and ethical considerations related to fundraising

Fundraising is the process of creating opportunities for people to experience the joy of sharing and giving

Definitions

- Fundraising
- Membership
- Annual Campaign
- Capital Campaign
- Grant Proposal
  - General Operating Grant
  - Capital Grant
  - Challenge Grant
  - Matching Grant
  - Seed Grant
  - Block Grant

- Foundation
  - Family Foundation
  - Community Foundation
  - Corporate Foundation
  - Operating Foundation
- Special Events
- Planned Giving
- RFP
- Endowment
- Form 990 and 990-PF
- BCO
- Case Statement
- Major Gift
- Earned Income

The Who, Why, What, and When of Fundraising

Who

- Individuals
- Corporations
- Small businesses
- Foundations
- Churches
- Community groups
- Federated funds

The Who, Why, What, and When of Fundraising

Why

- Emotional appeal
- Values or ethics
- Investment in community
- Tax advantages
- Recognition/affiliation/social/relationships

# The Who, Why, What, and When of Fundraising

What

- Cash
- Volunteer time
- In kind donations
- Membership
- Sales
- Program fees
- Planned gifts
- Real estate, artwork, or other valuable items
- Grants

The Who, Why, What, and When of Fundraising

<u>When</u>

- Annual Appeal

- Site visits

- Person to Person communication

- Special Events

- Proposals

- Newsletter

- Email

- Website

- Special Campaigns

- Donor Research
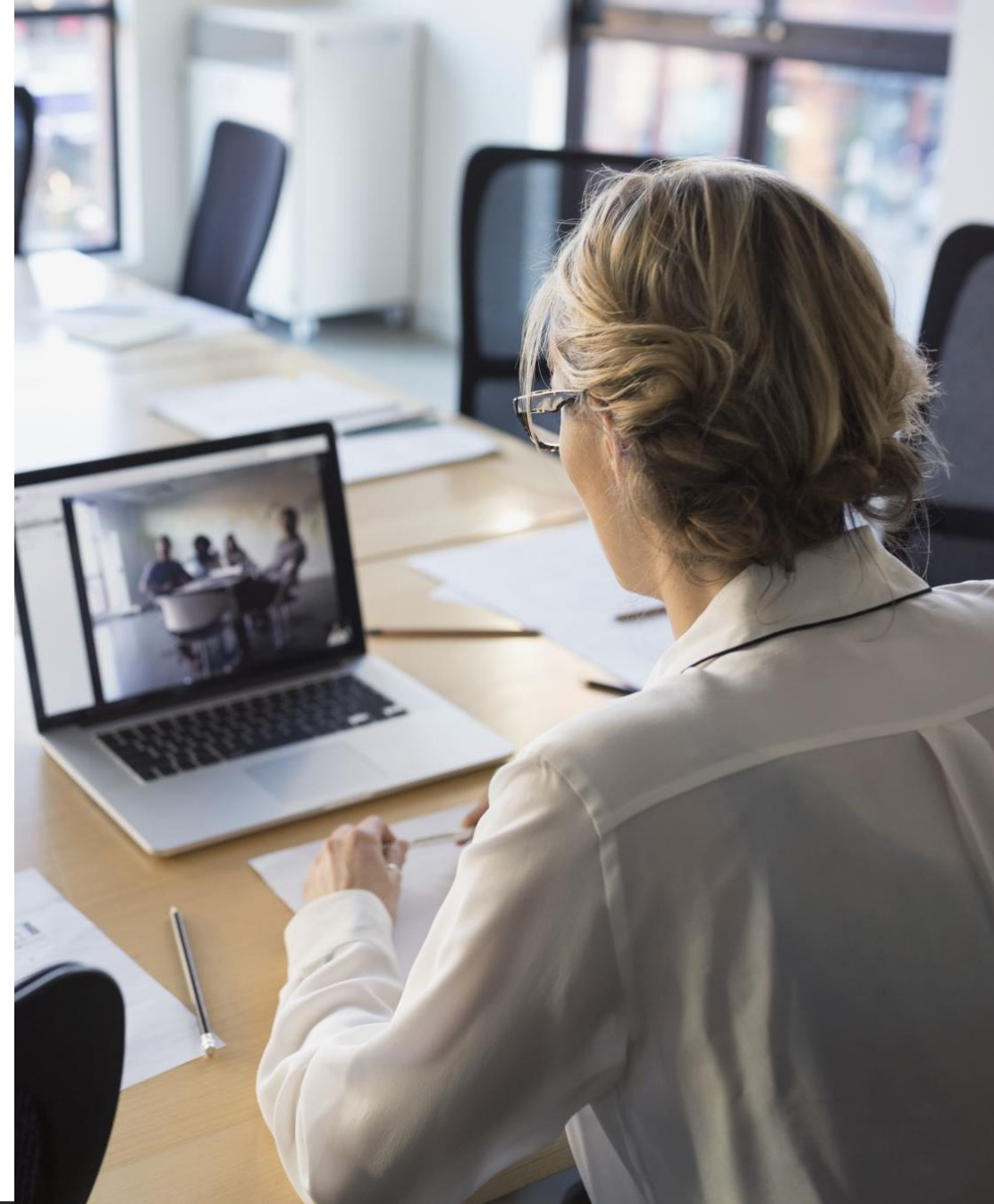
Segmentation

- Level of participation
- Personal connection
- Giving history
- Income/wealth
- Age
- Gender
- Hobbies/Interests

Sources of Information

- Interpersonal interaction and experiences
- Staff
- Board of directors and other volunteers
- Colleagues
- The internet
- The Foundation Center
- Books
- Articles
- SEC filings
- Database

Elements of a Grant Proposal

- Length
- Language
- Contents
- Cover Letter
- Introduction
- Organizational background
- Statement of need
- Action plan/methodology
- Evaluation

- Conclusion
- Appendices
  - IRS determination letter
  - Board list
  - Résumés of key staff
  - Program budget
  - Organizational budget
  - Financial statements
  - Audit
  - 990
  - Publications (i.e. newsletter)

Fundraising Planning

- Review vision, purpose, mission, goals
- Program planning and development
- Budgeting
- Prospect research
- Match potential funders with financial goals
- Education and invitation
- Add depth to relationship

Special Events

- Raise money
- Communicate with and/or recognize donors, volunteers, staff, board, program participants, general public
- Connect with new people
- Raise awareness and generate enthusiasm about your organization and/or an issue
- Create a lasting impression

Special Events Considerations

- Culture
- Time
- Space
- Volunteers and staff
- Legal issues
- Safety issues
- Money

Types of Events

- Art Show
- Auction
- Awards ceremony
- Bake sale
- Bike a thon
- Bingo
- Book signing
- Bowl a thon
- Brown bag lunch
- Car wash
- Carnival
- Community clean up
- Concert

- Contest
- Dance
- Dinner
- Exhibition
- Fashion Show
- Flea market
- Food festival
- Gala
- Holiday Celebration
- Holiday Party
- House tour or open house
- Lottery
- Luncheon

- Online auction
- Open mic night
- Pageant
- Party
- Performance
- Picnic
- Play
- Product sales
- Protest
- Raffle
- Read a thon
- Rummage sale
- Seasonal Item Sale
- Sightseeing tour

- Speaker
- Sports tournament
- Theme party
- Trade Show
- Trip
- Walk a thon
- Workshop

Strategies to Engage Individual Donors

- Get to know each other - formally and informally
- Engage, educate, and invite
- Personalize verbal and written communication
- Honor their recognition needs
- Provide hands-on opportunities - tours, volunteering, events
- Consistent communication

Strategies to Engage Corporate/ Business Donors

- Research
- Tailor the ask to the size and scope of the company
- Provide hands-on opportunities - tours, volunteering, events
- Explore marketing and charitable support
- Building their brand
- Report back
- Corporate donors are people too

Strategies to Ask for Donations

- Use campaigns
- Tailor the ask
- Select the best person to ask
- Give people the opportunity to say no
- "Sales is service"
- Personal engagement
- Giving options
- Have a goal in mind, but be flexible
- Listen
- Document
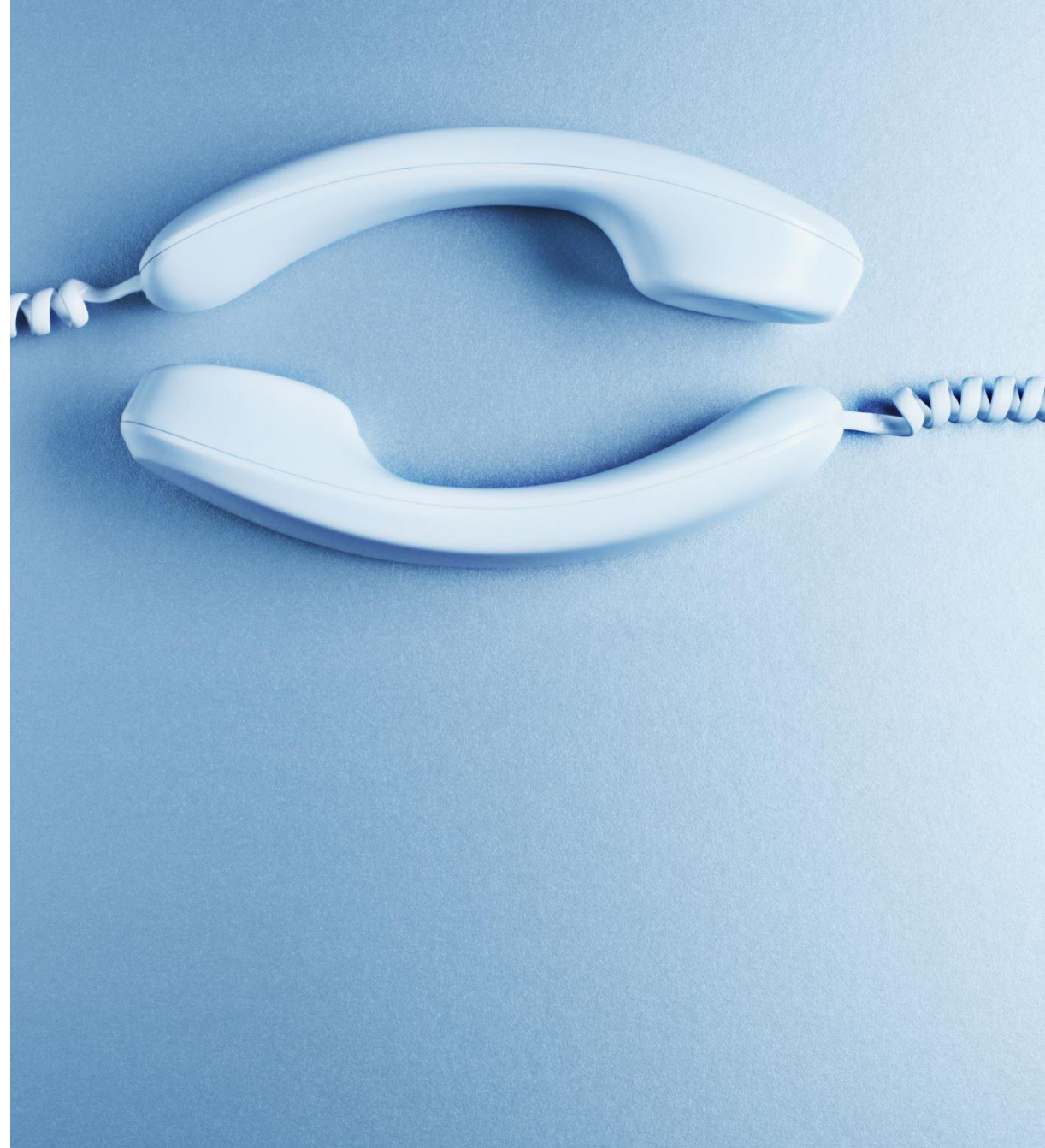
Managing and Using Donor Information

- Donor database
- Information
  - Contact information
  - Giving history
  - Volunteer history
  - Relationships
  - Connection to organization
  - Interests
  - Groups/lists
- Reports
  - Mailing lists
  - Donations over a certain amount
  - Gave last year, not this year
  - YTD giving comparison
  - New donors
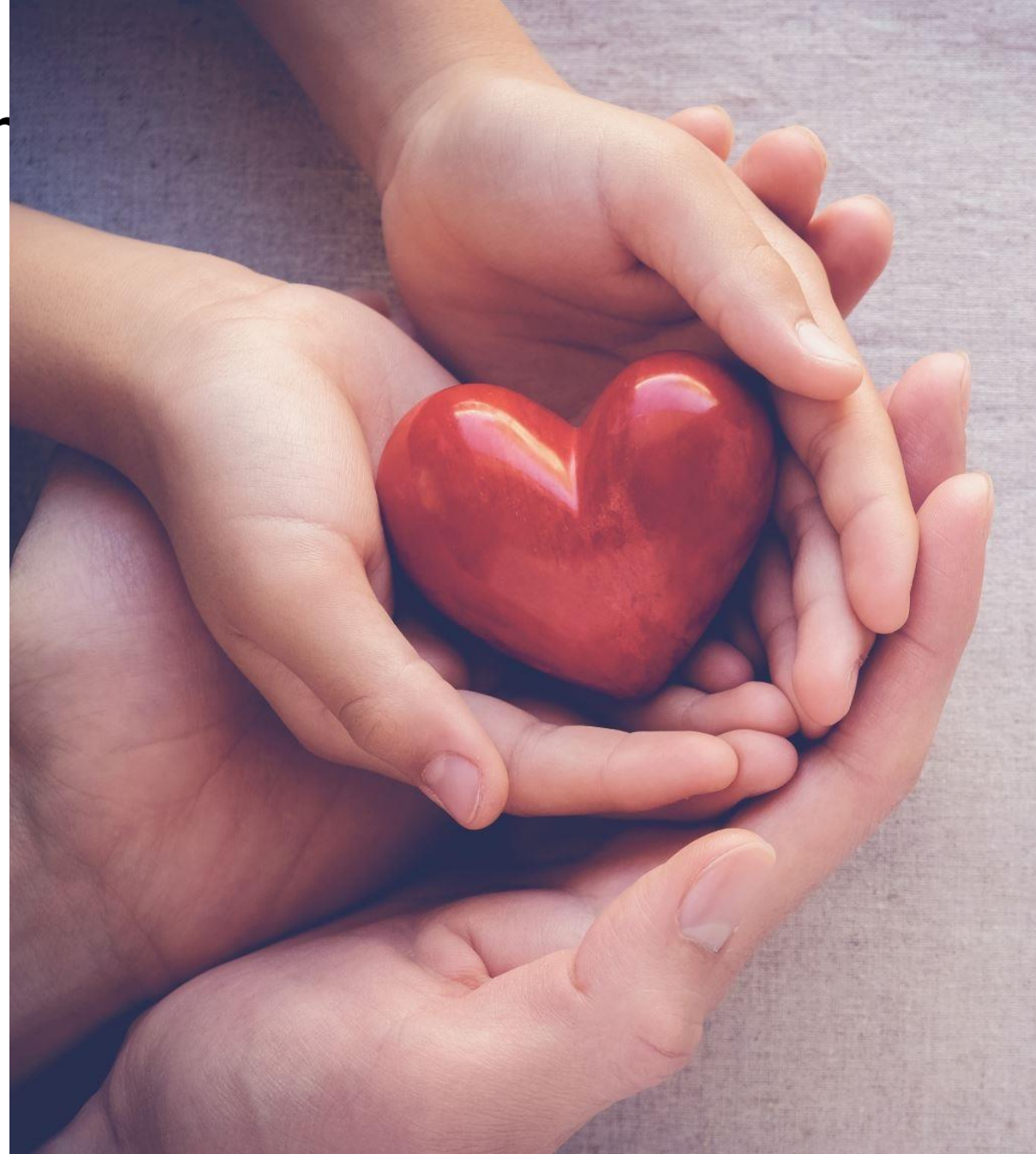
AFP Code of Ethical Standards

PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

Members shall:

1. not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.

2. not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.

3. effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.

4. not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.

5. comply with all applicable local, state, provincial and federal civil and criminal laws.

6. recognize their individual boundaries of professional competence.

7. present and supply products and/or services honestly and without misrepresentation.

8. establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.

9. never knowingly infringe the intellectual property rights of other parties.

10. protect the confidentiality of all privileged information relating to the provider/client relationships.

11. never disparage competitors untruthfully.

AFP Code of Ethical Standards

SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

Members shall:

12. ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.

13. ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

14. ensure that contributions are used in accordance with donors' intentions.

15. ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.

16. obtain explicit consent by donors before altering the conditions of financial transactions.

AFP Code of Ethical Standards

TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

Members shall:

17. not disclose privileged or confidential information to unauthorized parties.

18. adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.

19. give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.

20. when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

AFP Code of Ethical Standards

COMPENSATION, BONUSES & FINDER'S FEES

Members shall:

21. not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.

22. be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.

23. neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.

24. not pay finder's fees, commissions or percentage compensation based on contributions.

25. meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

Liberatory Fundraising Framework

- Community-driven
- Non-arrogant empathy
- Actively co-creates equity - money and power
- Respects, honors, and uplifts people's lives and stories
- Creates connection and facilitates belonging - togetherness vs. separateness
- Mutual aid and reciprocity
- Giving vs. sharing
- Every contribution counts

"One has to help people to be more generous. By receiving from others, by letting them help you, you really aid them to become bigger, more generous, more magnanimous. You do them a service."

Henry Miller in The Diary of Anais Nin, Vol. 3

Questions?

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