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SEMINARS FOR EXCELLENCE IN Nonprofit MANAGEMENT

Individual Donors: The Basis for Successful Membership and Large Donor Programs

Presented by Marion Simon

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Individual Donors: The Basis for Successful Membership and Large Donor Programs

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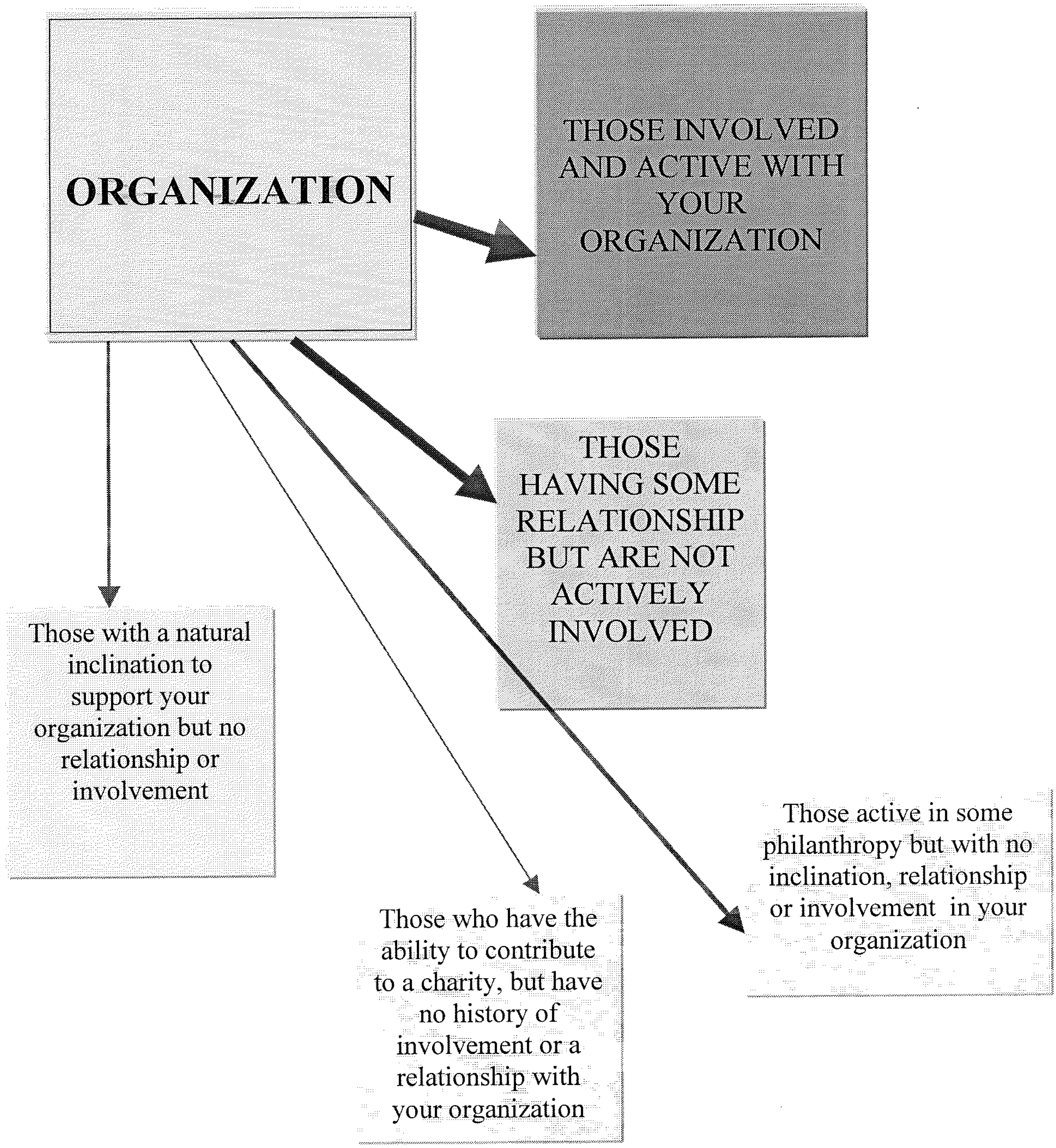
1. The role of individual contributors to the success of development program
2. Starting a development effort
3. Integrating individual cultivation and solicitation efforts within your organizations full development program
4. Identifying individuals who will support your organization
    - ❑ Determining your best prospects
    - ❑ Gathering information on prospective donors
    - ❑ Planning for individual cultivation and solicitation
5. Making contact with and getting to meet prospective donors
    - ❑ Identifying people who can help you connect with individuals
    - ❑ Appropriate ways to contact donors
        - i. Writing letters or making calls: who calls and/or who writes
        - ii. What to say
        - iii. What to include in letters
        - iv. Overcoming obstacles
        - v. What happens during the first visit – clues and cues
6. Following up with prospective donors
    - ❑ Cultivation strategies
    - ❑ Creating giving opportunities
    - ❑ Gift proposals: formal, informal
    - ❑ Making the ask
        - i. Who asks
        - ii. How to ask
        - iii. When to ask
        - iv. How to respond – if yes, if no
7. Thanking and recognizing donors
8. Stewardship
9. Managing donor activities and gifts


ORGANIZATION
THOSE INVOLVED AND ACTIVE WITH YOUR ORGANIZATION
THOSE HAVING SOME RELATIONSHIP BUT ARE NOT ACTIVELY INVOLVED
Those with a natural inclination to support your organization but no relationship or involvement
Those who have the ability to contribute to a charity, but have no history of involvement or a relationship with your organization
Those active in some philanthropy but with no inclination, relationship or involvement in your organization

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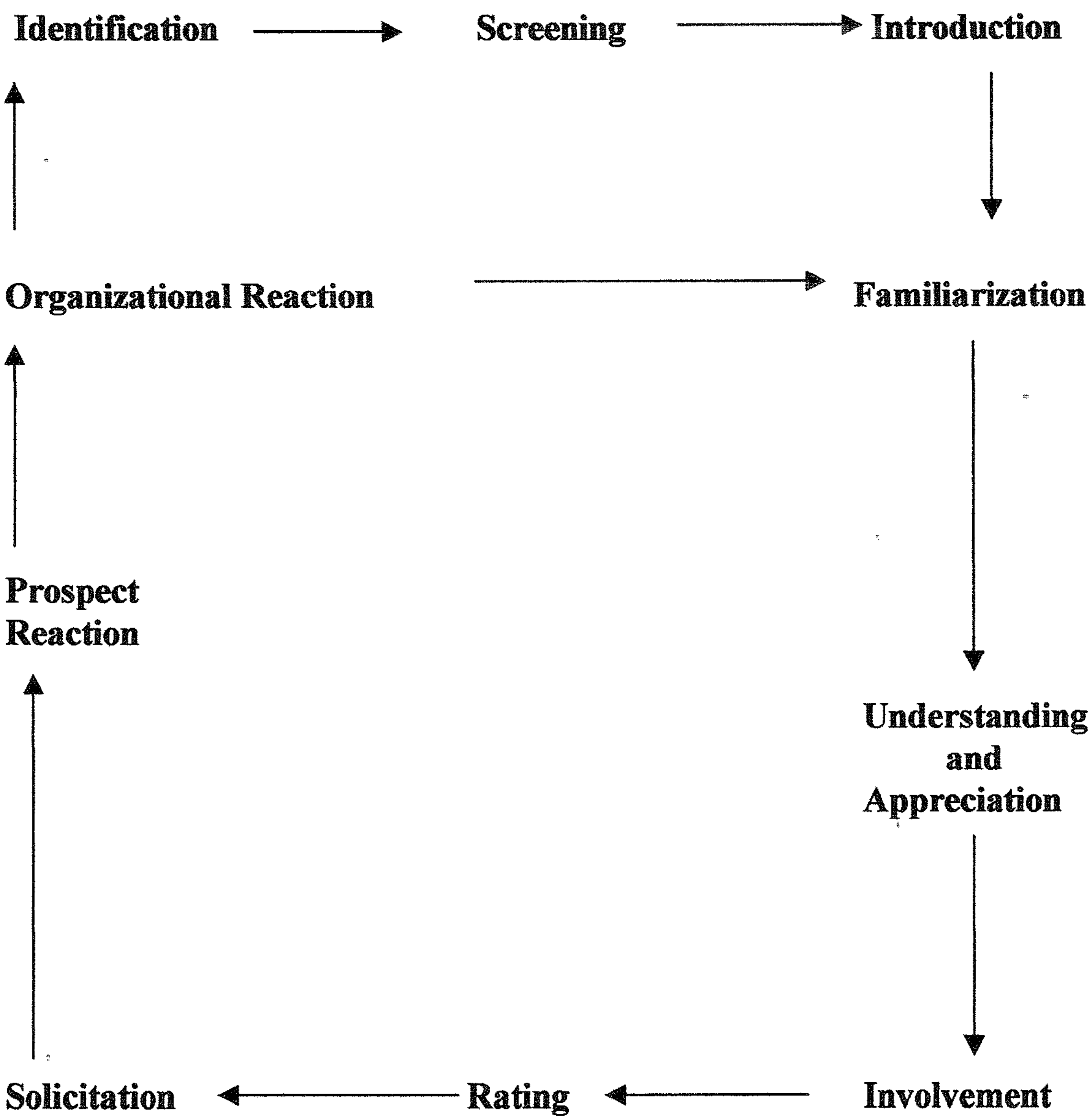
THE PROCESS OF FUND RAISING



Prospect Identification Worksheet

Name of Prospect	Contact Person	Prospect's Relationship with the Organization	Dates of Contact

Prepared by: ______________________________ Date: ______________

DEVELOPING A DONOR PROFILE - THE ROLE OF PROSPECT RESEARCH

Research:

Job of prospect researcher is to find out everything about potential donors that might have a bearing on their potential gift, and then one more thing - to coach the volunteer on that knowledge.

Goal is to determine whatever can be known about the donor which will affect how the campaign leadership rates his or her ability to give, decides the strategy to use during cultivation and assigns a solicitor - as well as determining the chances of actually getting a gift.

Create and complete a donor profile: Include personal and business information, financial information, philanthropic interests and priorities, previous and current involvement and personal and business contacts.

Sources: Individual's resume, local newspapers, Social Register, prospect's family, including spouse, children and parents, marital status, education, age, political affiliation, military service, personal interests and commitments, favorite sports, hobbies

One of the most important things to try to determine through research is the prospect's financial standing and ability to give. An effort should be made to document a prospect's financial worth in terms of personal income, job title, salary, and amount of stock held, stock proxy statements and 10-K reports.
Personal property (kind and amount)
Lifestyle choices - country club membership and fancy vacations
Inherited wealth

Next: Prospect's philanthropic interests and priorities

Prospect evaluation: Need a prospect evaluation committee represent broad spectrum of the community - served on previous campaigns, people who are in a position to know the income and assets - giving potential of the major businesses and individuals in the community.

Bankers (trust officers), realtors, financial advisors and planners, stockbrokers, CEOs or board members of major corporations, attorneys, accountants and other community leaders - Confidentiality critical -
Review prospect list and determine how much each individual, foundation or corporation is capable of giving to the campaign. Secondary purpose: suggest additional names

- Recruit annual fund committee members
- Solicit board members
- Submit corporate and foundation proposals (on going, as appropriate)
- Identify, cultivate and solicit major gifts prospects and prospective donors for special project funding (on going, as appropriate)

April-June

- Conduct phonathon for all previous and lapsed donors to encourage renewal and upgrading
- Continue corporate and foundation cultivation and solicitation
- Continue cultivation and solicitation of major gifts prospects

July-September

- Plan and send direct mail appeal to total prospect base
- Continue other activities as appropriate.

E. Staffing: Determine staffing requirements and allocate responsibilities

F. Budget

Reasonable Cost Guidelines*

A. Direct Mail Acquisition: $1.25 - $1.50 per dollar raised with 1% rate of return or better
B. Direct Mail Renewal: $0.25 per dollar raised with 50% rate of return or better
C. Special Events: Net return of $0.50 per dollar raised
D. Corporations and Foundations: $0.20 per dollar raised
E. Planned Giving: $0.25 per dollar raised
F. Capital Campaigns: $0.05 to $0.10 per dollar raised

* From Association of Fund Raising Professionals (AFP) Handout H.4 Survey Course in Fund Raising

Suggested Annual Giving Plan and Timetable

A. Situational analysis
- Background: review and analyze prior year's results
- Present environment: review threats and opportunities that will effect fund raising in the coming year.

B. Goals and objectives
- Set dollar goals: overall and by constituents – parents, friends, corporations, etc.
- Determine other objectives: number of new donors, number of upgraded donors, new volunteers, etc.

C. Annual fund strategy:
- Develop case for support – rationale for annual fund support and specific projects (how the money will be used, why it is needed, who will benefit)
- Identify target audiences to be solicited
- Match cultivation and solicitation strategies by target group
- Describe volunteer organization required
- Develop print and/or audio-visual material
- Outline public relations support
- Develop requests for support services (prospect research, data management, gift recording and reporting, acknowledging procedures, etc.

D. Timetable

October – December (in preparation of upcoming year)

Review results of current year's annual fund activities

Determine next year's annual fund goal

Update/revise the case for annual support

Write annual fund plan for next year.

October – December (in conclusion of current year)

- Implement year-end campaign for current year by
  - Sending direct mail appeal to all current donors for year-end appeal – include members, current annual appeal donors and donors to other campaigns
  - Sending direct mail letters to all lapsed donors, current members and lapsed members
  - Following-up with personal calls on annual appeal and non-membership donors not responding to initial request.

January – March

- Development committee approves annual fund goal and plan

Of Reports
Of New Prospects
Method:

Cultivation Strategies: (making friends)

The purpose of cultivation is:
1. Add prospects to donor base and develop them to become active supporters an regular donors and,
2. To improve relationships with current board members, donors, volunteers and other friends to build a greater understanding of how they can help agency achieve its mission.
3. Donor and volunteer recognition are critical to the cultivation process. Cultivation needs to be discussed regularly at board meetings to encourage each board member to become part of the cultivation process.

A. Open Houses
Time:
Goal
Method

B. Communications:
Holiday Card
Newsletter
Annual Report
Other

Annual Calendar:
January

February

March

April

May

June

July

August

September

October

November

December

Method:
Solicitors:

Special Events

1. Name of Event
Time Frame
Number of Participants:
Goal: $____________
Method:

2. Name of Event
Time Frame
Number of Participants:
Goal: $____________
Method:

Direct Mail

Each mailing separate theme -- Number of mailings _________
Responsibility of _________________________

1. Letter to past donors to encourage renewal and possible gift upgrade
Time Frame:
Of Prospects:
Number of Donors
Goal: $____________
Method: Mailings, newsletter articles, publicity

2. Letter to Individuals
Time Frame:
Of Prospects
Of Donors
Goal: $____________
Method: Mailing with return/remit envelope, follow up articles in newsletter mailing, personalize? Follow-up mailing to major donors in previous campaign who have not renewed their gift.

3. Direct Mail
Time Frame:
Of Prospects
Of Donors
Goal: $____________

Method: Mailing with return/remit envelope, follow up letter within one month to non-respondents. Mailings signed by selected board members and volunteers. Follow-up mailings to major donors in previous campaign who have not renewed their gift.

Government and Foundation Grants:

Time Frame: On-going
Goal:

Fiscal Year Planning for Fund Raising

1. Financial Goals Projected by Operating Budget: _______________

INCOME CATEGORIES	FY 2001 Actual	FY 2001 YTD	FY 2002 Projected	Goal
Government				
Foundations				
Individuals				
Family Foundations/Trusts				
Service Organizations				
United Way				
Special Events				
Other (Unsolicited Income)				
Interest Income				
Total Income				

2. Strategic Goals

- Board Giving -100%
- Board activities re some aspect of fund raising - 100%
- Enhanced communications re fund development with board, prospects, presentations by chair of fund development committee at board meetings
- Develop plan for recruiting fund raising volunteers - non-board members #____
- Develop list of new prospects for both personal solicitation and direct mail campaigns, increase number of people for cultivation
- Develop donor cultivation program - and board and staff understanding of purpose and process of cultivation
- Actively involve staff, board and volunteers in special events
- Strengthen relationship between Marketing and Development Committees to further support fund raising efforts
- Maintains systems for on-going monitoring/ evaluation of programs in all areas of fund development.

3. Solicitation Strategies - Personal Solicitation Campaign

Board Solicitation: (Chairs: President, Fund Development Chair)
Time Frame:
Of Prospects
Goal: 100% giving: $__________
Method:
Solicitors:

Individual Solicitations: (Chairs: Name(s) Number of Team Solicitors
Time Frame:
Of Prospects
Goal: 100% giving: $__________

SAMPLE DONOR PROFILE

CONFIDENTIAL

- NAME
- CROSS REFERENCE
- RESIDENCE/PHONE
- POSITION AND FIRM
- OTHER AFFILIATIONS
- CLUBS AND ORGANIZATIONS
- FINANCIAL POSITION
- AFFILIATION WITH YOUR ORGANIZATION
- EDUCATION
- PERSONAL HISTORY
- GIFTS (most recent)
- RELIGIOUS/POLITICAL AFIILIATION
- INTERESTS
- CORRESPONDENCE
- PERTINENT INFORMATION
- PREVIOUS INFORMATION REQUESTS

PROSPECT RATING FORM

PROSPECT: **DATE**

Directions:
1. Rate each prospect 1 - 5 in each category (with "5" the highest rating)
2. Multiply each criteria by the weight factor
3. Add totals

Criteria	Score (1 - 5)	Weight	Total
Common interests		2	
Financial ability		3	
Commitment to philanthropy		1	
Commitment to our organization		3	
Linkages with our organization		1	
Time window		3	
Personality		1	
Past Solicitation Success		2	
Common Politics/Philosophy		1	

Grand Total
Highest Score = 85

PROSPECTS FOR FUTURE CULTIVATION

NAME	STAFF/VOLUNTEER RESPONSIBILTY	REASONS FOR CULTIVATION	TARGET DATE FOR INTRODUCTION

MAJOR SOURCES OF FUNDS: PRIOR YEAR GIFT HISTORY

Sources	Number of Solicitations	Number of Gifts	Gift Income	Average Gift Size	Total Cost of Each Program
Trustees/Directors					
Professional Staff					
Employees					
Major Gifts Renewals (>$1000)					
Major Gifts New (> $1000)					
Prior Gifts (renewals <$1000)					
Prior Gifts (new < $1000)					
Corporations					
Foundations					
Associations/societies					
Planned Gifts pledged					
Bequests received					
Unsolicited Gifts					
Other gifts received					

CLOSING A MAJOR GIFT

I. POTENTIAL TEAM MEMBERS

A. Donor
B. Heirs (children, grandchildren)
C. Development officer (expediter, deal with philanthropic role - tell them to talk to attorney)
D. Donor's financial or legal counsel
E. Administrator from the charity
F. Volunteer
G. Other - SPOUSE

II. INVOLVING THE DONOR'S COUNSEL: A FUNDRAISER'S PERSPECTIVE

A. Involving the donor's counsel. Why?
  a. Ethics
  b. Protect the donor
  c. Protect the charity
  d. Sends a positive message to counsel that your charity will "play ball' - won't try to subvert his/her efforts
  e. Counsel can also be a future donor to and ambassador for the charity
  f. Other?

B. There are risks associated with involving the donors counsel
  a. Gift will not be made
  b. Delay
  c. Charity's legal bills increase
  d. Other?

III. SOLICITING AND CLOSING MAJOR GIFTS: THE BASICS

A. Document everything you do - substantiate your effort
  a. The process is often more important than the ask
  b. Need multiple conversations to understand what makes donors' tick
  c. Make sure you do a visit/call report
  d. The ask should never be a surprise to the donor
  e. Keep in mind donors are better off keeping their money
  f. The idea of the gift must move the donor

B. Soliciting major gift: 5% of the process
  a. It can take many forms but generally should not come as a surprise to the donor
  b. Do your homework before soliciting (**know the prospect**). Giving should occur because donor wants to express a deeply felt commitment and not because they were asked.
  c. Talk first about the program and then about the amount
  d. Be patient but persistent - wait at least two weeks after making an ask before you call again
  e. Have a perspective that looks beyond charity's own needs and causes

C. Closing major gifts
  a. Put it in writing
  b. Work out a follow-up plan with the donor and adhere to it
  c. Stay in touch - could take years
  d. If it is a very large ask, involve the executive director or president to communicate the importance of the ask
  e. Keep the number of prospects you follow manageable
  f. Have logistics in place to handle the transfer (i.e. trust documents, electronic stock transfer instructions, back-up contact in the office, etc.)

Getting Major Gifts By Kim Klein

The underlying premise of major gifts fundraising is that the most effective way to raise money is for one person to give a gift and then to ask a peer to make a similar commitment. This approach is effective for two reasons:

> 1) The chances that the person being asked will say "yes" are much higher than through direct mail, phone solicitation, or media advertising; and
>
> 2) the size of the gift is likely to be larger than gifts solicited through special events, direct mail, or other strategies.

Furthermore, the likelihood that the gift will be repeated, and even upgraded, is also much higher with such personal contact.

Self-sufficient organizations should set as a goal raising 25 percent of their operating income from gifts of $50 and up. Obviously it is too labor intensive to ask people randomly, so to achieve this goal, a systematic plan must be developed specifying how many gifts are needed, whom to ask, and how much to seek from each donor.

The total amount needed for operating expenses varies from group to group, but we will take a sample group and show how to figure out the gift ranges required to meet the goal.

It would be ideal if you could say, "We need 2000 people to give $100 each--will you be one of them?" Then you send a letter to 2000 people who are able to afford $100, call them up after they receive the letter, and get your money. Unfortunately, 2000 people will never act the same way. Some of them would give less than $100, some much more, and most would give nothing at all.

Over the years, fundraising experts have observed a pattern of how gifts come into organizations. Based on that pattern, it is possible to plan what size gifts you will need in order to meet any fundraising goal, and how many of each size gift you should seek, as well as how many prospects you will need to ask to ensure that one person will give. The pattern observed is this:

- 60 percent of an organization's income comes from 10 percent of the donors;
- 15-25 percent of the income comes from 20 percent of the donors;
- the remaining 15-25 percent of the income comes from 70 percent of the donors.

In other words, the vast majority of the gifts you get will be small, but the majority of the income will be from a few big donations.

To show how this works, let's assume that an organization needs $50,000 from grassroots sources. Based on the principle just described, they will need $30,000 (60 percent of their goal) from major donors, $7,500-$12,500 (15-20 percent of their goal) from average-sized gifts, and the remaining 15-25 percent from all other fundraising strategies combined.

A second observation concerns gift size and the number of prospects needed to achieve each gift. The two top gifts need to equal five percent each of the total goal--in this case, two gifts of $2,500. The rest of the gift ranges for the top 10 percent of donors are calculated onto a gift range chart, as follows:

Gift Range Chart for Major Gifts *(60 percent of money needed)*

	Gift Amount	No. of Gifts Needed	Prospect/ Donor Ratio	No. of Prospects Needed
	$ 2,500	2	5:1	10
	$ 1,000	5	4:1	20
	$ 500	10	4:1	40
	$ 100	100	2:1	200
	$ 50	100	2:1	200
Total	$ 30,000	217	-	470

The Gift Range Chart should not be used as a rigid document, or as a blueprint for the major gifts campaign. Its purpose is to show what an average $30,000 campaign would look like. The numbers can be changed--the ranges moved up and down depending on the group. It's like a chart of body size and weight, which only says what the average healthy person of your size will weigh--not what you should weigh. Like body size and weight charts, the gift range chart is meant to be flexible.

Whom to ask, and for how much

Once the gift range has been established,. you can proceed to figure out where to find these people. Ideally, you would start by getting the top gifts and work down from there. However, an equally effective process is to start with the highest gift you can get (which might be $50) and work from there. Most people have friends of equal or slightly higher economic well-being. If you are a person who can give $50, you will know five more people who can also give that amount, and a few able to give $100 or even $500. In turn, the $100 donors will know five people able to give $100 and a few able to give $500, or even $1,000. The higher you go in this "circle of wealth" the fewer people there are, and the more likely they are to know one another.

To find prospects, then, start with yourself. Whom do you know who could give $50 or more? (Keeping the size of a major gift at $50 opens up the possibility for a lot more people to become major donors. Almost any employed person can give $50 if they pledge $5 a month.) Recognizing that being a large donor is not the exclusive province of the upper-upper class, you begin to find a number of prospects among your own friends and acquaintances.

From yourself, you can move out to the board of directors and other volunteers or staff in the organization. Statisticians tell us that every person knows 250 people. No doubt some of these people can give large donations.

Another place to look for prospects is your current list of donors. Do you now have any donors who have given $50 or more? What is the highest gift you have received, and how did it come about? It is not at all unusual for people to send in $50 from a mail appeal, and sometimes people send in large donations based on a radio program or other publicity. If any of these people are in your area, it is perfectly legitimate to contact them to renew their gift and to ask them to give you the names of five to ten people they think could also give a gift. Ask first if they will ask their friends; if they don't feel comfortable asking, then ask if you can use their name in contacting their friends.

What to look for in a prospect

You are looking for three things in each prospect:

1. evidence that the prospect is acquainted with someone in your organization, to establish a link to your group;
2. evidence that the person is committed to your cause (in a broad sense), which includes evidence that the person gives money to similar organizations;
3. evidence that the person has the ability to make a substantial gift, which includes establishing approximately how much the person can give. When you have positive information about acquaintance, commitment, and ability, then you have a "qualified prospect"-- that is, someone who can be asked for a gift. Let's look at each of these factors.

Acquaintance: Someone in your organization either has to know the prospect or know someone who knows the prospect. The person who finally asks the prospect for the gift does not have to know the person at all, as long as they know someone in common.

Committed: When considering this factor, it is critical to be creative and broadminded. Often people assume that someone won't give to a certain cause because he or she is a business person, or belongs to a conservative church, or is known to vote Republican. In fact, these very things may be clues that this person would give. For example, a pro- choice group was organizing in a conservative farming community. Most of the people were not in favor of abortion; in fact most were right-wing in their politics and strong Reagan supporters. However, the organizer quickly realized that being New Federalists, they would subscribe to the adage, "who governs least governs best." This became the theme of the organizing and fundraising: "Who will make the choice about abortion--the government or you?" "Do you want the government to have the power to make these choices for your life, or do you want to exercise the choice yourself?" As New Federalists, they opted for the latter and major contributions were received from members of that community.

Here's another example. A man was approached by a suicide prevention group in a town of 50,000 people. The person asking had not done a lot of research on this prospect and talked in general terms about the problem of suicide in America, the number of suicides and attempted suicides reported in San Francisco, New York, and Los Angeles, the very low age of many suicide victims, and the broad scope of this problem. The solicitor was sent away with a token donation.

Later that year, another person did more research on this prospect. The prospect was a member of the chamber of commerce and active in civic affairs. He had lived in this community all his life and owned a great deal of real estate there. This solicitor made an appointment to see the prospect and told him exactly how many suicides and attempted suicides happened right in that town. He went on to discuss the fact that some of the suburbs which this man had developed had high suicide rates for no apparent reason.

The suicide prevention program, he explained, proposed to address the problem by having on-call counselors available at churches and libraries. It was also going to launch a large poster campaign telling people how these counselors could be reached. Posters would be hung in grocery stores ("two of which are yours") and other public places. The solicitor then asked the prospect to underwrite the entire campaign, and walked away with a check for $5,000--exactly what was needed. Obviously, this prospect is not interested if the entire city of Los Angeles kills itself. What matters to him is what happens in his community.

In addition to being broad-minded in talking about commitment, it is important to find out if the prospect gives away money at all. Many people profess to be committed to the environment, or women's rights, or civil liberties; however, if they do not make financial contributions to groups representing those causes, they are not good prospects for them.

Sometimes people wonder how they can find out if someone is a donor. There are several ways. In the course of a conversation, one might simply ask, "Do you belong to Greenpeace or the National Organization for Women?" If the person says yes, you know that he or she has given to these groups. Many organizations publish a list of their donors in their newsletter. Search through those, or if your community has a symphony, opera, or theater, find the page listing the donors or patrons. From this, you may find out if the person donates. If he or she does, your task is to help him or her decide to donate to you.

Ability: In looking for evidence of ability, don't just look for the most obvious signs, such as the type of car the prospect drives or the size of his or her house. These are as likely to be signs of debt as signs of wealth. It is more effective to look for signs of disposable income spent spontaneously. For example, would this person ever spend $50, $100, $200 on a single item of clothing? Does this person buy art or antiques? Do they ski or scuba dive, or have other expensive hobbies? Where do they go on vacation? Do they ever go away for the weekend, and how often and where? Do they eat out often in nice places? Are they season ticket holders for the symphony, the football team, or the theater?

Once you have this information, you are ready to solicit this prospect. It is important to remember that you only need one prospect to begin soliciting. As you begin to develop prospects, you may decide that it is not worth visiting people just to get gifts of $50 or $100. In the beginning, however, those "smaller" large donors will be important As you get to know your donors, ask them for names of other donors. For those donors who live far away, write or call them. Other local donors can be visited.

The Fine Art of Asking

Many people have discovered that doing face-to-face fundraising reminds them of the true depth of their commitment to the organization. They remember why they became involved in the first place and why they think the work is important. Occasionally, people discover that their commitment is not so strong and they would be happier in another organization.

First and foremost, it is imperative that the people soliciting major gifts believe thoroughly in the cause of the organization and have demonstrated that commitment with a financial contribution. The size of that contribution is not important, but it must be a contribution which for that individual is significant. The message to the prospect from the solicitor is, "Join me. Do what I have done. Give a large contribution to this organization because it is really important."

Approaching the Prospect

There are three types of prospects for face-to-face solicitations:

- People who have given before, and are prospects for a repeat or upgraded gift;
- People who have not given before, but are close to someone in the organization;
- People who are interested in the cause but don't know anyone in the organization.

For the third type, some kind of cultivation is necessary before actually soliciting the gift. Inviting the person to a special event, house meeting, or educational evening will be important. Or you might ask to see the person in order to describe the program and invite him or her to the office (if the office is an exciting place) as a prelude to the meeting at which a gift is requested.

Let's assume that the prospect is ready to be asked for the gift. There are three steps in approaching the prospect:

1. A letter describing the program and requesting a meeting to discuss it further. The simplest letter is the one that goes to prospects who have given before. You thank them for their support in the past and ask them to give the same amount or more again. Describe some of your achievements in the past year and some of your future plans. Tell them that you will phone them in a few days and, if they are in your area, offer to meet with them. Enclose a stamped, return envelope.
2. A phone call to set up a meeting. If you have said you are going to call, call. Rehearse the phone call beforehand to anticipate possible hard questions or objections that the prospect might have.
3. The meeting itself, in which the gift is usually solicited.

Obviously, if you are approaching your spouse or your best friend, you can skip the letter, and perhaps even the phone call. In some cases the letter will be enough and there will be no need for a phone call and meeting; in others a phone call alone will suffice.

The Face-to-Face Meeting

Once you have an appointment, you are ready to prepare for the face-to-face solicitation. This is not as frightening as it seems. First of all, the prospect knows from your letter or your phone call that you will be talking about making a contribution. Since he or she has agreed to see you, the answer to your request is not an outright "no." The prospect is considering saying "yes." Your job is to move him or her from "I'm considering giving" to "I'd be delighted to give."

The purpose of the meeting is to get a commitment to give. Everything else revolves around this purpose. It is fine for the conversation to go off on a tangent, but you must keep bringing the conversation back to the financial needs of the organization and the possible role of the prospect in meeting those needs.

As the solicitor, you must appear poised, enthusiastic, and confident. If you are well prepared for the interview, this will not be hard. Many times, board members and volunteers are afraid that they will not appear knowledgeable about the organization. It is perfectly fine to bring along a staff member or someone who has been with the organization a long time to answer difficult questions. Sometimes going with a partner also helps you feel more relaxed. It is also fine to answer a question with, "I don't know, but I'll be glad to get you that information."

Help the prospect to see that giving to your organization is a logical and natural extension of his or her interests and concerns. Ask the prospect questions, and carry on a conversation with him or her. "Do you agree with our approach?" "Did you see the article about us in last week's paper?" "Has Jane Friends with you talked much about our organization.?"

When you finally ask for the gift, look the prospect right in the eye and in a clear, bold voice, say, "Can you help us with a $300 contribution?" or, "We are hoping you can give $500-$1000." Keep looking at the prospect, and don't say anything after you have asked for the gift. It is the prospect's turn to speak. Although it may seem like a long time between your request and his or her response, it's usually only a matter of a few seconds.

Sometimes the prospect will say, "I'd like to help, but that figure is way out of my range." Your response can be, "What would you feel comfortable giving?"

After you ask for the gift and get an affirmative answer, discuss how the prospect wants to make the gift. Perhaps they will give you a check right there, or mail it in the return envelope you brought. For larger gifts, prospects (now donors) may want to transfer stock, or make other arrangements that will cause the gift to arrive in a week or two. Once these arrangements are made, thank the donor and leave. Immediately after the interview, send the donor a thank-you note. Another thank-you from the organization should be sent when the money arrives.

Although it can be anxiety-producing to ask for money the first few times you do it, it is thrilling to get a commitment from a major donor. It is also a good feeling to know that you were able to set aside your own discomfort about asking for money for the greater purpose of meeting the needs of your organization. Knowing that you can talk comfortably about the financial goals of your organization is empowering. Boards of directors find that they are immeasurably strengthened when each of their members feels able to ask for money.

Some Common Questions . . .

1) If we go out to lunch, who should pay?

The solicitor should be prepared to pay for lunch or drinks, although this often turns out to be unnecessary. The donor does not want you to be spending his or her donation taking other prospects out to lunch. In a successful solicitation, the donor often picks up the tab, or suggests that each person pay his or her share. There are two factors to take into consideration. One is the expense of the meal. If you have gone to a restaurant of the donor's choosing and it's expensive, the donor will probably pay for lunch. If you feel that the price of the meal is just too high for you or your agency to absorb, it is not rude to suggest that each person get a separate tab. The second consideration is how much the donor gave. A $25 lunch for a gift of $50 is far different from a $40 lunch for a gift of $1,000.

2) How should I dress?

Gift solicitors used to be advised to look like the peer of the donor, which meant dressing in a similar style. This is no longer a helpful rule. Too many prospects dress in jeans and other very casual attire, which solicitors should not imitate. The solicitor should look professional, well-dressed, neat and clean. Flamboyant clothes are not appropriate. Dress in such a way that no matter who might see you, you would not feel underdressed. It doesn't matter if you turn out to be better dressed than your prospect. Prospects can dress in whatever way they like. They have the money!

3) As a younger woman asking an older man for a major gift, what happens when he calls me by my first name but I have to call him by his last name?

The easiest way out of this situation is to avoid using the prospect's name altogether. It is only necessary to call him by name once--when you are first introduced. If you are very bothered by this interaction, you can ask the prospect if you can call him by his first name. (Do be sure you have the right first name, however. In one instance, a 25-year-old woman represented her organization to a 50 year-old male corporate executive. He called her Kathy several times, and she called him Mr. Riley. Finally she said, "May I call you Michael?" He said, "Kathy, honey, you can call me that if you like, but my name is George.")

4) What should you do if you go with someone from your board and that person makes a fool of you and your organization?

This depends on what the board member does to make your organization appear foolish. If it is a matter of the board member talking too much, interrupt from time to time and turn the conversation back to the prospect with a phrase such as, "Yes, that's a good point, Talking Board Member. What do you think of that, Ms. Bucks?" If the board member gets into an argument with the prospect or swears or gives out information about the organization that is inappropriate, try to change the subject quickly. If all else fails, say to the prospect, "Well, thanks for seeing us. I'll be back in touch. Let's go, Foolish Board Member." Afterwards, get that board member off of the Major Gifts Committee, and apologize to the prospect. Keep in mind that the prospect is rarely as aware of how foolish someone seems as you are.

5) What if the donor promises a certain amount and then sends less?

Send a gracious note for the amount received and don't mention that you thought it would be more. Next year you can return for a higher gift.

6) What about sending a person to solicit a gift who is not a donor to the organization but is personable and charming?

This is a mistake. The chances of getting a gift are significantly reduced when the person asking has not given. It doesn't matter whether or not the prospect is told. At some level, the prospect will intuit that he or she is being asked to do something that the solicitor has not done. The gift the solicitor makes does not need to be the same size as the prospect's, but it must be significant relative to the solicitor's resources. Sincerity is much more important than charm.

7) How important is it to name a specific amount?

In a study of New York City panhandlers the panhandlers that asked for a specific amount, or for a specific purpose ("So that I can get on the subway") were more likely to get something than those who asked for the vague "spare change." The same is true for larger gifts. "We need some money for our important work and we would like you to help" is too vague. The prospect doesn't know how much money is needed, or what an appropriate gift would be. Is $50 too cheap? Is $1,000 ostentatious? Is there a plan for the use of the money? Say something like, "We need $10,000 for our community organizing project, and we hope to raise $5,000 of that in gifts of $50-$500. Can you help?" Or, "We want to raise $15,000 in gifts of $200-$1,000. We have already received $5,000 from ten individuals, and hope that you can give $500." It is much more convincing and specific.

8) What if I can't answer a question that I am asked?

Whatever you do, don't make up an answer. Say you don't know the answer but you can find it out and let him or her know. If you do say you will get an answer to a question for a donor, do so as promptly as possible.

9)When during a meeting should I ask for the gift?

Toward the end. Use the beginning of your meeting to connect with the donor and to make a "case" for support of your organization. Bring the donor up to date on the organization's activities, talk in some detail about one or two particularly exciting projects, and give the donor the opportunity to raise any questions or concerns he or she might have. Ideally, all of the donor's questions or concerns should have been answered before he or she is asked for the gift.

10) If my organization is in a serious financial crisis, should I tell the donor that or not?

If donors are going to invest in your organization, they should have the benefit of knowing about your financial health. Don't dwell on the crisis, but let them know that it exists and provide them with all of the excellent reasons you know that the crisis will pass. Then move on to the positive developments and efforts you are making to ensure the organization's financial stability.

Prospect Rating Worksheet

Name of Prospect	Capacity (25 points)	Interest (60 Points)	Other (15 points)
Address Phone Number		Relationship (20 pts) Giving History: (20 pts Accessibility: (20 pts)	Proximity: 5 pts Giving pattern; 5 pts Philanthropy 5 pts

Prepared by: ________________________________

Date: ____________

Checklist to Assess Fundraising Activities in Nonprofit Organizations

General Fundraising

Rating	Indicator	Met	Needs Work	N/A
E*	1. Funds are raised in an ethical manner for activities consistent with the organization's mission and plan.	*		
E	2. The Board of Directors and organization staff are knowledgeable about the fundraising process and the roles in the organization.	*		
E	3. The organization's Board of Directors has established a committee charged with developing, evaluating and reviewing fundraising policies, practices and goals.	*		
E	4. The committee is actively involved in the fundraising process and works to involve others in these activities.	*		
R**	5. The Board of Directors, executive director and committee support and participate in the total fundraising process, including project identification, cultivation, solicitation and recognition.	*		
R	6. The fundraising program is staffed and funded at a level consistent with fundraising expectations.		*	
A***	7. There is direct communications and relationship between information services and/or marketing, accounting and other administration support functions to assist in the fundraising needs and efforts.	*		
E	8. The organization is accountable to donors and other key constituencies and demonstrates their stewardship through annual reports.	*		
Indicators ratings: *Essential; *Recommended; ***Additional to strengthen organizational activities				

This checklist represents what is needed to have a healthy, well-managed organization. As a self-assessment tool, organizations should evaluate themselves honestly against each issue and use the response to change or strengthen its administrative operations.

Ratings: Each indicator is rated based on its importance to the operation and effectiveness of any nonprofit organization. The ratings are:

E: Indicators are essential or basic requirements to the operations of *all* nonprofit organizations. Organizations not meeting the requirements of these indicators could place their organizations in jeopardy.

R: `signifies that these indicators are recommended as standard practice for effective nonprofit organizations.

A: Additional indicators which organizations can implement to enhance and strengthen their management operations and activities are rated with an "A".

From: The United Way of Minneapolis Area.

Well-developed Campaign Crucial to Direct Mail's Success at Attracting Major Gifts

Can direct mail work effectively to secure major gifts for nonprofits?

Yes, if done properly, says Dennis Meyer. He is president of the Berkeley-Calif.-based Meyer Partners, which has been highly successful in raising gifts of $10,000 and above for organizations whose staffs can't visit all major givers on their capital campaign prospect list.

The key to a successful major gift direct mail appeal, says Meyer, is "a well thought-out campaign and case for support packaged in a warm, well-designed communication." He describes direct mail targeted at major donors as like regular direct mail but of higher quality and more targeted. He gives this advice for creating successful major gift direct mail packages:

1. Use a larger package, such as a 9-by-12-inch or 11-by-14-inch mailer, or even a box, to send the materials. Include things such as a video, blueprints, the case for support, a special reply device and a pledge form.
2. Add a toll-free number to the letter inviting the donor to contact the executive director if interested in making a gift or for more information.
3. Do some pre-cultivation by including donors in newsletter mailings about the campaign well before you send the direct mail package.
4. Create a highly personalized ask tailored specifically to each donor. The video, for example, could be tailored to each donor by having the person making the ask use the donor's name in an introductory statement on the video, and again at the tape's closing segment.
5. Carefully craft each letter to reflect and affirm the donor's previous involvement with the organization.
6. Attach hand-signed personal notes.
7. Print letters on organizational letterhead and mail them first class.
8. Allow donors to make payments over a period of time.
9. Outline recognition options.
10. Ask for 10 times the largest gift the donor has ever made to your cause.

Stephen Hitchcock, president of Mal Warwick & Associates, says direct mail *can* be used to solicit major gifts; his consultant firm does so regularly.

Hitchcock says direct mail works particularly well for those organizations that have more major gift prospects than they can visit, even if they made appointments. Using direct mail for seeking $5,000 to $10,000 gifts enables those organizations to focus their face-to-face cultivation and solicitation on higher-level donors.

Mal Warwick & Associates uses direct mail most often when soliciting gifts from members of annual giving societies or clubs, says Hitchcock.

Hitchcock gives this advice for using direct mail for major gift solicitation:

1. Be very specific in thanking the donor for his/her past support.
2. Ask the donor to give at the next higher financial level.
3. Keep the letters friendly, warm and highly personalized.

Sources: Stephen Hitchcock, President, Mal Warwick & Associates, Berkeley, CA. Phone (510) 843-8888. E-mail: steve@malwarwick.com Web site: www.malwarwick.com Dennis Meyer, President, Meyer Partners, Schaumberg, IL. Phone (847) 524-1273. E-mail: dlmeyer@meyerpartners.com

This sample "reply memorandum" Mal Warwick & Associates is tailored more for the major donor than the usual "pledge card."

REPLY MEMORANDUM

To: Andy Lipkis
Treepeople

From: Mr. Dan Weeks
2550 Ninth Street, Suite 103
Berkeley, CA 94710

[ ] I'm pleased to accept your invitation to become a Charter Member of the Sequoia Circle of the Grove. Enclosed is my annual membership gift of **$10,000 or more.**

Please permanently inscribe my/our names as I have printed above.

[ ] I'm renewing my Treepeople support as a member of the Leadership Circle of the Grove with this gift of **$5,000.**

[ ] I wish to make an annual membership gift of:

❑ **$2,500** ❑ $ ______

[ ] I prefer that my support remain anonymous.

Contributions to TreePeople are tax-deductible.

TREEPEOPLE
12601 Mullholland Drive
Beverly Hills, California 90210
Telephone 818 753-4600

MARION A. SIMON, ED.D.

philanthropy and development consulting
95 Hupi Road, Box 538 • Monterey, MA 01245
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email: marion_simon@mindspring.com

Marion A. Simon, Ed.D. is a consultant in development and philanthropy with more than twenty years as a successful fundraiser. Her consulting activities include conducting feasibility studies, organizing capital campaigns, and developing major gifts programs. She also helps not-for-profit organizations assess and evaluate their fundraising functions. Dr. Simon's career has ranged from working with small social service agencies and start-up community-based groups to major research universities. Her previous staff development experiences included institutions such as the Rochester Philharmonic Orchestra, the University of Rochester's William E. Simon Graduate School of Business Administration, the George Eastman House, International Museum of Photography and Film, and Hobart and William Smith Colleges.

Representative Clients

- AIDS Rochester, Inc., Rochester, NY
- Best Buddies, Inc., Miami, FL
- Berkshire Grown, Great Barrington, MA
- Berkshire Taconic Community Foundation, Great Barrington, MA
- Emory University, Graduate School of Arts and Sciences, Atlanta, GA
- Epilepsy Foundation, Rochester, Syracuse, Binghamton, NY
- Girl Scouts, Connecticut Trails Council, Inc., North Haven, CT
- George Eastman House, International Museum of Photography and Film, Rochester, NY
- Learning Disabilities Association of the Genesee Valley, Rochester, NY
- Nicholas H. Noyes Memorial Hospital, Dansville, NY
- Reconstructionist Rabbinical College, Wyncote, PA
- Margaret Warner Graduate School of Education and Human Development, University of Rochester, Rochester, NY
- WXXI Public Broadcasting Council, Rochester, NY

Recent Professional Presentations:

Speaker: "Creating Circles of Influence: Mastering the Cultivation Challenge," a lecture and presentation for the Association of Fundraising Professionals, Connecticut Chapter, Meriden, CT, June 20, 2002.

Presenter: "Advanced Development: Planning Successful Development Efforts," a workshop presented for Berkshire Taconic Community Foundation, *Seminars for Excellence in Nonprofit Management,* Stockbridge, MA, April 10, 2002.

Presenter: "Individual Donors: The Basis for Successful Membership and Large Donor Programs," a workshop presented for Berkshire Taconic Community Foundation, *Seminars for Excellence in Nonprofit Management,* Stockbridge, MA, April 3, 2002.

Speaker: "The Development Audit – A Beneficial Tool to Ensure an Effective Fundraising Program," a workshop presented to the Hudson-Mohawk Chapter of the Association of Fundraising Professionals (AFP), January 22, 2002

Presenter: "Individual Donors: A Basis for Successful Development Programs," a workshop presented for Berkshire Taconic Community Foundation, *Seminars for Excellence in Nonprofit Management,* Stockbridge, MA, October 19, 2001.

Presenter: "Developing Effective Fund Raising Boards," a workshop presented for the Connecticut and Fairfield County Chapters of NSFRE, Connecticut Philanthropy Day Conference, Meriden, CT, November 16, 2000.

Presenter: "Effective Fund Raising: An Overview of Fundamentals," three workshops presented for Berkshire Taconic Community Foundation, *Seminars for Excellence in Nonprofit Management,* Hudson, NY, Lenox, MA, Salisbury, CT, October 20 -21, 2000.

Presenter: "Principles of Fundraising," a seminar presented at the 1999 New York Library Association Annual Conference, Buffalo, NY, October 29, 1999.

Moderator: "Transforming Your Organization Through Philanthropy: The Name of the Game is Development," a panel discussion and workshop for CEOs of not-for-profit organizations, sponsored by the Genesee Valley Chapter of NSFRE, Rochester, NY, September 15, 1999.

Speaker: "Can You or Can't You: Capital Campaigns for Smaller Organizations," A presentation at Fund Raising Day in New York, 1999, for Greater New York Chapter, National Society of Fund Raising Executives, New York, NY, June 24, 1999.

Speaker: "Endowment Development and Planned Giving Strategies," A presentation to the Board of Directors, Rundell Library Foundation, Rochester, NY, February 11, 1999.

Moderator: "Generating a Practical Guide to Planned Giving and Donor Stewardship," A workshop for development officers and financial advisors, sponsored by Genesee Valley Chapter of NSFRE and the International Association of Financial Planners (IAFP), Rochester, NY, September 14, 1998.

Speaker: "Mastering the Endowment Challenge: Key to Not-For-Profit Survival - Practical Answers and Workable Solutions," A workshop for CEOs, board chairs and finance, investment and development committee chairs, presented by Merrill Lynch. Other speakers: Kevin Mahoney, VP Merrill Lynch Trust, NYC and Richard Raccon, Laurel Capital Advisors, Mellon Bank, Philadelphia; Rochester, NY, 5/19/98.

Speaker: "Major Gifts Fund Raising for Libraries," A Workshop for Library Trustees and Directors, presented by the Monroe County Library System, Rochester, NY, April 4, 1998.

Moderator: "Cuff Links: What To Do When Things Go Wrong!" An interactive workshop for members of Genesee Valley Chapter of NSFRE, December 15, 1997.

Moderator: "Managing Change: Workshops for Nonprofit Organizations, Meet the Donors," sponsored by the Arts and Cultural Council for Greater Rochester, Rochester, NY 6/4/97.

Moderator: "Working Women: The 90's and Beyond," a panel of not-for-profit executives, presented by the Susan B. Anthony Center of the University of Rochester, Rochester, NY, 2/19/97.

Presenter: "The Board's Role and Responsibility in Fund Raising," a workshop presented to the Board of Trustees, Lakeview Mental Health Services, Inc., Canandaigua, NY, 10/18/96.

Speaker: "Fund Raising: An Untapped Opportunity," presented to the Monroe County School Boards Association for a special program on "Foundations and Funding," Rochester, NY, 10/6/96.

Workshop Speaker: "Raising, Positioning and Managing Endowments," sponsored by PaineWebber, Inc., Rochester, NY, 4/2/96.

Presenter: "Preparing for a Major Gifts Campaign and Investing Endowment Funds: A Training Program for Not-For-Profit Organizations," with Joe Sherman, CFP, Merrill Lynch; Organized by Junior League of Rochester, Co-Sponsored by St. John Fisher College, Rochester, NY, 1/11/96.

Presenter: Genesee Valley NSFRE: "Evaluation: Benchmarking the Fund Raising Function," Rochester, NY, 10/95.

Presenter: Pioneer Library System: "Preparing for a Major Gifts Campaign," Canandaigua, NY, 8/95.

Current and Recent Professional Volunteer Work

Board of Directors: Berkshire United Way, May 2002 to present.

Dean's Advisory Board: Margaret A. Warner Graduate School of Education and Human Development, University of Rochester, Rochester, NY, 1999 to present.

Board of Directors: Barrington Stage Company, Sheffield, MA, 2001; *Member:* Finance Committee, *Chair:* Strategic Planning Committee, London-Dublin Trip Committee, Development Committee.

President: Elephant Rock Foundation, Monterey, MA 1999 to present

Board of Directors: Association of Fundraising Professionals (AFP), Genesee Valley Chapter, 2001, Previously: *Secretary (2000), Member:* Executive Committee, *Vice-President for Professional Advancement* (1997-1999).

Board of Directors: Arts and Cultural Council for Greater Rochester, Inc., *Chair*: Policy and Planning Committee; *Member:* Executive Committee, 1998-2001.

Board of Directors: The Landmark Society of Western New York. *Co-Chair* Ventures Committee; Previously: *Co-Vice-President, 1999-2000*; *Member*: Executive, Development and Ventures Committees, Honorary Trustee, 2001.

Recent Professional Publications:

Rochester Business Journal's Non-Profit News, September/October 2000, "Can You or Can't You: Capital Campaigns for Smaller Organizations."

Rochester Business Journal's Non-Profit News, July 2000, "Special Events: A Contrarian View."

Fund Raising Institute, FRI Monthly Portfolio, September 1997, "Downsizing in Development: Consequences and Possible Solutions."

Fund Raising Institute, FRI Monthly Portfolio, July 1996, "Are You Doing a Good Job? Evaluation and Benchmarking the Fund-Raising Function."

Successful Fund Raising, June 1996, "Options for Troubled Campaigns."

Democrat and Chronicle, Rochester, NY 12/19/95, "Give-and-Take of Giving," Speaking Out Page.

Fund Raising Institute, FRI Monthly Portfolio, July 1995, "The Feasibility Study: A Critical Investment For Nonprofit Organizations."

Fund Raising Institute, FRI Monthly Portfolio, November, 1994, FRI Letter Clinic: Making the Case for Support: A Quick Guide To Preparing an Effective Case Statement."

Education:

Doctor of Education, Margaret A. Warner Graduate School of Education and Human Development, University of Rochester
Master of Arts in the Teaching of History, Teachers College, Columbia University
Bachelor of Arts, Boston University, College of Arts and Sciences
Non-Degree Candidate, Barnard College, Columbia University