

Development Basics

Building the foundation for
ongoing financial support

Kate Krisik, Executive Director
Valley Outreach
kate.krisik@valleyoutreachmn.org

What Is Your Development Plan?

- Do you need money to support your operations?
- Do you know how much money you need each year?
- Do you actively fundraise?
- Do you wait for the money to roll in on its own?
- Who does your fundraising work?
- What do you do with the money once you've received it?
- Do you have a development plan?
- Do you have a development committee?
- What would you do if money weren't a barrier?

Principles Of Donor Development

- Learn why donors give in general *and* why they give to your organization specifically
- Donors give to meet needs about which they are passionate *and* to help you do extraordinary things
- Donors generally *will not* give to help a financially troubled organization “keep the lights on” *or* to help solve organizational problems
- We MUST create a *mutually satisfying relationship* with our donors

5 Steps For Success

- Identify
- Cultivate
- Educate
- ASK!
- Appreciate

6th Step For Success??

Thank again!

Identify

Who are your donors and prospective donors?

- Past donors
- Current donors
- Prospective donors
 - 1) Past and current volunteers
 - 2) Relatives, friends, acquaintances of past and current donors, volunteers, staff, and members of your board of directors and committees
 - 3) Local businesses, churches, schools, and civic and community organizations
 - 4) Employees or members of supportive businesses, churches, schools, and civic and community organizations
 - 5) Supporters of similar organizations and causes
 - 6) Foundations and funds
 - 7) Others?

Cultivate

It's all about relationships & passion!

- Introduction or reintroduction
- Welcome
- Build, enhance, and in some cases, repair relationship
- Ignite their passion
- Provide opportunities for engagement and ownership
- Give credit (*and give sincere appreciation and thanks; more about that later*)
- Long-term focus

Educate

Tell your story and explain your need.

- “Who” is your organization?
- What do you do?
- How do you do it?
- Who do you serve?
- What is your organization’s history?
- What makes your organization special and unique?
- What opportunities do you offer for community engagement?
- **WHAT DO YOU NEED AND WHY DO YOU NEED IT?**
(focus always upon your clients)
- What do you do with the financial contributions you receive?

Ask!

People can't help if they don't know what you need.

- WHAT DO YOU NEED AND WHY DO YOU NEED IT?
- Ask for their help because people can't help if they don't know what you need.

It's often easier for someone to give money than to give of their time and talents. We should ask for financial support more freely and be more mindful about asking people to share their time and talents.

- What's the worst that could happen if you ask?
- They may say, "No," but . . .
 - 1) They may say, "Yes."
 - 2) They may help in the future
 - 3) They may tell others about your needs
 - 4) They may ask someone they know to help
 - 5) They may invite you to come and share your story with their church, their business association, their community or civic group, host or organize a benefit, or . . . *(the possibilities are bountiful!)*

Appreciate

Recognize their contribution and tell them how they helped to make a difference.

- If the donation is made in person, thank them personally at that time (AND)
- Always send a written thank you letter
 - 1) It's the polite ("write") thing to do
 - 2) It's shows them that their gift was appreciated
 - 3) It provides them with written verification of their donation for their taxes
 - 4) It provides you with the opportunity to tell them how their gift was used
 - 5) It provides with you the opportunity to share a note of thanks from one of your clients
 - 6) It provides you with the opportunity to highlight current activities, future events, and services being provided by your organization
 - 7) It provides you with the opportunity to reiterate current and future needs of your organization
 - 8) It solidifies your relationships with your donors

Thank Again!

You really can't say "Thank you," enough!

- Always thank them for their support for your organization whenever you see them in person
- Always include a general thank you acknowledgment in any direct mail correspondence (annual donor appeal letters, event invitations, newsletters, e-newsletters, etc.)
- Individual donor acknowledgment in annual reports (*unless donors have requested anonymity*)
- Include general thank you acknowledgements in media whenever appropriate (press releases, submitted columns, letters to the editor, social media)
- Host an annual volunteer and donor appreciation event
- Make unexpected "Thank you" telephone calls and don't ask for anything!

Make It Easy To Give

- In addition to accepting cash and check donations in person and by mail, what else can you do to make it easy for your donors to support you?
- In person credit card donations (*by scanning device only*)
- GiveMN.org (Razzoo) online credit card donations
(*Promote and provide a link on your website*)
- Other online credit card donation processors
(*Promote and provide a link on your website*)
- Donation boxes for your organization at supportive businesses and churches
- Invest in a volunteer and donor focused informational brochure --- which includes a donation form --- and distribute widely
- Include self-addressed return envelopes with any direct mail, event invitations, newsletters, annual reports, etc.

Fundraising Events

Really?!

Consider them “Friendraising” events

- 1) Opportunity to connect socially with donors, volunteers, and other supporters
- 2) Opportunity to raise community awareness of your organization through event promotions including media coverage
- 3) Opportunity to meet potential new donors, volunteers, and other supporters
- 4) Opportunity to celebrate the work of your organization with your donors, volunteers, and other supporters
- 5) Opportunity for engagement and ownership for donors, volunteers, other supporters, and the members of your board of directors and committees
- 6) Opportunity to engage new supporters
- 7) Opportunity to raise community awareness after the event with post-event media coverage
- 8) Opportunity to enhance relationships with both current donors, volunteers, and other supporters and build your relationship with potential donors, volunteers, and other supporters through post-event “Thank you” letters (*Appreciate AND Thank Again!*)

How To Maximize The Money You Actually Raise

- Minimize staff involvement by empowering volunteers to plan, organize, and host the event
- Ask everyone involved to donate their services and/or “products” or to significantly discount their services and/or “products” (*promise them public recognition for their support and follow through with your promise!*)
- Be creative
- Make the event unique and exciting
- Make it an annual event (*be consistent with the date!*)
- Ask businesses, civic and community groups, and “deep(er) pocket” donors for sponsorships to cover the costs of the event (*promise them public recognition and event “perks” --- like complimentary tickets, or a table at the event, etc. --- for their support and follow through with your promises!*)

How To Maximize The Money You Actually Raise

- Minimize administrative costs associated with the event (*e.g. use Eventbrite for ticket sales*)
- Promote your event widely through posters, invitations, church bulletin notices, newsletters (*your own and those of supportive organizations*), donor correspondence and direct mail, websites (*your own and those of supportive organizations, and print, radio, television --- if possible --- and social media coverage*)
- Send post-event “Thank you” letters to everyone involved including your volunteers who planned, organized, and hosted the event
- Thank everyone involved in post-event media coverage
- Encourage others to plan, organize, and host their own events with your organization as the beneficiary (*then just show up and accept the check!*)
- **Hold ONLY one or two organizational fundraising events each year**

What Do We Do With The Money?

- Processing donations and best practices (Internal controls / Division of duties)
 - 1) Designate one individual to accept and initially record donations with an assigned back-up person to accept donations when the designated person is not available
 - 2) Designate a second and different person to prepare donations for deposit and take the donations to the bank for deposit and assign a back-up person to perform this duty when necessary
 - 3) Designate a third person and different person to prepare and mail all donor “Thank you” letters and assign a back-up person to perform this duty when necessary
 - 4) Always have two individuals separately count and verify all cash donations when they are received and use a cash receipt form

What Do We Do With The Money?

- Challenge of limited numbers of individuals available in small organizations
- Trust people but be smart to protect the funds of the organization and to inspire donor confidence in the integrity of your organization
- Transparency with your board of directors
- Make your auditors and tax professionals as comfortable as possible
- Produce a written financial management plan incorporating your practices
- Consider engaging an independent CPA to conduct regular, annual audits if you haven't reached the audit threshold requirement (*audit threshold is \$750,000 not including the value of in-kind food shelf donations*) and hire one immediately if you have reached the audit threshold and aren't already having annual audits conducted

Acknowledgements

Sincere thanks and appreciation to the following individuals for sharing their expertise, talents, and wisdom with me during the preparation of this presentation:

Jill Greenhalgh, Director of Development
University of Wisconsin – River Falls Foundation

Ann Johnson, Executive Director
Center for Nonprofit Excellence
University of St. Thomas

Gary Kelsey, Ed.D., Program Director
Philanthropy and Development
St. Mary's University