

Fundraising in Nonprofit Organizations

Whether you are fundraising for the construction of a new facility, or renovating or adding on to an existing building structure, this body of work could be one of the most satisfying endeavors an executive may experience because it will provide an opportunity to meet with prospective supporters and current donors and tell them about all the wonderful ways your nonprofit is improving the condition of the community and the lives of the people it serves. Staying close to your members, knowing their needs and interests will yield big rewards for your agency. At the end of the day, what counts most is the skill in being able to develop positive relationships with others while motivating prospects and volunteers. The agency executive will face challenges and roadblocks each and every day. There are no easy victories or solutions, but with a high level of energy and a passion for solving problems, you along with your agency and your campaign will be successful.

Despite the economic challenges that have occurred in recent years, philanthropy in the United States represents hundreds of billions of dollars each year flowing from the private sector to nonprofit organizations. “Americans have contributed more than \$290 billion to charity in 2010”. (Giving USA 2011) There are millions of nonprofits who rely on charitable giving for survival. Today, nonprofit organizations face complex needs while concurrently addressing fundraising, investment management and overall governance issues. Very few undertakings offer as much challenge and satisfaction as a major gifts or capital campaign. Developing and implementing a campaign can be both exhilarating and nail-biting.

Professional & Personal Campaign Skills

The successful fundraiser knows the key to mastering their craft is understanding people, and a key to understanding people is to remember no two are entirely alike. The only reason philanthropy works, in fact, the only reason what we do is ever successful, is because people want to make a difference in the world and they believe they can achieve that through a particular organization. If your agency receives a substantial gift, it will not simply be because of need, and it will certainly not come because it was expected. It will happen because donors decided it was the best place to invest in people and you made it easy for them to see that. Donors want to invest in projects they care about and in organizations which demonstrate what they do matters.

Your goal should be to change people's lives for the better, which is why we must make donors aware of why your agency exists and what it achieves. People will give to change lives for the better. The only reason philanthropy works is because we have a positive impact on changing other people's lives. Begin every fundraising endeavor with a reminder: This is our mission, this is what we do and this is how we are impacting people's lives. People of great wealth give money for this reason. We must be vigilant in asking ourselves, "Just how are we having an impact on changing people's lives and how we can best express this to potential donors?" This process begins and ends with how your agency makes a difference and how the donor can be a part of that exciting possibility.

To be truly successful, an executive must build partnerships and collaborative efforts. As good as an executive thinks he is, he cannot do it alone. You will talk, but your troops will only hear a portion of your message. That's human nature. That is why by enthusiastically demonstrating your dedication and love for the agency and campaign will inspire and stimulate others to get on board and support your efforts.

At the end of every year, we tend to create the top ten lists for outstanding movies, songs and exciting moments in sports. In order to orchestrate an effective campaign, the Executive Director must demonstrate and exhibit a number of certain traits, skills and characteristics. Here is a top ten list of the most important campaign talents and attributes needed for the agency executive.

1. Having a high level of ethics and integrity: Demonstrating honest and ethical behavior in all situations goes a long way toward building donor relations and long-term commitments to your organization.

2. Treating people with respect: Regardless of whether you are networking with community leaders, recognizing the work of volunteers, or visiting with a member of your YMCA or JCC, everyone appreciates being treated with respect.

3. Having strong verbal & written communication skills: There is no question that effective communication with staff and donors is an essential ingredient for success. According to the leadership of Wal-Mart, Ford Motor Company, and Harley Davidson, among the top three skills of a leader is their ability to communicate effectively. You can be brilliant, but if you can't get your ideas across to others, brilliance doesn't matter.

4. Having the ability to inspire and motivate others: One of the qualities of good leadership is that one guides, leads and inspires others to want to participate in the process of moving toward the shared vision. The executive leader requires skills that inspire others to have faith and work in a team effort to reach the agency's campaign objective. Leaders do not isolate themselves from the staff and their supporters. They must be inspiring and motivating, able to establish rapport and make everyone feel that they care about every member and donor in the campaign.

5. Being a good listener: We do not spend enough time listening to our donors. Donor time is too precious to be squandered. Individualize cultivation and solicitation to the donor. Consider, develop and implement each solicitation on the basis of your prospect's desires and not necessarily your agency's needs. What you hear will be greatly enhanced by what you ask.

6. Be action oriented and a hard worker: It's not good enough to have an organization that creates lots of innovative ideas, if nothing ever gets done about them. It's much like having a great strategy, but of what use is it, if it's not executed effectively? An action-oriented agency executive is skilled in idea generation, is committed to achieving outcomes, and intentionally and consistently produces results based on those ideas. Not just any results, however, but meaningful and measurable results, based on the strategy, plans and initiatives of the agency.

7. Being a great planner and being well-organized: Do the necessary research to be sure of the appropriateness of the solicitation request. One who is equipped with thorough research and expertise in the area of cultivation and solicitation exudes confidence and ability in style and presentation. Confidence is authentic and always in good taste.

8. Possessing a leadership quality: Executives with strong leadership skills are the ones that rise above the crowd. Trust is the basis for almost all relationships in life. Without trust, it's almost impossible to create healthy and productive environments. Remember people are always watching you, assessing your values and integrity. When your people trust you, they will be more apt to follow you and give you their best effort.

9. Value the donor's gift and understanding the significance of saying thanks: Give thanks sincerely and freely. It is often said that you need to thank a donor at least five times for a gift supporting your organization. A note of appreciation from your development director is important, but a note of thanks from one of the families served by your organization is even more effective. It is extremely important to your organization that proper and tasteful recognitions are given for their gift. It paves the way for gifts to follow. Suggest ways to honor or memorialize a loved one.

10. Having passion: To meet the financial demands of your agency and raise money at the level you desire; you must be passionate about fundraising. Passion has several great benefits. First, it helps bring things to life. Let's bring the mission of the organization to its full potential. Let's give it life. What we talk about, and first need to be passionate about, is the impact we make in the lives of our members. Then we need to make it clear we are in the position to use the donor's money to effectively change people's lives. Passion produces visibility, creativity and productivity. It will have a positive influence on those around you and, it will make you a better fundraiser. Having passion about your agencies purpose is an exceptional edge.

Boards and fundraising

JCC's & YMCA's should include board members with the diverse background, experience and organizational and financial skills needed to advance the organization's mission. It is suggested a nonprofit include board members experienced in fundraising, budgeting, and financial management, as well as in public relations, marketing, and investments.

Although development professionals often view new fundraising initiatives primarily as an opportunity to engage additional constituents, fundraising campaigns also provide reason to encourage greater involvement of those closest to organizations, the board member first and foremost. Carefully fashioned, purposefully planned board solicitations can lead to substantial new philanthropy. It is interesting to note that high net worth individuals not only make donations, they also give their time and talent to support nonprofit organizations. "More than three-quarters of high net worth individuals volunteered in 2009. Americans gave 8.1 billion hours of volunteer service. Based on an estimated dollar value of \$20.85 per hour for 2009, Americans gave \$169 billion of donated time in 2009". (Bank of America Study, 2010)

The nonprofit board is your link to the community, so it must lead your fundraising. The first question most outside foundations (central funding sources) usually ask is whether or not the agency board has enthusiastically committed their own funds to this campaign effort. That is why agency boards need to be counted on to follow through on projects, have the ability to enlist and motivate others, bring their unique talents to the campaign and have a willingness to become involved in furthering the mission.

Some boards understand their role at fundraising, where others could use a little additional help. Yet there are still others that aren't at all comfortable with fundraising or don't consider it part of their job as board members. No matter how urgent the need or important the cause, a campaign is life-less until those closest to the organization lend its influence and affluence. Board members must realize that without their active participation in identification, cultivation, and solicitation of peers that can advance the organization's mission, a campaign is just potential energy. Active, motivated board members can transform potential into a strong campaign effort.

Fundraising is really not about asking their friends and peers for money, it's more about telling a story. For those Board members who find it difficult to ask others for money, they can start out hosting tours to bring prospective friends closer to your organization. A carefully scripted tour can be a powerful way to demonstrate your organization's good work and to illustrate unmet needs in the community. The tour lets your work speak for itself. Your prospective donors and guests will hear staff members or even clients/members/stakeholders express in their own words their personal firsthand experiences with your organization's mission, and the good it does in the community.

Board members should never sit on a board of a nonprofit organization unless they are willing to express their leadership by asking friends, family, and acquaintances to make gifts of a size consistent with their ability to give. Board members must be eager solicitors of donors, especially those with the ability to make meaningful gifts. In addition, the nonprofit's board of directors should be good stewards. The activities associated with stewardship are focused on ensuring that the funds provided by donors are utilized in the way intended in gift agreements

and fund terms. Stewardship can be further defined as the careful and responsible management of something entrusted to one's care of the agency's fundraising resources. Boards are charged with ensuring that the agency's funds are used to further charitable purposes and are appropriately accounted for.

In the end, the success of any fundraising campaigns hinges on leadership, and that leadership starts with the board. Simply stated, board members are the most essential campaign solicitors. They are the best fundraising resource an organization has.

Inspiration & Planning

To conduct a successful capital or endowment campaign, the agency executive must inspire his constituents. The project must be visionary. It must make sense and be consistent with the agency mission and strategic plan. It must be well thought out, well researched, well focused and well presented.

Most important, it must motivate action as it secures people's emotional, then financial, investment. Especially in a weak economic climate, do not hit the panic button. It's a challenge and can sometimes be overwhelming. But it's also quite exciting to create a vision and a dream, and then rally your community to make it a reality. It truly is an opportunity of a lifetime. It all begins with good planning, an insightful, honest assessment of potential, possibilities, people and pitfalls.

Developing a winning Case Statement

The first task is to understand the underlying principle for the appeal and capture that within a simple yet thorough document. Fundraisers call this the case for support or case statement. It tells the prospective donor how your organization will use the funds and who will benefit.

Creating the case is top priority, and in many ways, similar to the group effort involved in developing your agency's strategic plan. Board members and community leaders are more likely to support a plan they helped create. Include the features and costs of the project, but focus on the benefits. Make an appeal to the heart as you stress why every gift will matter.

Emotion and passion lead to commitment. Until the donors believe in your agency's mission, the written case statement has little value. The case for support must become part of your donor's belief system. Donors and supporters will give freely of their time and talent when they understand and embrace your cause.

This is most critical for those prospects your fundraising team will identify, cultivate and solicit for leadership and major gifts: those six, seven or eight-figure expressions of support that will make or break your campaign. Back up your case statement with current statistics that show how the current economic situation is affecting your programs as you meet increased needs.

“Major-gift fund raising is the most cost-effective, resource-development strategy. A major-gift initiative gives your nonprofit agency an opportunity to sell the movers and shakers on your programs and services. The appeal will be personal; the case for support will reinforce your project's viability and value to the community”. (Moisan, 2011)

A winning case statement must be one that snatches a prospective donor's attention, and then offers a firm reason for investing in a particular project. The ingredients of a winning case statement essentially are the same as the components of a prospectus seeking to inform and interest potential investors in a profit-making endeavor. Every fundraising campaign has the case statement at its center. It is the core document that sits at the center of your plan and strategy. The case explains to your potential donors what you need the money for, and what the benefits will be if the donor gives to your cause. Case statements can be used in any fundraising campaign, but they are particularly useful in major gift campaigns, capital campaigns, and endowment campaigns.

Getting ready for the campaign

The decision to conduct a fundraising campaign is not an easy one. Many factors will contribute to your campaign success or failure. You can best identify and measure them, as well as build constituent interest and support by conducting a pre-campaign assessment. Here is a checklist of important tasks:

- Review all issues related to board development. Seek people with influence and affluence. Work to ensure the agency is well positioned in the philanthropic community. Your campaign leadership will most likely be your current leaders of the organization. Those who have been charitable in the past might also be quite generous in the future. Now is the time for board and campaign leadership to stand up and be counted. Make your board members part of the solution, inform them, involve them, and give them important tasks to do.

- At every step involve as many volunteers and potential supporters as possible. If you find any key people or constituencies who you have neglected, brief them and make every effort to get them involved. Prepare written materials describing the project. Stress these benefits to the agency and community.
- Prepare a number of project budgets. Consider capital, endowment and the annual operating needs of the agency. Capital campaigns are characterized by longer-term visionary projects and large financial goals. The funds are to be attained during a multiyear pledge period. During times due to a weak economy, be prepared to offer donors longer pledge periods.
- Form a resource development committee to help shape the agency's comprehensive fundraising strategy. Your committee might want to seek advice from outside counsel to formulate a professional campaign plan. Outside counsel helps reduce risk, ensures staff and campaign leadership stay on course, and maximizes your fundraising potential.
- Plan your solicitation strategy. You will secure your leadership contributions first from those closest to the organization capable of making pace-setting investments. You will approach prospects with more modest means after you have secured lead gifts. Finally, there is a public phase (typically after you have secured commitments for at least half to 80% of the campaign total) when you approach the larger base of supporters.
- Develop a core of knowledgeable people who will help your agency avoid common mistakes in preparing for a capital campaign. These key people should help remind other volunteers to focus on leadership gifts. This committee sometimes called a campaign

cabinet will remind others to seek support from individuals as well as foundations and corporations. They also should remind the volunteers to focus on personal contact, not mail, phone or special events.

- Evaluate, and, if necessary, strengthen your record-keeping functions and fundraising software systems. Accurate and complete records are critical for a successful campaign project.
- Improve communications and keep communications open inside and outside your agency. Inform donors about how the changes in the economy are affecting you and those you serve. Consider weekly e-mail blasts or other communication techniques.

When you have addressed these important tasks and prerequisites, and answered all of the questions, your agency will be poised for a successful campaign. You now are equipped with the necessary and basic information that will provide a road map for victory.

In conclusion, people will give because they believe in your organization. They can identify with your mission and goals. They know the people who are part of the organization, and they hold the same values. People will not give because the organization feels that it should have a new building. The case must be stronger, more compelling, more exciting, and more inviting to persuade prospects to give at the level required by capital fund raising.

There are certain people who have different perceptions about capital campaigns, while others understand how very important campaigns can be in the life of the nonprofit organization. Many leaders, especially those without much campaign experience, view the capital campaign as a

mysterious process. They tend to approach it with anxiety and apprehension, rather than with the genuine gusto and pleasure this opportunity ought to provoke.

A fundraising campaign can help an agency attain their goals while increasing knowledge and enthusiasm for their mission and vision. In addition, it can identify a whole new group of volunteers and leaders as well. A capital campaign will generate a commitment from volunteers and community leaders, and a renewed energy for serving your constituents. Many of the most beneficial elements of a campaign have nothing to do with money. Rather, a campaign will draw attention, increase visibility and support for your mission that will serve your organization for years to come.

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