Fundraising Best Practices for Water Organizations

Leadership Development Institute 2018-19

Developing Effective Water Organizations Series

river
NETWORK
connecting people - saving rivers
Leadership Development Institute

Developing Effective Water Organizations Series:

Oct. 11  *Governance: Building Strong Boards to Lead Strong Organizations*

Nov. 8  *Goals, Strategies, Tactics-Oh My! Strategic Planning from Vision to Implementation and Evaluation*

Dec. 13  *Fundraising Best Practices for Water Organizations*

Jan. 10  *We Want You! Volunteer Recruitment, Management & Retention*

Feb. 14  *Don’t Worry, You Don’t have to be an Accountant to Understand Nonprofit Financial Management*

Mar. 15  *Ensuring Equity, Diversity & Inclusion In Your Organization*
Thank You for Being a Member

Take advantage of your paid membership benefits:

✓ Find **funding** for water projects
  
  (on the website go to *Membership* then select *Get A Project Funded*)

✓ Receive **25% off** registration for our annual River Rally conference

✓ Receive **discounts** on equipment and consultations

✓ And more!

Questions about your paid membership benefits? Please contact Carly Schmidt, Membership Associate, at cschmidt@rivernetwork.org
Today’s Presenters & Agenda

Caroline Bott
Leadership Development Mgr.
Mid-Atlantic

Paco Ollervides
Leadership Development Mgr.
Great Lakes

• Giving Data
• 10 Best Practices for Fundraising Programs
• Bonus Topic: End of Year Giving
• Questions & Discussion
Polls:
Who’s here today?
Why are you here today?
Who’s Giving... Contributions by Source

**GIVING USA 2018 REPORT**

- Individuals: 70%
- Foundations: 16%
- Bequests: 9%
- Corporate: 5%

**RIVER NETWORK DATA**

- Individuals: 28%
- Foundations: 24%
- Corporations: 6%
- Government: 32%
- Other: 10%
Giving Pyramid

- Planned Giving
- Major Giving
- Annual Giving
- One Time & Event

Gift Size & Time

# of Donors
Fundraising Cycle

Identification
Cultivation
Solicitation
Stewardship & Engagement
Best Practice #2: Case for Support

Elements of a Case for Support

- Emotional Opening
- Purpose
- Need
- History/Niche
- Outcomes and Proof of Impact/Past Accomplishments and Success Stories
- Current Program(s)/Goals
- Financial need
- Means of Support

• Compelling story for why your organization exists, what it does, is a call to action and invitation to donors

• Most important tool in your organization’s fundraising toolbox

• Serves as the primary resource for guiding donor communications
Best Practice #3: Fundraising Plan

- Defines fundraising goal for the coming year
- Identifies fundraising strategies and related goals
- Projects fundraising costs for each strategy
- Details *who, what, when* for each strategy
- Lists specific prospects (foundations, corporations, mailing lists)
- Creates a *fundraising calendar*
- Sets benchmarks to measure progress
- Creates a framework for subsequent plans
Best Practice #4: SMART Goals & Strategies

### SMART Goals & Strategies

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant
- **T**ime Based

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Strategy</th>
<th># of people asked</th>
<th>Anticipated effectiveness of request</th>
<th>Average donation</th>
<th>Estimated Income</th>
<th>Costs</th>
<th>Net Income</th>
<th>Timing</th>
<th>Board Role</th>
<th>Sub-Total by Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Individual Donors (above dues)</td>
<td>Current Donors- Special Appeals</td>
<td>June special appeal (for River Defense Fund)</td>
<td>180</td>
<td>12%</td>
<td>$52</td>
<td>$1,123</td>
<td>$135</td>
<td>$988</td>
<td>June</td>
<td>Personal notes on outgoing letters</td>
</tr>
<tr>
<td></td>
<td>Dec appeal (end-of-year)</td>
<td>220</td>
<td>15%</td>
<td>$78</td>
<td>$2,574</td>
<td>$165</td>
<td>$2,409</td>
<td>Dec.</td>
<td>Personal notes on outgoing letters</td>
<td>see above</td>
</tr>
<tr>
<td></td>
<td>Major Donors</td>
<td>Ongoing cultivation of 17 current major donors + major donor prospects, with 4-6 “light touches” per year (i.e. non-ask contacts)</td>
<td>24</td>
<td>50%</td>
<td>$200</td>
<td>$2,400</td>
<td>$0</td>
<td>$2,400</td>
<td>Ongoing</td>
<td>Board to help open doors for mtgs with Prospects and to attend mtgs w/ E.D.</td>
</tr>
<tr>
<td>2. Member Dues</td>
<td>Renewals</td>
<td>Bi-annual renewals. 3 reminder letters + 1 call (or 2 letters, if the 3rd isn’t effective in the first round). 6 wks b/n reminders</td>
<td>205</td>
<td>70%</td>
<td>$47</td>
<td>$6,745</td>
<td>$308</td>
<td>$6,437</td>
<td>Ongoing</td>
<td>circulate names of lapsed members among Board</td>
</tr>
<tr>
<td></td>
<td>New members</td>
<td>Each Board member recruits 10 members/year</td>
<td>10 members</td>
<td></td>
<td>$40</td>
<td>$2,000</td>
<td>-</td>
<td>$2,000</td>
<td>Ongoing</td>
<td>Personal pitches and recruitment in their networks</td>
</tr>
<tr>
<td></td>
<td>Recruitment at tabled events (e.g. Earth Day event, Sunday market, etc.)</td>
<td>10 members</td>
<td></td>
<td>$40</td>
<td>$400</td>
<td>-</td>
<td>$400</td>
<td>Earth Day, Summer, Fall</td>
<td>Assist by staffing tables at events</td>
<td></td>
</tr>
</tbody>
</table>
# Different Strategies Meet Different Needs

<table>
<thead>
<tr>
<th>Strategy/Purpose</th>
<th>Start Up</th>
<th>General Operating Support</th>
<th>Projects</th>
<th>Building/Equipment Purchases</th>
<th>Crises</th>
<th>Reserve / Endowment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loan/line of credit</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td></td>
</tr>
<tr>
<td>Bequests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Board requests</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Capital campaigns</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate proposals</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td></td>
</tr>
<tr>
<td>Earned income (sale of goods, FFS)</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundation proposal</td>
<td>✅</td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
</tr>
<tr>
<td>Gov’t proposal</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In kind requests</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Special events</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Strategy/Purpose</td>
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</tr>
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</tr>
<tr>
<td>Local business memberships</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major donor requests</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Matching gifts (employee)</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>New members &amp; renewals</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborative income</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special appeals</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Workplace campaigns</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Criteria for Strategy Selection

✓ Mission appropriate

✓ Availability of skills and resources

✓ Cost effectiveness

✓ Build organizational capacity

✓ Timing
Best Practice #5: Balanced Income Sources

Unrestricted (General Operating)  Temp Restricted (Programmatic)
Predictability vs Flexibility

- More Predictability of Funding
- Less Predictability of Funding

- Flexibility of Funding
  - Restricted $ (Govt./Foundation Grants)
  - Corporate Grants
  - Special Events
  - Major Donor Gifts
  - Membership Renewals

- Unrestricted $
Questions About Best Practices 1-5?
Best Practice #6: Identify Roles & Responsibilities
• Bring fundraising expertise

• Provide overall coordination of fundraising program

• Be sensitive to board member’s and volunteer’s needs

• Provide information & support to help board members and volunteers succeed in fundraising
Board Roles & Responsibilities

- Make a “proud and personal” annual gift
- Establish policies and engage in the development & implementation of your fundraising plan
- Help identify, cultivate, and steward donors
- When appropriate, assist with solicitations
- Ensure that the fundraising program has adequate resources and support
Board Expectations & Engagement

Example Board Member Fundraising Expectations

Board members play an important, leading role in an organization's fundraising program. Trusted donors, give of their own time, talent and treasure, make contributions from those in their sphere of influence. It can be very helpful to both a trust and an organization to have expectations. Below are examples of both general expectations and detailed expectations that may be developed in an expectations document with your board.

Example General Expectations of Board Members:
- Know the organization (mission, vision)
- Serve as a bridge to the community (speak up for the organization)
- Assist institutional credibility (balance budget, build endowment)
- Help develop influential friends (introductions to Executive Director)
- Give and help get (funds for the organization)
- Support and help get (attends events)
- Remember the organization in your estate plan (legacy gift)

Example Detailed Expectations of Board Members:
- Support annual giving: XXX organization should be your primary charitable focus
- Your goal is for each trustee to contribute at the Leadership Level ($3,000) or more annually
- Identify a minimum of five individualsyou will cultivate and solicit while on the board
- Secure a minimum of $5,000 in gifts from donors. Work with Development and give fundraising campaigns, thank them for their support, etc.
- Secure a minimum of $5,000 in gifts from donors. Work with Development and give fundraising campaigns, thank them for their support, etc.
- Organize and accompany Executive Director/Development Director on two
- Identify for the organization to be able to cultivate and/or establish
- Look for opportunities to engage the Executive Director with strategic partnerships
- Make a gift over and above your Annual Fund gift to support the Strategic Plan
- Host an event at your home for the Executive Director/Development Director
- Join the Planned Giving Society. Participate in the process of identifying donors.
- (Legacy) Planned prospective donors.
- Serve as ambassador of the organization (introduce yourself at events)
- Serve as ambassador of the organization (introduce yourself at events)
- Wear the Executive Director's name tag
- Wear the Executive Director's name tag
- Express Executive Director to make presentations to community groups, etc.
- Commit to recruiting new members (place marketing materials
- Commit to recruiting new members (place marketing materials
- Participate in making calls or writing; thank you notes to volunteers
- Invite and host people with whom you are acquainted to functions

Example Board Fundraising Commitment Form

My personal gift will be $ ____________________________ to raise $ ____________________________

I would prefer to make (check one):
- One yearly payment
- Semi-annual payments of $ ___________
- Quarterly payments of $ ___________
- Monthly payments of $ ___________
- Weekly payments of $ ___________

I will also do the following fundraising tasks:

1. ____________________________

2. ____________________________

3. ____________________________

I am particularly interested in ____________________________ of the fundraising plan.

Strategy

Call on me for other fundraising tasks:

Name ____________________________

Phone ____________________________

Email ____________________________
Dev. Committee Roles & Responsibilities

- Help develop the annual fundraising plan
- Develop an annual work plan, goals and budget for the Committee
- Attend committee meetings and complete assigned fundraising actions/tasks
- Identify prospective donors
- Participate in cultivation activities and events
- Recognize and/or create opportunities to promote the work of the organization
# Leading & Supporting Roles

<table>
<thead>
<tr>
<th>Fundraising Task</th>
<th>Lead(s)</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop annual budget and fundraising plan</td>
<td>Staff</td>
<td>Board</td>
</tr>
<tr>
<td>Approve annual budget and fundraising plan</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td>Identify potential funders</td>
<td>Staff/Board</td>
<td>Volunteers</td>
</tr>
<tr>
<td>Research potential funders</td>
<td>Staff</td>
<td>Volunteers</td>
</tr>
<tr>
<td>Make an annual contribution</td>
<td>Staff/Board</td>
<td></td>
</tr>
<tr>
<td>Prepare solicitation letters, proposals, reports and other fundraising materials</td>
<td>Staff</td>
<td></td>
</tr>
<tr>
<td>Sign solicitation letters and make visits</td>
<td>Staff/Board</td>
<td></td>
</tr>
<tr>
<td>Do follow-up to solicitation visits</td>
<td>Staff</td>
<td></td>
</tr>
<tr>
<td>Thank donors and funders (written and verbal)</td>
<td>Staff</td>
<td>Board/Volunteers</td>
</tr>
<tr>
<td>Maintain organizational database</td>
<td>Staff</td>
<td>Volunteers</td>
</tr>
<tr>
<td>Organize special events</td>
<td>Staff</td>
<td>Board/Volunteers</td>
</tr>
</tbody>
</table>
Best Practice #7: Use a Database

Average rating by organizations out of 5:
- Bloomerang (3.5)
- DonorPerfect (4)
- E-Tapestry (3.5)
- Gift Works (3)
- Little Green Light (4.5)
- NEON (3.5)
- Network for Good (4)
- Salesforce (3.5)
- Salsa (2.5)

Source: Third Space Studio
## Best Practice #8: Evaluate Your Program

<table>
<thead>
<tr>
<th>DONOR TYPE</th>
<th># 2016</th>
<th># 2017</th>
<th># 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major ($10k+)</td>
<td>1</td>
<td>2</td>
<td>Goal: 3 Actual: 3</td>
</tr>
<tr>
<td>Middle (over $1k-$10k)</td>
<td>10</td>
<td>15</td>
<td>Goal: 20 Actual: 19</td>
</tr>
<tr>
<td>Minor ($250 - $1k)</td>
<td>30</td>
<td>40</td>
<td>Goal: 45 Actual: 50</td>
</tr>
<tr>
<td>Budgeted Actual</td>
<td>$65K</td>
<td>$75K</td>
<td>$80K</td>
</tr>
<tr>
<td></td>
<td>$66K</td>
<td>$78K</td>
<td>$85K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEMBERSHIP</th>
<th>2017 Actual</th>
<th>2018 Goal</th>
<th>2018 Q2 cum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Members</td>
<td>30</td>
<td>40</td>
<td>19</td>
</tr>
<tr>
<td>Upgraded Donors</td>
<td>40</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>First Time Donor - Renewed</td>
<td>25</td>
<td>30</td>
<td>10</td>
</tr>
</tbody>
</table>
### Key Performance Indicators

<table>
<thead>
<tr>
<th>Fundraising Metrics</th>
<th>Donor Retention Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts Secured</td>
<td>Donor Retention Rate</td>
</tr>
<tr>
<td>Donation Growth</td>
<td>Donor Growth Y-O-Y</td>
</tr>
<tr>
<td>Average Gift Size Growth</td>
<td>Recurring Gift Percentage</td>
</tr>
<tr>
<td>Pledge Fulfillment Percentage</td>
<td>Giving Capacity</td>
</tr>
<tr>
<td>Fundraising ROI</td>
<td>Conversion Rate</td>
</tr>
<tr>
<td>Online Gift Percentage</td>
<td>Outreach Rate</td>
</tr>
</tbody>
</table>
Best Practice #9: Policies & Procedures

- Board Development Expectations
- Development Committee Role and Responsibilities
- Gift Acceptance Policy
- Gift Processing Procedures
- Gift Acknowledgement Procedures
Best Practice #10: Thank Donors

• Thank donors in a timely fashion
• Thank donors regardless of size of gift
• Tell donors about the impact their gift has made
• Do “thank-a-thons”
• Recognize donors publically

Gratitude
(n). the quality of being thankful; readiness to show appreciation for and to return kindness.
Questions About Best Practices 6-10?
Bonus Content: EOY Fundraising

- 50% of nonprofits receive the majority of their annual giving dollars Oct – Dec
- 12% of giving comes in the last 3 days of the year
- The biggest giving day of the year is December 31st
- 2/3 of people who donate do no research before giving
- Volunteers are twice as likely to donate as non-volunteers
- Direct mail is the most popular medium for EOY asks, followed by email and in-person

Sources: Bloomerang, Neon, Network for Good, Winspire
EOY Tips

• Be realistic about what you can and can’t do
• Focus on a few simple strategies
  o LYBUNTs, Major Donors, Volunteers
• Thank donors & funders
• Share your successes or send an inspirational holiday greeting
• Change out your website - set your donation page as the main landing page for the site or have a pop-up that directs you to give
• Make sure you have staff coverage (phone, website, office) during holidays
• Send an email on New Year’s Eve!
Before You Go…

• Mark your calendars for our next Effective Organizations webinar on January 10: *We Want You! Volunteer Recruitment, Management & Retention*

• Thanks in advance for completing our evaluation survey!

JUNE 21–24, 2019

*Cleveland, Ohio*
Final Questions - Reflections - Thanks

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