Fundraising 101

Michael P. Grzesiak
Vice President, Washington & Jefferson College

Overview

- We will cover far too much information, including
  - Identifying needs
  - Types of gifts
  - Techniques
  - Important administrative details
- We will laugh, sometimes even intentionally
- You will stop my rambling to ask questions at any time
- You will become evangelists for fundraising and philanthropy

What Does Your Organization Need (and Do Your Donors Care?)

What Are Your Greatest Needs

- Types of needs
  - Operating support
  - Capital
  - Programmatic
  - Endowment

Merging Needs with Interests

- Creating a case for support
  - What is "The Need"?
  - How can it be met?
- Rehearsing your lines
- Know your audience
- Advocating for your donors
- Budget relief
- Giving is voluntary

Types of Gifts

Giftable Assets

- Cash
- Securities
  - Valuation, tax benefits
- Real estate/real property
  - Good, bad, and really ugly
- Life insurance
  - Types of policies

Methods of Fundraising

Annual/Sustaining Gifts

- Mail/E-mail
  - Timing/frequency
  - Selecting purposes
  - Segmentation
  - Text
  - Enclosures
  - Positives—creates a pipeline of gifts and donors
  - Negatives—increasingly ignored, impersonal, expensive
- Phone

Special Events

- Galas
  - Why do them? Are they worth the hassle?
  - Use of volunteers
  - ROI
- Smaller-scale
- Activity-based (i.e., walkathons, sales, etc.)
- Positives—Can bring new people to your cause, good PR
- Negatives—Expensive, can let donors off the hook

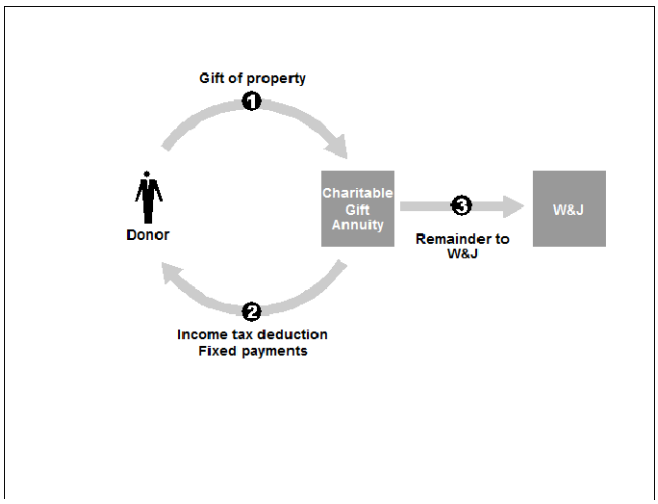
Major Gifts

- Definition
- Cycle
  - Identification—Who can be a hero?
  - Cultivation—Getting to know you
  - Solicitation—The Big Ask…or is it?
  - Stewardship—Thanksgiving is not just in November
  - Repeat as necessary
- Positives—Larger gifts, stronger relationships
- Negatives—Time consuming

Planned Giving

- Definition
- Vehicles
  - Bequests
    - Lump sum
    - Percentage
    - Residual
  - Charitable gift annuities
  - Charitable trusts
  - Others
- Positives—can be the "Ultimate Gift"
- Negative—complicated, delay in receiving the gift, other pitfalls

Charitable Gift Annuity Example

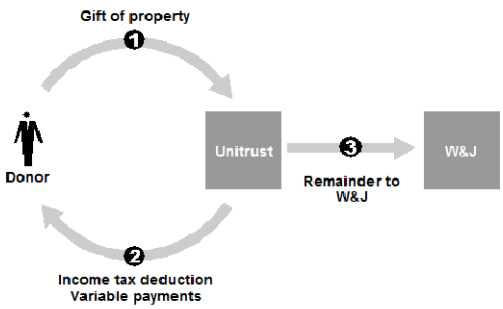


Charitable Gift Annuity Example

ASSUMPTIONS:	
Annuitant	72
Cash Donated	$100,000.00
Payout Rate from ACGA2012 Table	5.4%
BENEFITS:	
Charitable Deduction	$41,510.00
Annuity	$5,400.00
Tax-free Portion	$4,033.80
Ordinary Income	$1,366.20

After 14.6 years, the entire annuity becomes ordinary income.

Charitable Unitrust Example



Institutional Giving

- Types
  - Private foundations
  - Community foundations
  - Corporations
  - Donor advised funds
- Rules of engagement
  - Use the major gift cycle
  - To app or not to app
  - Do what you say and be honest to a fault
- Positives—Larger gifts
- Negatives—Lots of rules, time-consuming, very competitive

Campaigns

- Major campaigns
  - Planning process
    - Feasibility studies are a MUST—if you build it, sometimes they don't come
    - Gift pyramids and the ~~80/20~~ 90/10 rule
    - Time is on your side
  - Capital, endowment, program, or All of the Above?
  - Marketing strategy and materials
- Smaller project-related campaigns
  - Can be deceptive, use best practices

Sample Campaign Pyramid

W&J "An Uncommon Bond" Campaign--$100 million goal

1 @ $20 million	10 @ $1 million
2 @ $10 million	12 @ $500,000
3 @ $5 million	15 @ $250,000
4 @ $2.5 million	25 @ $100,000
6 @ $1.5 million	50 @ $50,000

Administrative Issues

Rules of the Road

- Gift acceptance policy
  - Outlines what gifts you will and will not accept
  - Establishes minimums and maximums
  - Names decision-makers
  - Provides an essential—and very helpful—buffer between you and an unusual gift situation
- State regulations
- Acknowledgment process
  - $250 threshold
  - Necessary language

Rules of the Road (cont'd)

- Ethics
  - Donor intent
  - Donor capacity—financial and otherwise
  - Personal gain
  - Confidentiality

Program Evaluation

- Setting goals and establishing metrics
  - Funds raised
    - Why this is helpful
    - Why this is incomplete
  - Activity
    - Contacts—number and types
    - Solicitations
    - Stewardship
    - Volunteer recruitment
  - Monitoring ROI

Donor Recognition

- Recognize the behavior you want to encourage
- Giving societies
  - Naming
  - Annual giving by levels
  - Planned gifts
  - Lifetime giving--$100,000 ain't what it used to be
  - Consecutive-year giving
  - Volunteers
- Events
- Anonymity

Recordkeeping

- Donor gift files
- Copies
- Contact reports—write them as if the donor might read them
- Donor research

Ensuring Success: Creating a Culture of Giving

Establishing a Culture of Giving

- Pride of giving starts with you and you alone
  - What fundraising isn't: begging, a necessary evil, arm-twisting, etc.
  - What fundraising is: a noble career helping accomplish something most people enjoy and crave
- Know your organization, warts and all, and be proud of it
- Be an unabashed evangelist for giving
- Believe in what you are doing—if you don't, why should anyone else?

Establishing a Culture of Giving

- Understand why people give:
  - Feels good
  - Desire to pay it forward (serial reciprocity)
  - Create a legacy
  - Moral (and sometimes religious) obligation
  - Recognition
  - And more…

Resources

Websites

- Association of Fundraising Professionals (www.afp.org)
- Partnership for Philanthropic Planning (pppnet.org)
- Planned Giving Design Center (www.pgdc.com)
- The Chronicle of Philanthropy (www.philanthropy.com)
- The Foundation Center (www.foundationcenter.org)
- Various advancement samples (www.supportingadvancement.com)
- Gift acceptance policies (http://www.giftplanners.com/pdfs/understanding.pdf)

Books

- Burk, Penelope: "Donor Centered Fundraising," and "Donor Centered Leadership
- Fredericks, Laura: "The Ask"
- Sharpe, Robert F.: "Planned Giving Simplified: The Gift, The Giver, and the Gift Planner"

Questions and Thanks!