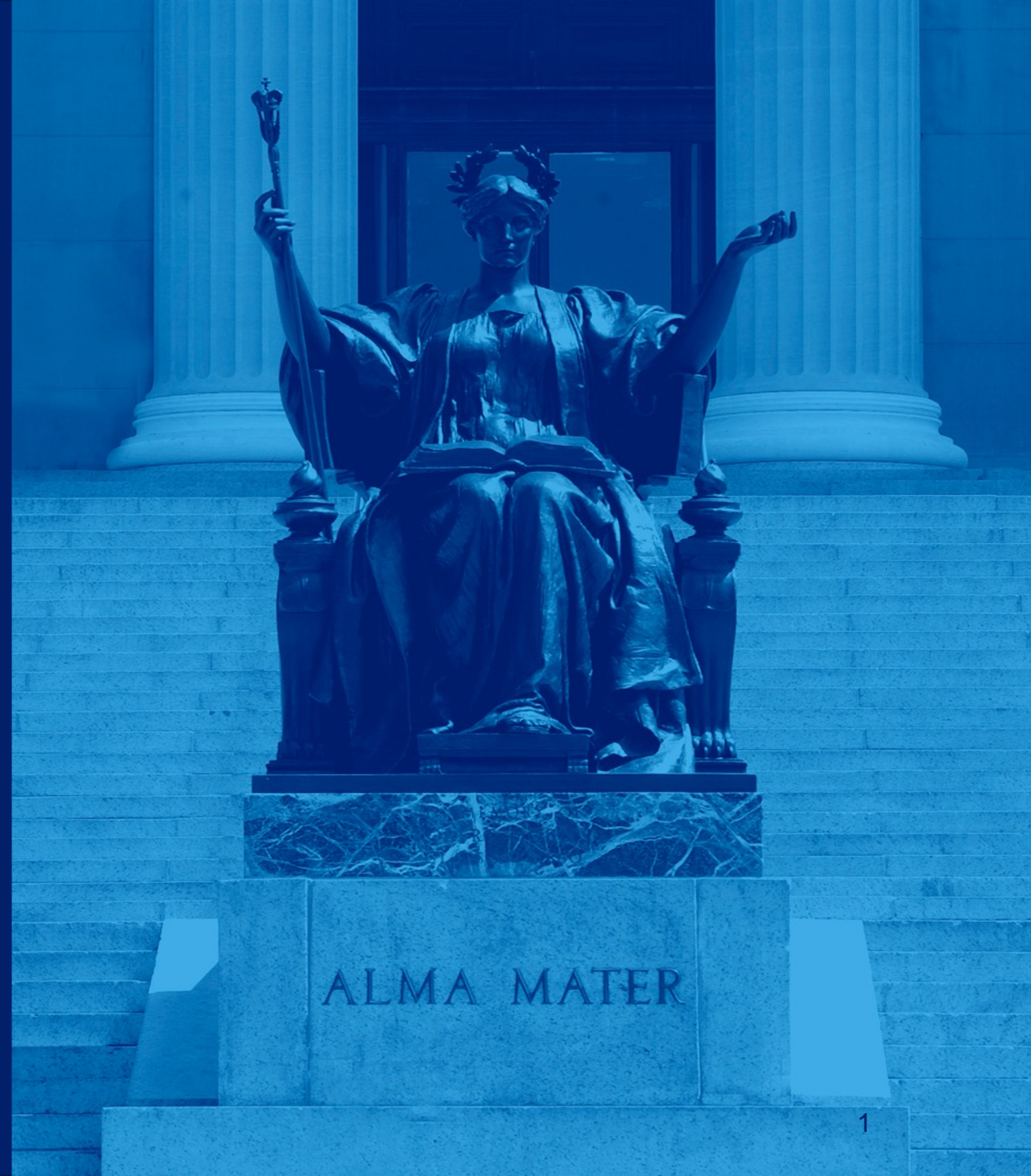


*Starting a Nonprofit:
The Four Fundamental Steps*

*Session2
Effective Fundraising for a New NP
Featured Speaker
John Hicks*

December 5, 2020
10 AM - 12 Noon ET

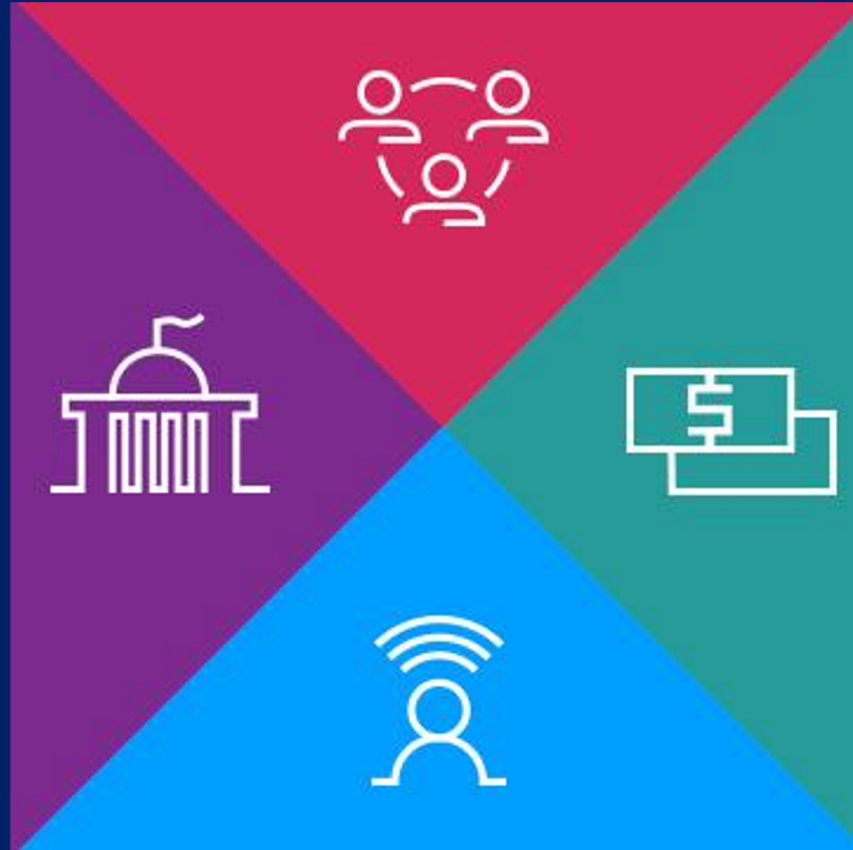




Starting a Nonprofit:

The Four Fundamental Steps

M.S. in Nonprofit Management



Effective Fundraising for a New Nonprofit

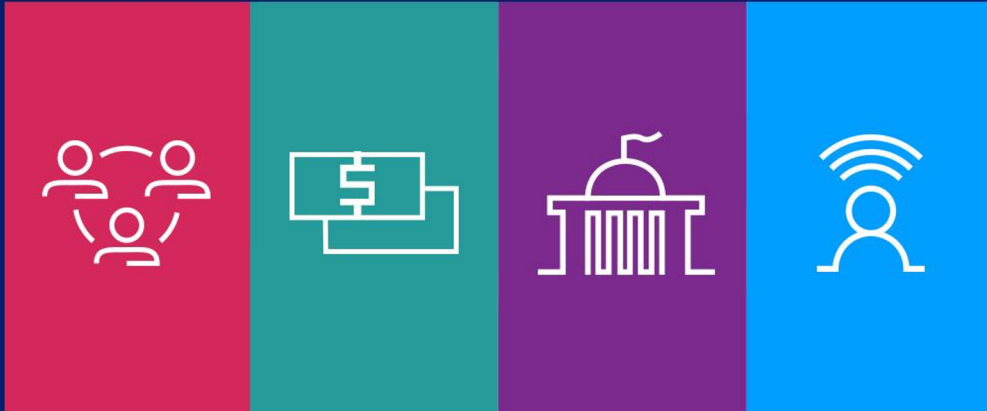
Resources:
<https://bit.ly/startingnp2>



Starting a Nonprofit:

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M.S. in Nonprofit Management



RSVP @

<http://bit.ly/startinganp>

Saturday, 1.30.21 | 10 AM - 12 Noon

Governance

with Vernetta Walker, Esq., Part-time Lecturer;
President & CEO, Walker & Associates
Consulting;
Senior Advisor DEI & Senior Governance
Consultant, BoardSource

Saturday, 3.13.21 | 10 AM - 12 Noon

Communication, Marketing, Impact

with Tom Watson, Part-time Lecturer;
President, Cause Wired

What is Effective Fundraising?

- Fund raising that gets the best results making the best use of connections, time, energy and resources
- Fund raising that builds lasting relationships between your charity and your donors
- Fund raising that leads to making a real difference for those whom you serve

The Giving Landscape



Private Support

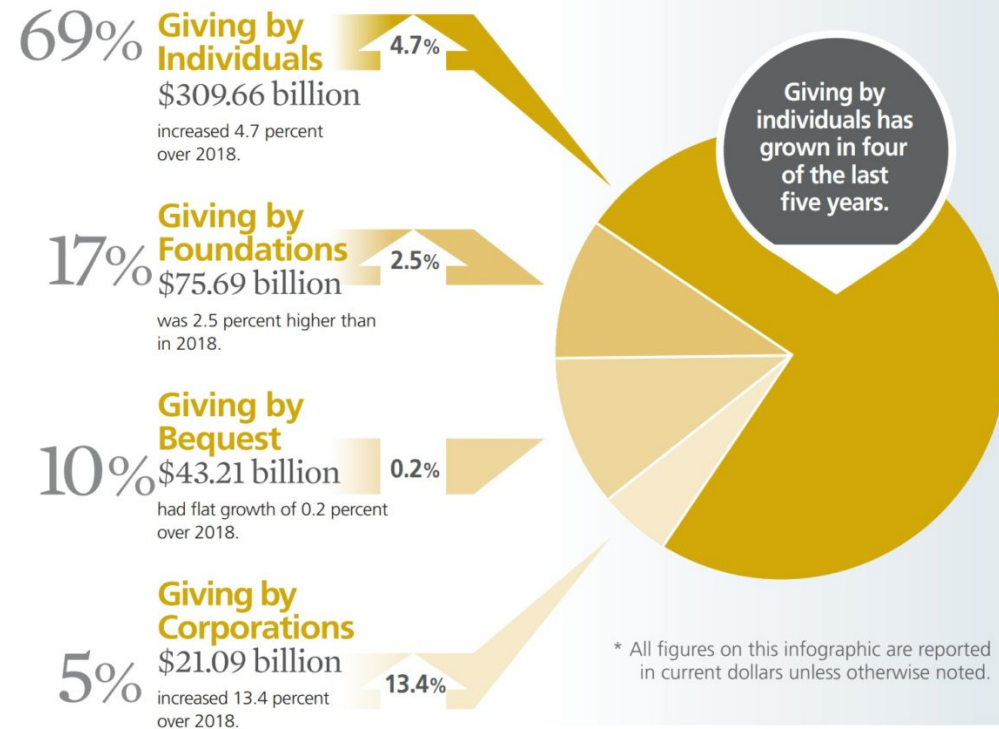
Donations from individuals

Grants from foundations

Grants/sponsorship from
corporations

Where did the generosity come from?*

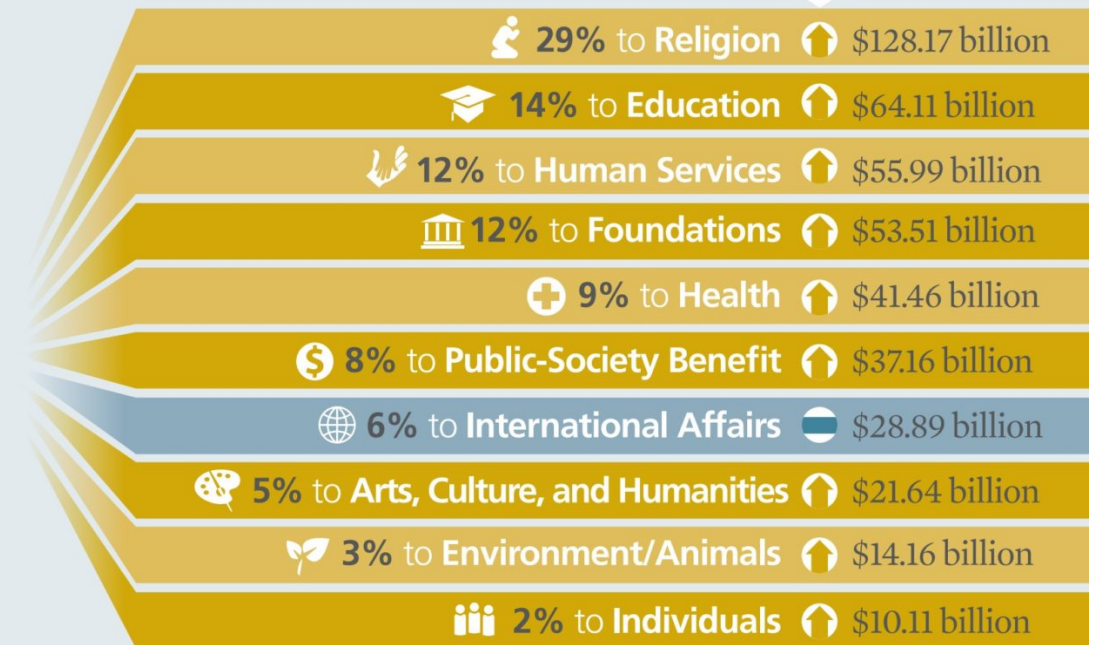
Contributions by source (by percentage of the total)



Where did the charitable dollars go?

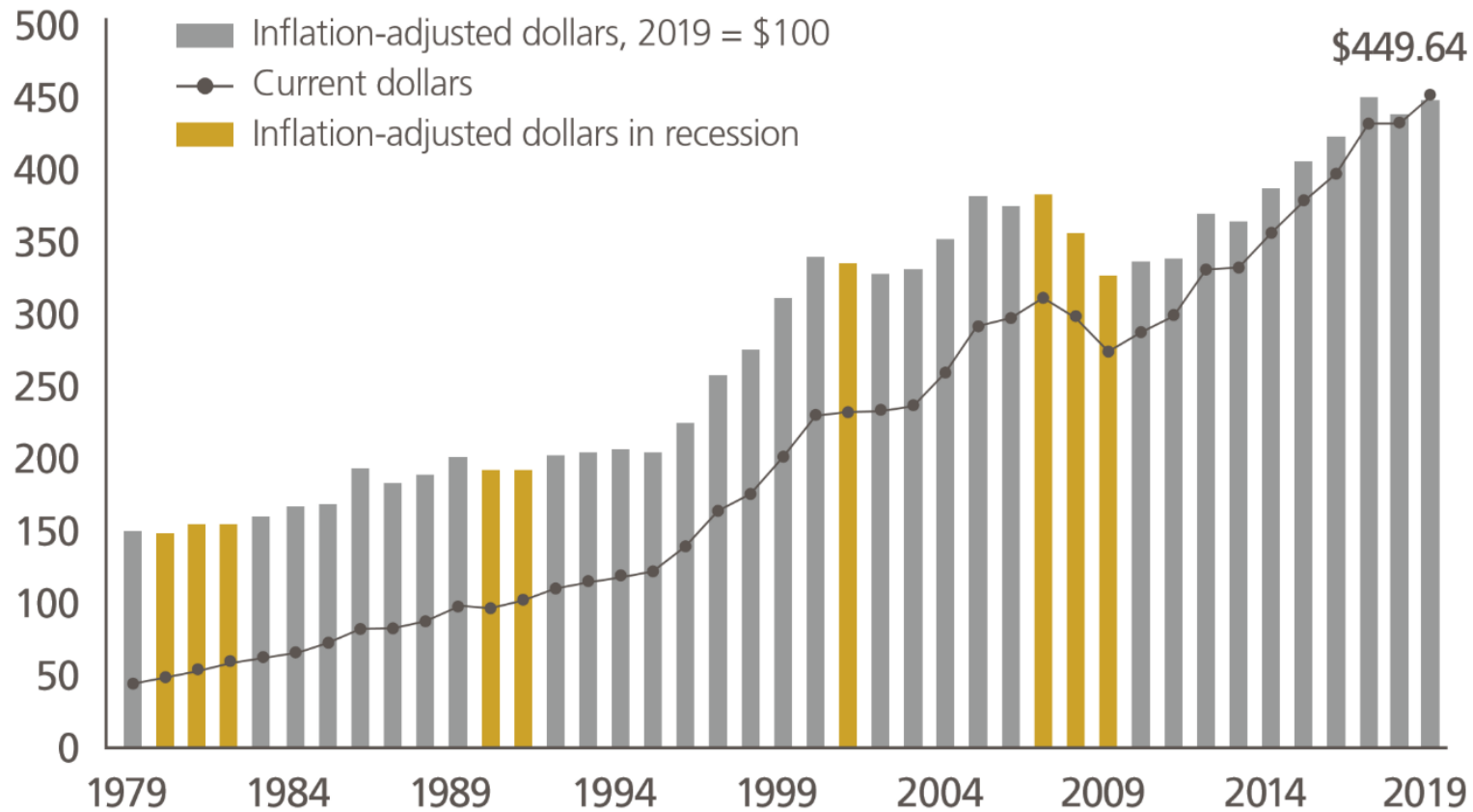
Contributions by destination (by percentage of the total)

Change in comparison to 2018 dollars



Source: Giving USA Report 2020

Total giving, 1979-2019 (in billions of dollars)



Source: Giving USA Report 2020



Government Funding

Federal Support (2019)

- Total distributed in Federal grants and contracts: \$1.8 billion
- Includes \$531 billion from Department of Health & Human Services alone

Federal Support

Currently 26 major departmental funding entities at the federal level. E.g.

- US Department of Agriculture
- US Department of Health and Human Services
- National Endowment for the Art
- National Institutes of Health
- USAID

Beyond this, there are a whole host of smaller grants programs. E.g.

- Appalachian Regional Commission
- Gulf Coast Ecosystem Restoration Council (GCERC) Grants
- Inter-American Foundation (IAF) Grants

State and Local Support

- Varies widely by state, commonwealth and municipality
- Most grants made at a department/office level, e.g. City Department of Education, State Department of Mental Health
- Other funding may be identified at the legislative level

The background of the slide features a close-up, high-contrast photograph of several hands in the process of assembling large, dark-colored puzzle pieces. The hands are positioned around the edges of the puzzle, with fingers visible as they fit the pieces together. The lighting is dramatic, highlighting the textures of the skin and the interlocking shapes of the puzzle pieces against a bright, slightly blurred background.

The Essential Elements of Effective Fundraising

1. Case for support
2. Logical funding partners
3. Fundraising Goals
4. The right campaign activities
5. Team support
6. An action plan

1. Define your case for support

A case statement will tell a donor

- Why your organization both needs and merits philanthropic support
- What money will be used to accomplish
 - Needs and challenges to be addressed
 - Programs and activities to be pursued
 - Results to be achieved

A competitive case statement interprets this message in the context of the current market



Elements of the Case Statement

Your vision

The problem

Your plan

The cost

Why now?

Call to action

Source: Andrea Kihlstedt

Making a Case for a New Charity

Is the problem you are trying to solve unique?

How big is the program?

Are you the right size to offer the solution?

What are your short-term goals?

Where do you see yourself 12/24/36 months from now?

What resources do you bring to the table?

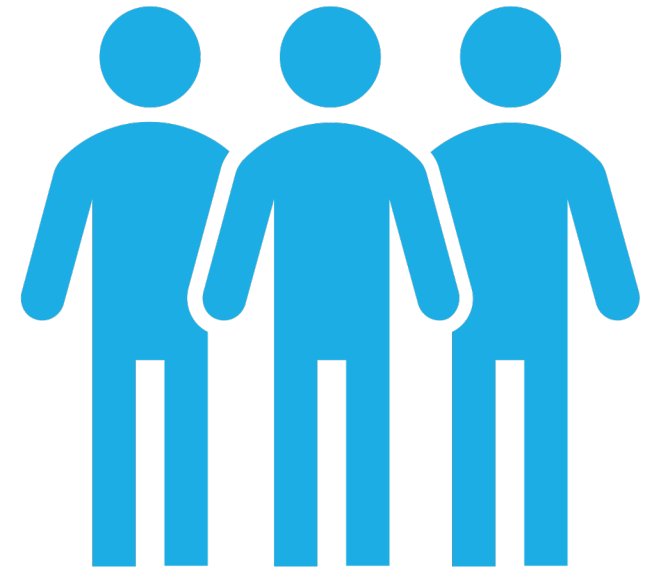
How will you put your donors' money to effective use?

2. Identify Funding Partners

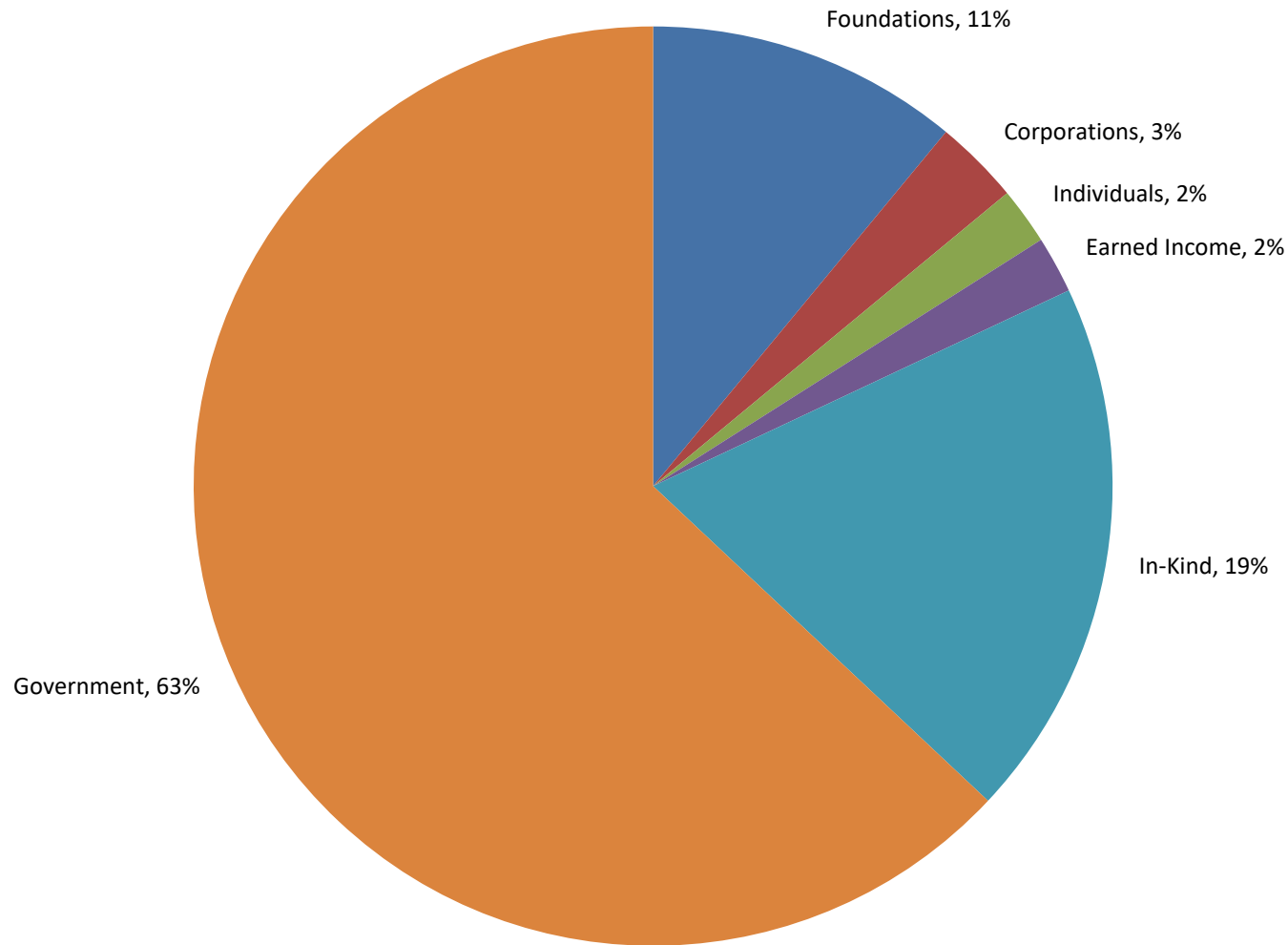
Goal: To determine where to make the best possible use of your time, energy and financial resources to get the best possible return

Two parts to the exercise

- Easy: Where do I have the most reach now?
- Hard: What donor “markets” make the most sense for us?



The Mix is Different for Each Organization



What Donor Markets Make the Most Sense for Us?

01

Where do we have most access?

02

Who will be most receptive to our case?

03

Where do we have connections via

- Board
- Staff
- Funders
- Friends

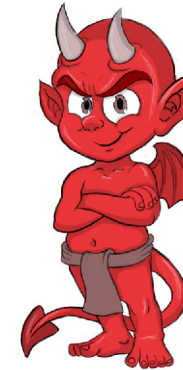
04

Where can we put time and resources for the most “bang for the buck?”

Government Grants



- Generally, the largest awards
- Can help you build your reputation
- Can be highly competitive
- Can be lengthy and complicated



- Require a level of detail that often exceeds that required by private grant makers
- Require financial reporting, sometime over a course of years
- Some grant require matching funds
- Some are based on reimbursements; you make the outlay, we pay you back



Individuals

Largest constituency

Can give at any and all levels

Most loyal – they tend to stay with an organization over time

Decisions are mostly “emotional”

Money tends to come without strings attached



Foundations

Second largest constituency

Giving is their business

Many are accessible through an application process

Getting their attention and money takes time and patience

Payoff can be big

Money is often restricted to a program or purpose



Corporations

Smallest donor constituency

Giving is NOT their business – but many give

Giving is motivated by profit, visibility and relationships

Can be a source of in-kind support

You need to be able to reciprocate

- Visibility
- Volunteer opportunities



Identifying Resources

Foundation/Corporate Funding

- Foundation Center – www.foundationcenter.org
- Lexis/Nexis

Individual Funding

- Lists from similar charities
- Media
- Board/volunteer connections
- Events

Candid.

Candid.

Nation's largest resource on grants

www.candid.org

Training programs, many of them free

Funding Information Network

Foundation Directory Online

www.grants.gov

Common website for federal funding opportunities

Combines searchable database and pre-application portal

More than 1,000 different grant programs across federal grant-making agencies awarding more than \$500 billion annually.

Standardized grant information, application packages and processes for finding and applying for federal grants.

Grant applicants can be validated online



Source: www.grants.gov

Earned Revenue

Earned revenue has to fit your business model

Always easiest to start with your current activities and then add

You need to have the capability and willingness to charge, bill and collect

You should get a quick legal review on your plans



3. Setting Fundraising Goals

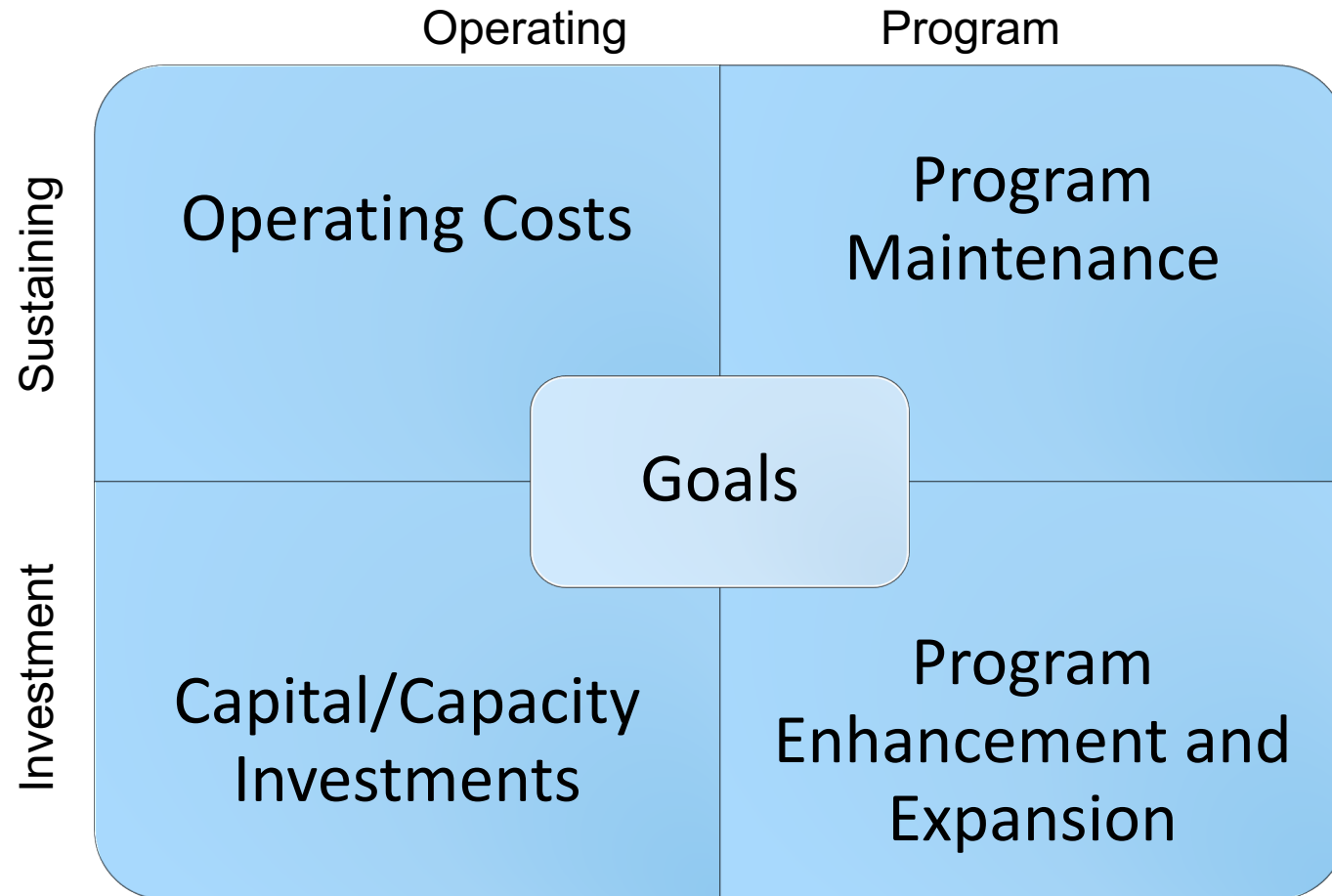
Focus where you think you can get the best results

Plan for growth

Remember: fundraising goals should be slightly aggressive and fundraising projections should be conservative



Setting Fund Raising Goals





4. Choose Campaign Activities

Need to assess

- Most to least effective
- Least to most time consuming
- Least to most expensive

Activities need to speak to the constituencies where you have most reach

The final decision will likely be a mix

Choices

Mail Appeals

Online Appeals

Individual Asks

Events

Grants



Most large-scale fundraising still happens by mail



Mail can be effective

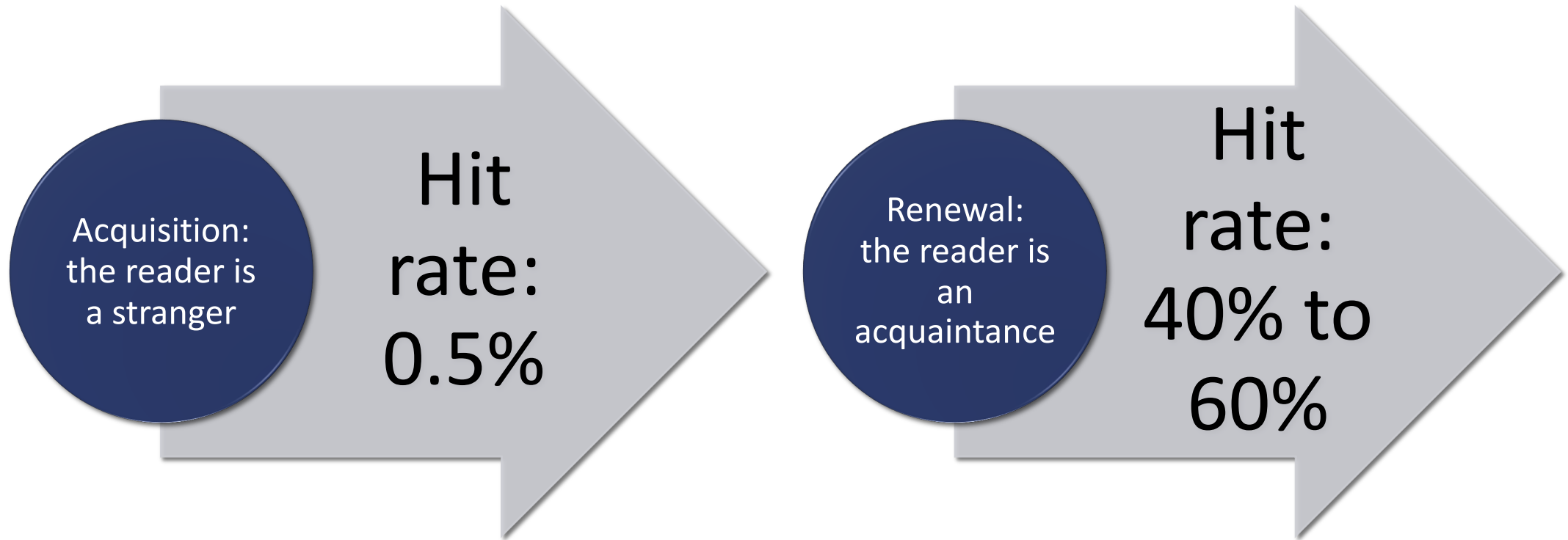
Tangible
Tactile
Personal



Mail can be expensive

Direct Mail

Direct Mail



Source: Tom Ahern



The Direct Mail Letter

Length can vary – test for effectiveness

The most important elements

- The salutation
- The opening paragraph
- The message
- The close
- Personalization

Tips and Tactics

- The word “you”
- Tell a story
- Call the reader to action



Online Fundraising

Real time, real data, real easy

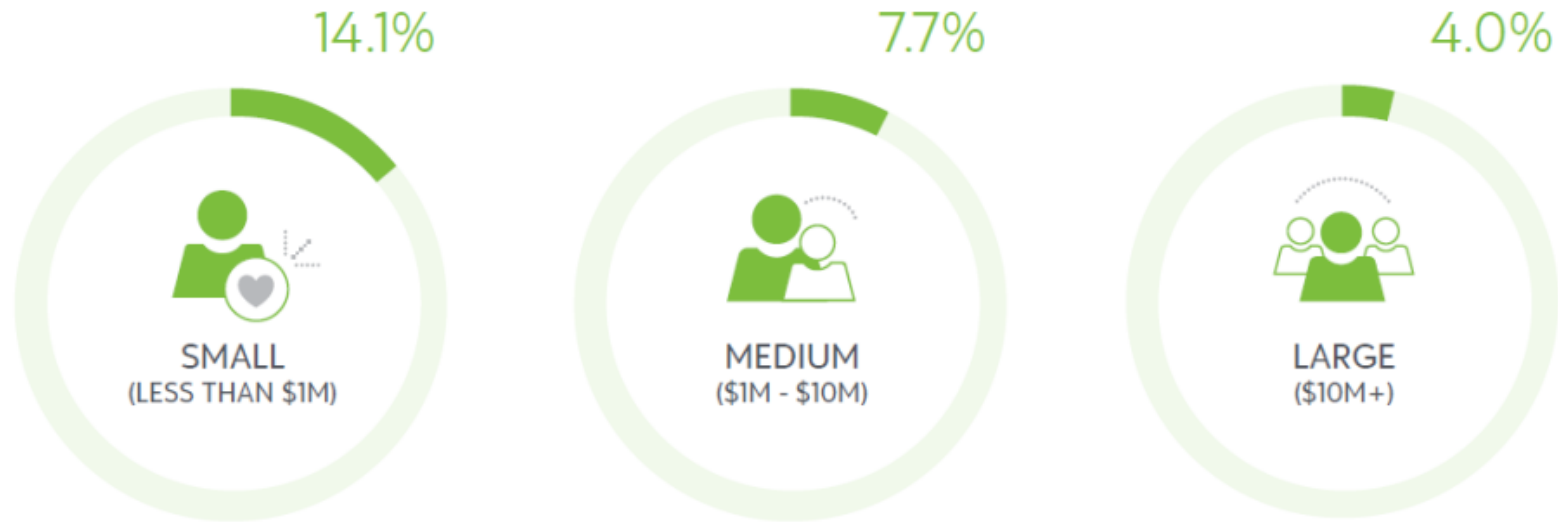
Think education, experience, expression

Most important thing: the big “donate” button

. . . on every page of your website

Make it mobile friendly!

PERCENTAGE OF TOTAL FUNDRAISING FROM ONLINE GIVING BY SIZE



Blackbaud Charitable Giving Report 2020



Crowdfunding: What to Look For

Look and Feel

Ease of Use

Payment Processing

Fees

Marketing and Social Networking
Capabilities

Traction

Crowdfunding: Making it Work

You need a list
to “prime the
pump”

You need a
network

Your goal has
to be
achievable

You need to
deliver on
your promises

You need time
to report and
communicate

Crowdfunding Sites



	Right Way	Wrong Way
Right Thing	X	
Wrong Thing		

Plan “The Macintosh Way”

Source: *The Macintosh Way* by Guy Kawasaki

Events

Can range from a living room to a ball room

Or online (during the pandemic)

Think EXPERIENCE

- Make an impression on attendees
- Connect attendees to the cause

Investments

- Venue
- Food
- Entertainment
- Time



Individual Asks

One-on-one conversations

Usually involves a larger gift

Think of these donors as “investors”

They will want to know

- What their gift will make possible
- How much is needed
- What you would like them to give
- Sometimes, how they will be recognized

Grant Writing

Can bring large sums of money

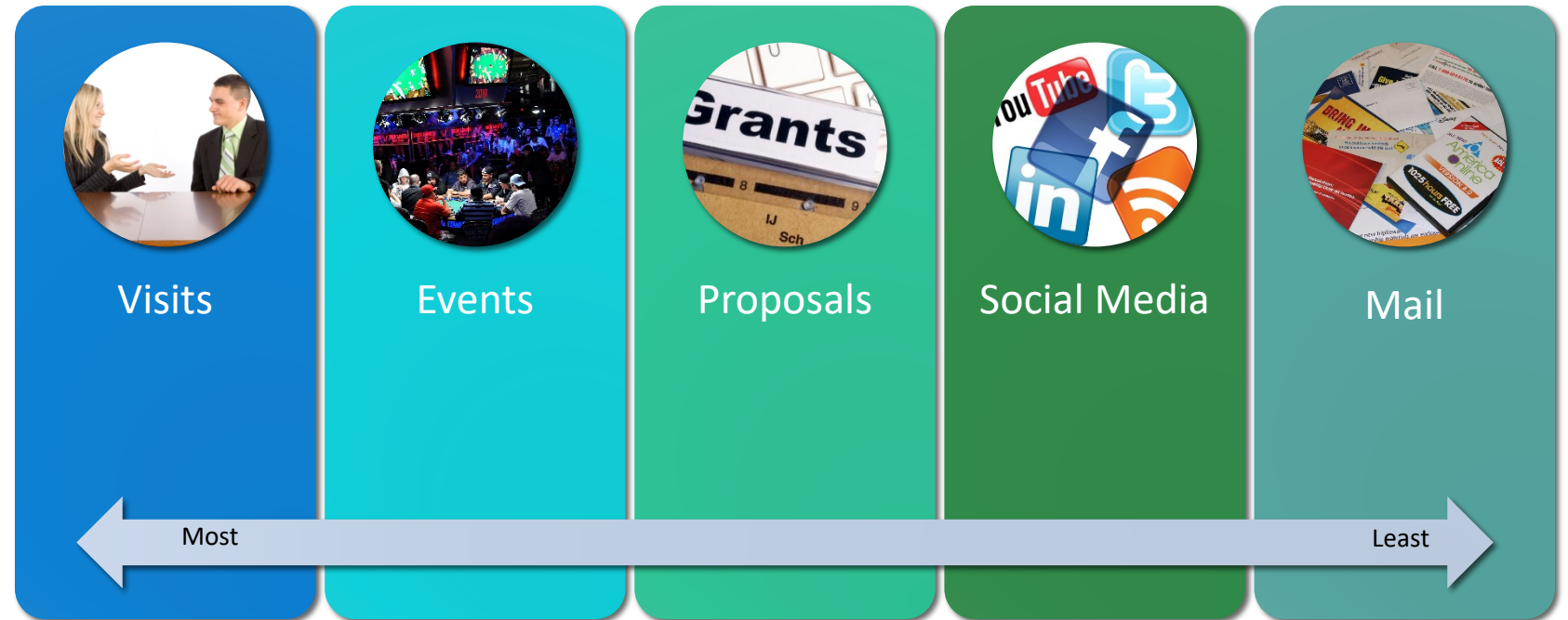
Can be difficult to obtain for start-up/early-stage nonprofits

Most funding is restricted to a program, project or service

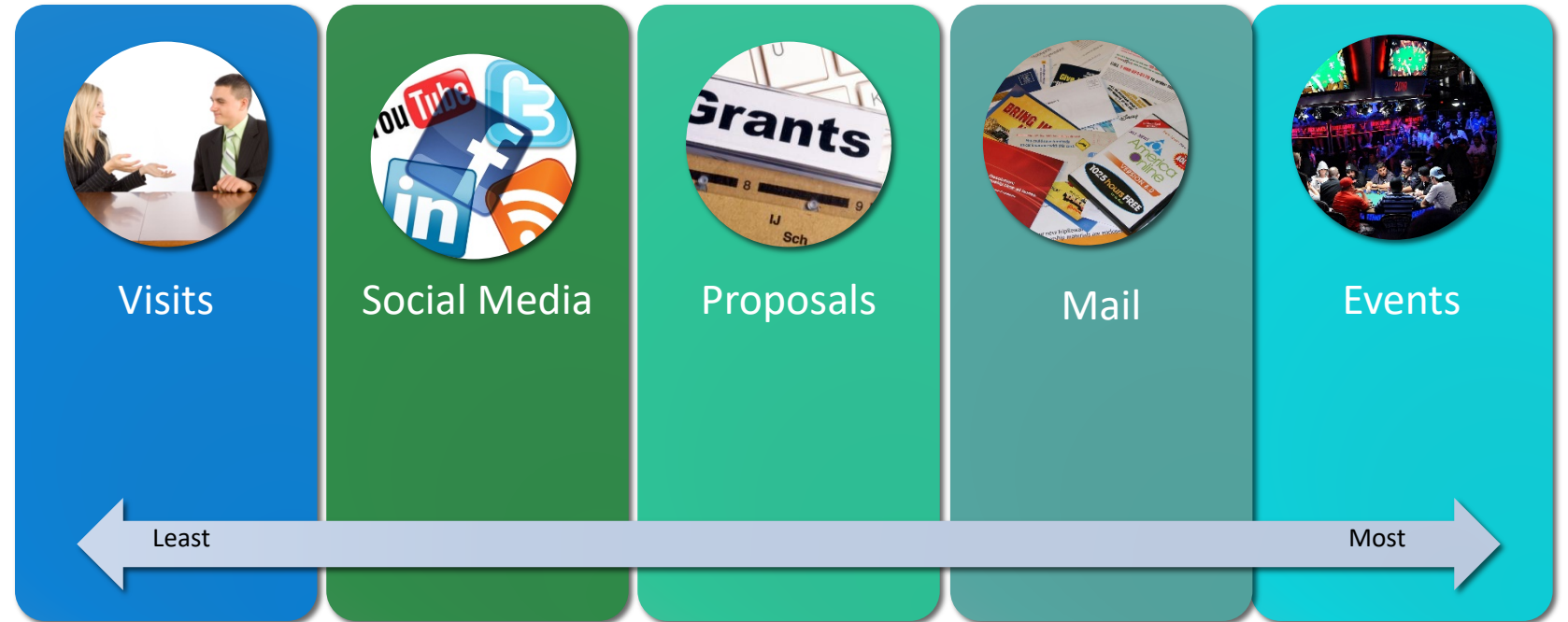
Will need to have in place

- Clearly defined problem to be solved
- Identified goals, objectives and outcomes
- An action plan
- Ability to gather resources
- A plan to sustain the funded project longer term
- Documentation (e.g. financial statements, budgets)

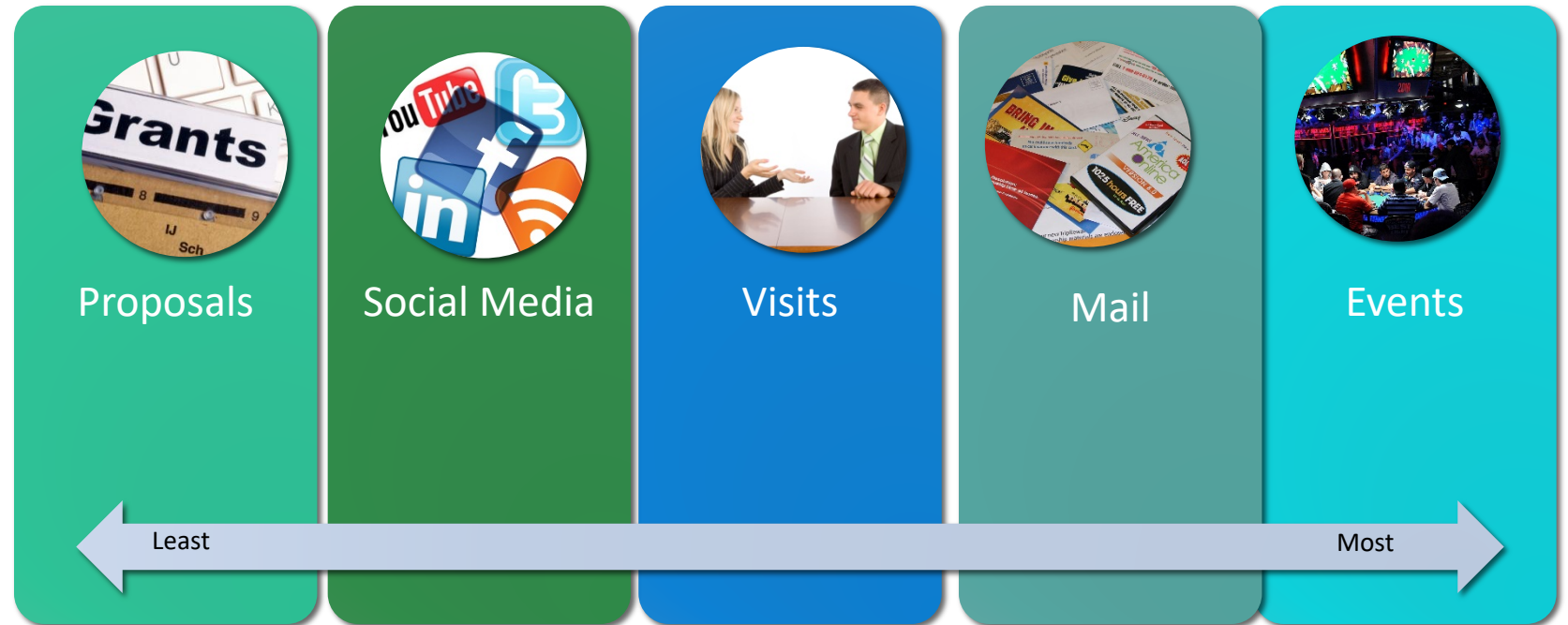
Considerations: Touch



Considerations: Time



Considerations: Cost



5. Team Support

These include

- Leadership
- Paid Staff
- Consultants
- Volunteers

These will vary based on the charity, its reach and its budget



Right Sizing Your Resources

Start with the resources you have

- Assess your talent
- Educate and train
- Focus and streamline

Only add resources if you gain

- Experience
- Expertise
- Efficiency

Maximizing Staff Resources

Focus	Investments	Efficiencies	Options
Focus activities on ones likely to get positive results	Invest in education and skills development	Find the efficiencies <ul style="list-style-type: none">• Data management/sharing• Streamline time spent on fundraising activities	Consider outsourcing/insourcing to help bridge gaps

Board

Vision

Passion

Connections

Stewardship



How to Partner with the Board

Full Board

- It all starts with recruiting
- Set goals and help the Board understand them
- Inspire a culture of giving

Individual members

- Define his/her role
- Help each member find his/her unique asking style

6. Create An Action Plan

Lay out the fundraising work to be done on a twelve-month “grid”

Don't try to initiate everything at once – leave time for planning at first

Note recurring and periodic activity

Use the calendar to set priorities and assess progress



Sample Action Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Ongoing and Recurring</u>												
Revise fundraising case statement												
Revise funding proposals for key programs												
Foundation and corporate grant submissions												
Board annual appeal/visits												
Annual Appeal												
<u>Events</u>												
Wine Tasting												
Celebration of Reading (non-fundraiser)												
Art Auction												



However beautiful
the strategy, you
should
occasionally look
at the results.

SIR WINSTON CHURCHILL



Set and Monitor Metrics

Goals by category

Benchmarks: how much raised, by when

Donors (Acquired/Renewed/Upgraded)

Visits/Calls completed

The Intangibles



Commitment to action



Building the right board/staff team



Choosing the right activities



Making adjustments when and where necessary



Willingness to make changes when things don't work



*The most
dangerous phrase
in the language is,
'We've always
done it this way.'*

REAR ADMIRAL GRACE HOPPER

Q & A

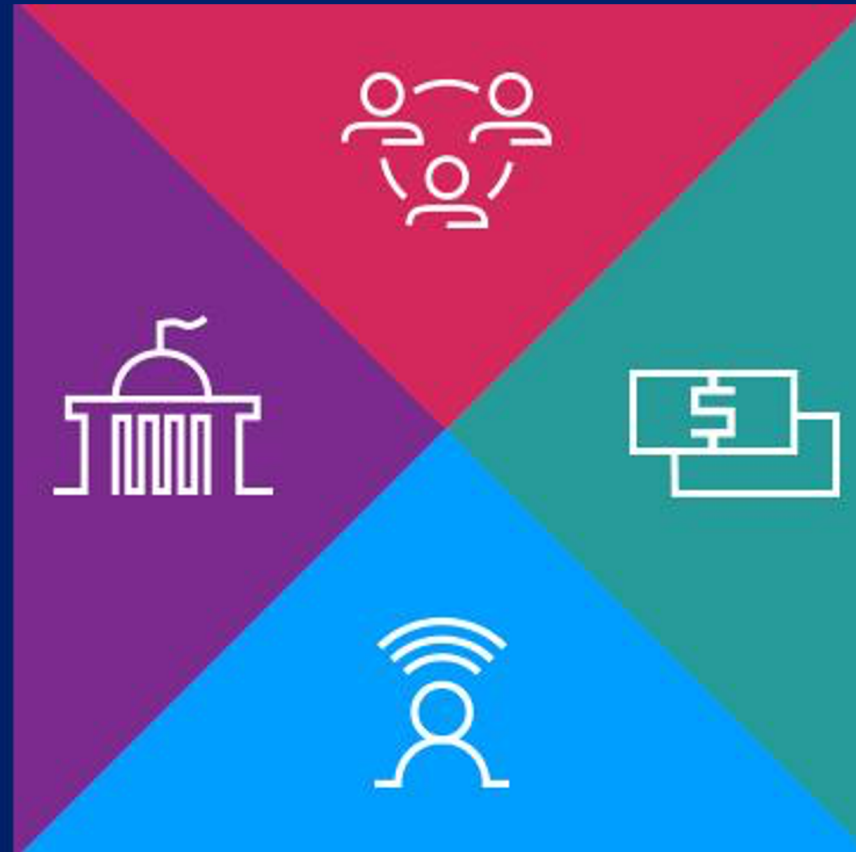




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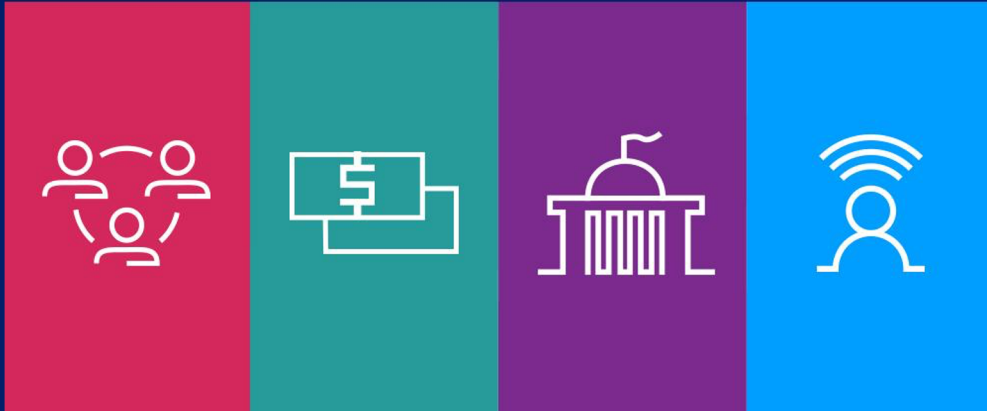
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