

Introduction to Nonprofit Fundraising

Community Action Agencies



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Introductions

- Name
- Job Title
- Program Name & Location
- Fundraising Experience
- One thing you hope to get from today's workshop



What Is a Community Action Agency and What Makes It Unique?

- Designation as a “Community Action Agency”
- “Eligible entity for CSBG, other funding
- Focus on poverty, not just single purpose
- Comprehensive mix of programs/services
- Catalyst for action, not just service delivery
- Tripartite board of directors (mandated)
- Diverse programs require diverse technical knowledge (steep learning curve)
- Heavy reliance on public, grant funding; little unrestricted funds



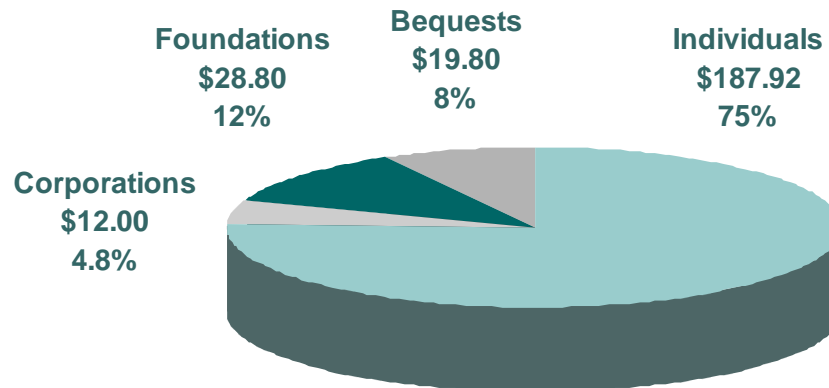
Boards and Fundraising

- Boards should be expected to:
 - Give a meaningful gift
 - Attend all fundraising events
 - Cultivate prospective donors
 - Speak to the community about the organization
 - Ask for money
 - Thank donors

Fundraising Basics

- Where do donations come from?

2004 Contributions by Source

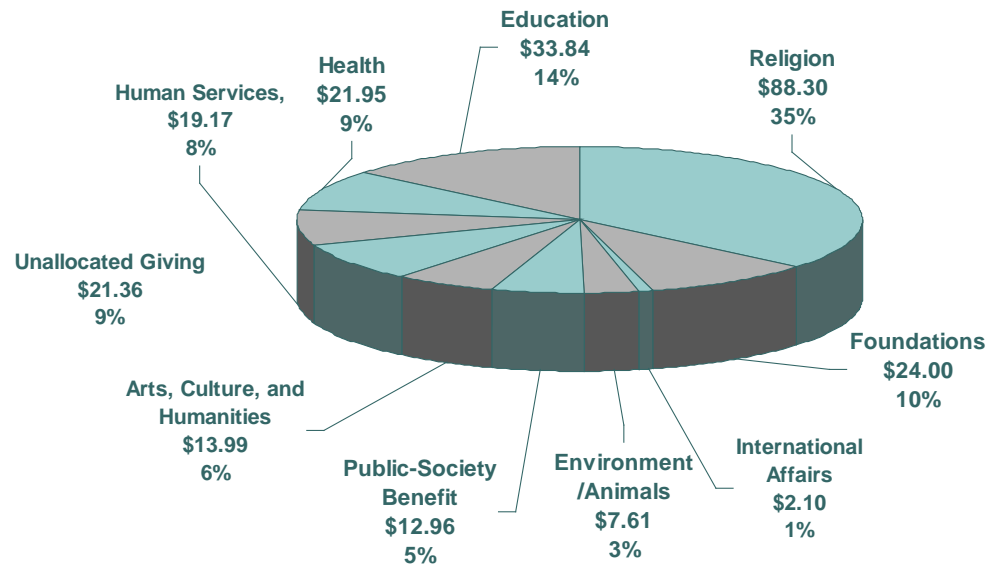


Source: Giving USA Foundation – AAFRC Trust for Philanthropy/Giving USA 2005

Fundraising Basics

Where do donations go?

2004 Contributions by Recipient



Source: Giving USA Foundation – AAFRC Trust for Philanthropy/Giving USA 2005



Donor Pyramid



**Planned
Gifts**

Capital Donors

Major Gift Donors

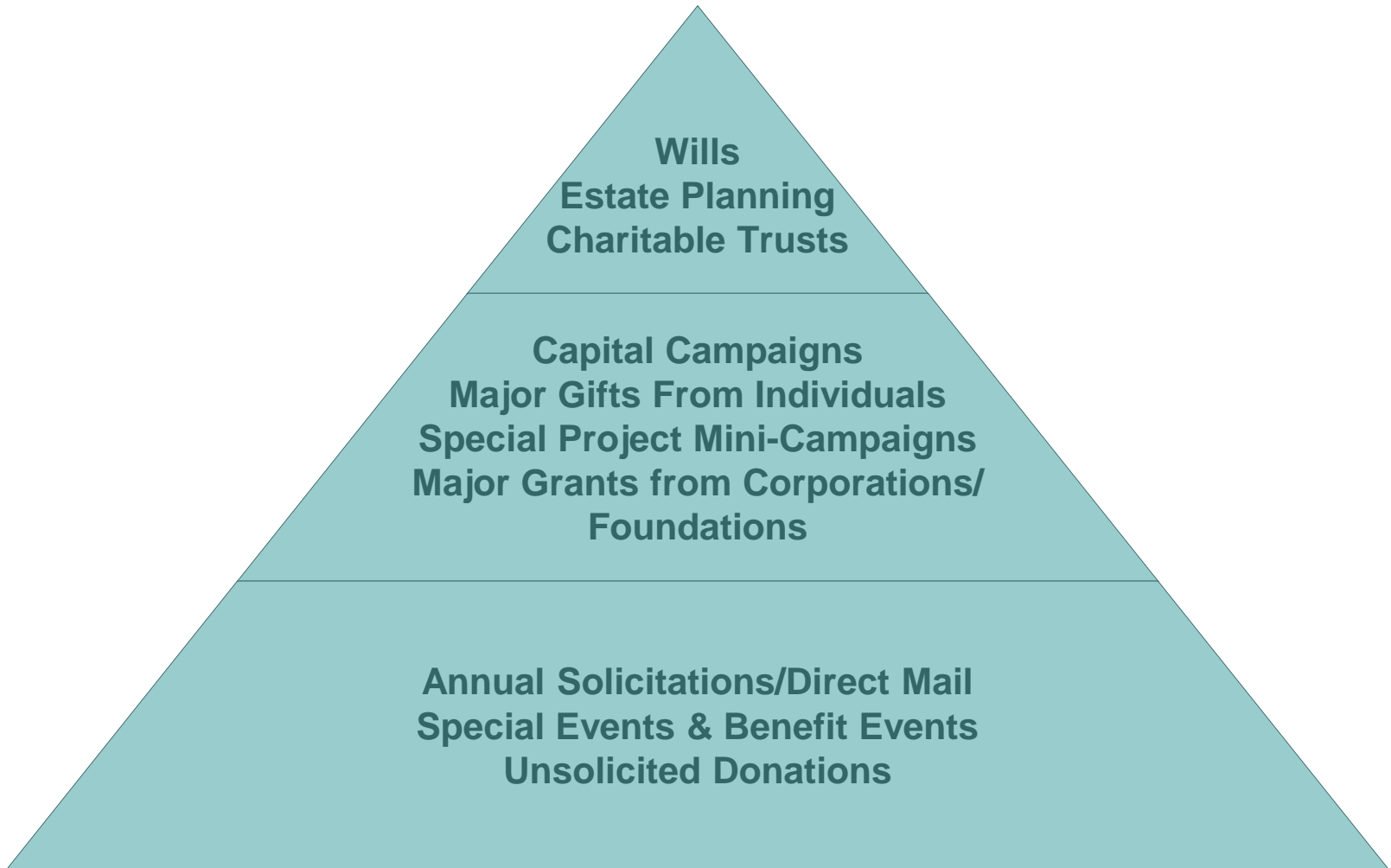
Renewed Donors

Newly Acquired Donors

The Universe - Prospects



Pyramid of Giving





Annual Solicitations

- Letters sent once a year for donations, membership, or pledge
- Sent to individuals with a history of donating to your organization
- Do not ask these individuals for donations more than once a year
- They expect a letter from you at a certain point in the year



Direct Mail

- Large database of contacts with a mixture of prospective donors and previous donors
- Goes out to everyone
- 3 seconds to make your point
- Give them choices
- Can be a letter or newsletter
- Nonprofit postage rates
- Bulk mail discounts
- Low rate of return (generally around 20%)
- More effective in towns of 50,000 residents or less



Special Events - Essentials

- Committee that includes hard workers and influential community members
- Job Descriptions
- Budgets
- Timelines
- Make your event mission based!



Special Events - Sponsors

- You are not the first to ask for \$\$\$
- Try to meet with the donor in person
- Annual Budgets (it's all about timing)
- Do your research beforehand
 - Find out who the contact person is for charitable giving, etc.
 - Know who the company has donated to before
 - Figure out what events the CEO and staff attend regularly



Special Events - Sponsors

- Make sponsorship worthwhile
- Make sure your levels of sponsorship are clear
- Follow through on the benefits of sponsorship
- Always say “Thank You” and recognize your sponsors



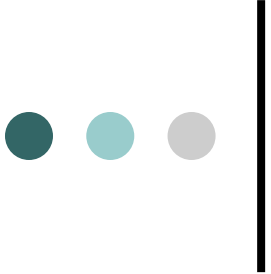
Special Events - In-Kind Sponsors

- It is possible to get a number of things donated for your special event, including:
 - Location
 - Food
 - Liquor
 - Auction items
 - Entertainment
 - Decorations
 - Advertising
 - Printing



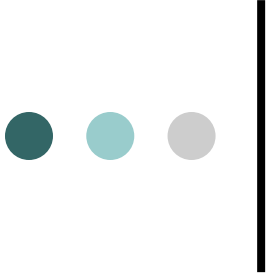
Special Events - In-Kind Sponsors

- Recognize in-kind sponsors just as you would corporate sponsors
- In-kind donations are generally accepted at $\frac{1}{2}$ the dollar value (ex. \$1,000 in food = a \$500 donation)
- Allow as many advertising opportunities as possible for donations (ex. bid sheets, programs, signage, etc.)



Special Events - Silent Auctions

- Generally, 25% to 35% of an event's revenue is generated from a silent auction
- Always list any exclusions and prominently display them
- Put some thought and effort behind the layout of your auction items
- Bid sheets should include a title and brief package description, restrictions, minimum increases, several lines for bidding
- Try to come up with creative, one of a kind packages



Special Events - Live Auctions

- Should begin after the silent auction has closed and dinner is over
- Work best with a professional auctioneer
- Should include 8-11 items
- Packages should be larger and the most valuable of the evening
- The first item should be smaller with universal appeal to get the crowd bidding
- The largest package should be auctioned off in the middle (item #4 or #5)



Major Gifts & Planned Giving

- Donors cultivated through the annual and major gifts programs
- You are bringing annual donors up the pipeline
- Requires building a long-term relationship with a donor
- Provides future funds for the organization
- Encourages donor to think about assets as potential gifts



Types of Planned Giving

- Bequest
- Charitable gift annuity
- Charitable remainder trust
- Life estate contract
- Charitable lead trust
- Life insurance policy
- Pooled income fund
- Revocable trust



Capital Campaigns

- Time-limited effort to raise a significant amount of money for a specific project
- Often intended to raise money to pay off a mortgage, build or purchase a new building or fund a large renovation
- Can span over several years but have a beginning and an end
- Require a significant amount of research and preparation



Internet Fundraising

- Utilizing your website to secure donations
- Use online e-vite companies like www.sendomatic.com
- Online companies like www.firstgiving.com can create web pages for your organization
- Always remember anything that goes on the internet is out there for the world to see



Donor Management - Databases

- Databases are key in donor management
- Allow you to track donor information, gifts, thank you notes sent, etc.
- Find a system that allows you to record every detail of every meeting with a donor



Keeping the Gift

- Prompt, personal gift acknowledgement
- Confirmation that gifts have been set to work as intended
- Measurable results
- Keep them informed of progress that was made possible by their gift
- What happens after they write the check is what determines whether they will give again
- 71% of donors say their first gift is significantly less than the amount they could have given



Volunteers and Fundraising

- Assign realistic goals
- Assign specific responsibilities with lots of detail
- Provide feedback
- Recognize their efforts and accomplishments
- Remind them that they are making a difference
- Include in decision making process
- Support their efforts and ideas



Resources

- www.managementhelp.org
- www.idealists.org
- www.minnesotagiving.org
- www.heiferfoundation.org
- www.ncpg.org
- *Circle of Giving: Donors' Stories of Wisdom* by Janet K. Ginn
- *Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers* by James M. Greenfield