

Fund Development



AN OVERVIEW OF
STRATEGIES AND
METHODS

Fund Development Defined

The policies, structures, analysis, research, strategies, practices, and plans to secure resources for your organization over the long term.

THE FUND DEVELOPMENT PLAN

Essential
Tool

AN BLUEPRINT FOR HOW
AN ORGANIZATION WILL
IMPLEMENT THE
STRATEGIES TO FUND ITS
PROGRAMS AND
OPERATIONS



Why is a Plan Essential?

- It creates a structure for fundraising.
- It ensures that revenue goals are realistic.
- It ensures that your organization has an appropriately diversified funding.
- It is a monitoring tool for measuring progress.
- It helps you avoid “out of context” fundraising that can jeopardize your organization’s long-term success.
- It outlines roles and responsibilities.
- It helps funders know where they fit into your funding patterns.

Components of a Fund Development Plan

ORGANIZATIONAL ANALYSIS

- History, Mission, Vision, strategic goals, fund development practices.

STATEMENT OF PURPOSE

- Statement of how and why your plan will support your organization's mission.

CASE STATEMENT

- Stating why potential donors would give to the organization.

STRATEGIC GOALS

- Big, broad ways to make or keep your organization financially sound over time

FUNDRAISING GOALS

- The amount you need to raise.

IMPLEMENTATION PLAN

- Includes strategies, messages, action steps, costs, net returns, ownership and timeframe. It is the essential tool in executing your work.

Components of a Plan, Cont.

OPERATIONAL GOALS

- Identifies the structural and management tools that will support fundraising. E.g., make sure your database will be current and accurate, publish an electronic newsletter, or hire a part-time proposal writer.
- Describes how the fund development function will be incorporated into the day-to-day activities of the organization including marketing and communications.

EVALUATION

- Reflect on results, analyze successes and challenges, and to act on implementing corrective strategies.

Steps in Creating the 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 (Board, Staff & Others)

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

Roles in the Creation of the Plan

THE DEVELOPMENT PLAN NEEDS A LEADER: the visionary, inspiring trailblazer who motivates others to believe and work on the plan.

THE DEVELOPMENT PLAN NEEDS A MANAGER; the person who coordinates logistics, calendar, prepares the “to do” lists, checks off the accomplished action steps, and makes sure record keeping systems are functioning well. Must be a great volunteer manager.

Selecting Your Fund Development Methods



Common Methods

- Foundation & UW grants
- Corporate support/grants
- Corporate sponsorship
- Government support
- Direct mail
- Telemarketing
- Special events
- Individual donors cultivation/campaigns
- Planned giving
- Online giving
- Earned revenue
- OTHERS?

Which have been most effective for your organization?

Factors to Consider in Selecting Methods

- 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**

A Few Words About Diversification

■ **What is often said?**

- ⊙ That every nonprofit needs to have a wide variety of revenue sources to be healthy and successful.
- **Pros:** Safeguard against unexpected changes in funding sources; wider variety of options and freedom to support the organization's different funding needs (e.g., not beholden to one donor).
- **Cons:** Danger of overextending organizational resources; loss of focus.

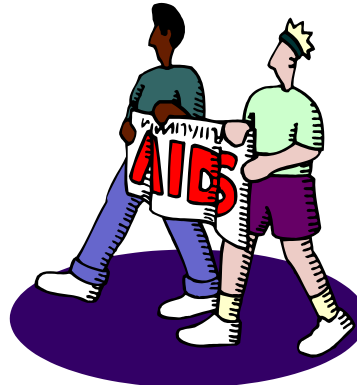


Building Relationships with Individual Donors

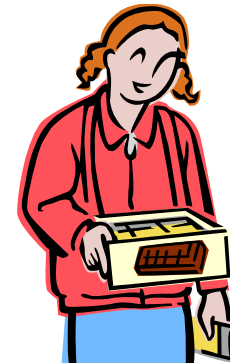
THE ESSENTIAL STRATEGY!

Individual Donor Cultivation Why?

- ❑ Nationally, individuals give more than any other source
- ❑ 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?



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

Giving/Donor Continuum

Gift

			Planned
		Thoughtful	
	Habitual		
Impulse			

Cultivation

			Legacy
		Upgrading	
	Retention		
Acquisition			

Theory of Donor Continuum by Financial Life Cycle

- The assumption that the ability and interest of an individual to give increases along with his or her financial maturity.
- This continuum is roughly illustrated in the following matrix, although it should be emphasized that the stages are not hard and fast.

Youth / early adult stage	Membership / tickets / events
Early mid-life stage	Additional gift
Late mid-life stage	Larger annual gift
“Senior” stage	Capital gifts and bequests

Characteristics of 21st 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.)





Resources

TOOLS AND
WEBSITES

Resources

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/>