NONPROFIT KNOW-HOW:
Annual Fund Campaign
May 15, 2018
WHY IS IT IMPORTANT TO HAVE A PLAN

• Connects donors with mission and programs – “We” have impact to do meaningful work
• Creates a manageable platform – Every year evaluate and every third year refresh
  • Baseline => Evaluate => Refine
• Keeps everyone informed – Coordinate efforts
• Measureable progress – Report outcomes
• Provides time to plan for the next strategy – Don’t let others derail your plan and be open to feedback
• Prevents staff burnout – You have buy-in and help
FUNDRAISING STOOL

Annual Gift

Major Gift

Planned Gift
LIFE CYCLE OF AN INDIVIDUAL DONOR
ANNUAL FUND

GIFTS: Individuals and companies

GRANTS: Local, state and federal

EVENTS Fundraising and mission or brand awareness
In 2016, INDIVIDUAL DONORS drove the rise in philanthropic giving. And for only the sixth time in 40 years, all nine major philanthropy subsectors realized giving increases.

$390.05 billion

Where did the generosity come from?

- **Giving by Individuals**: $281.86 billion, increased 3.9% over 2015.
- **Giving by Foundations**: $50.28 billion, increased 3.5% over 2015.
- **Giving by Bequest**: $30.63 billion, declined 9.0% over 2015.
- **Giving by Corporations**: $18.55 billion, increased 3.5% over 2015.

The single largest contributor to the growth in total giving was an increase of $10.53 billion in GIVING BY INDIVIDUALS—offsetting declines from bequest giving.

Where are all of the charitable dollars going? (as a percentage of the total)

- **32% Religion**: $122.94 billion
- **15% Education**: $90.77 billion
- **12% Human Services**: $46.80 billion
- **10% To Foundations**: $40.56 billion
- **8% Health**: $33.14 billion
- **8% Public-Society Benefit**: $29.89 billion
- **5% Arts, Culture, and Humanities**: $18.21 billion
- **6% International Affairs**: $22.03 billion
- **3% Environment/Animals**: $11.05 billion
- **2% To Individuals**: $7.12 billion

According to the Chronicle of Philanthropy study in 2012, those making:

- Over $100,000 annually give 4.2% on average
- Between $50,000-75,000 annual give 7.6% on average
“MOVES MANAGEMENT”

Identification
- Stewardship
- Qualification
- Solicitation
- Cultivation
1) Identification of target donors or segment
2) Qualification of interest/ability to give
3) Cultivation to connect donor to mission
4) Solicitation and who will help you
5) Stewardship and next steps
1. HOW TO IDENTIFY DONOR SEGMENTS: Database Reports

- Historical reports of no more than 3 years
  - LYBUNT – Last Year But Unfortunately Not This Year
  - SYBUNT – Some Year But Unfortunately Not This Year
  - Longevity – Give consecutively for 3+ years
  - Major gifts – Different for each organization
  - Board and Committee members
  - Past Board and Committee members
  - Event attendees
2. HOW TO QUALIFY:

Keep the list targeted and manageable

Create Matrix

- Fourth quadrant
- Third quadrant
- Second quadrant
- First quadrant
“PROSPECT EVALUATION GRID”

YOUR ORGANIZATION
Prospect Evaluation Worksheet

- Potential Prospects
- Potential Prospects
- Potential Prospects
- Potential Prospects

ESTIMATED ASK

$100,000+

$1,000+

LOW

ENGAGEMENT AND READINESS

HIGH
3. WHAT WILL YOU DO TO CONNECT DONORS TO MISSION AND/OR PROGRAMS: three to five touches annually

Mailing
- Appeal
- Newsletter
- Annual report

Event
- Fundraising
- Mission or brand awareness

Personal Touch
- Note on thank you letter
- Note card
- Birthday card
- Holiday card

Affinity Group
- Legacy donors – Planned Gift
- Giving Levels – Recognition
4. WHO WILL HELP YOU:
Invite input ➔ Creates buy-in ➔ Provides support

**Development Committee**
Discuss strategy, assist with plan, connect with prospects and donors

**Board of Directors**
Support plan, connect with prospects and sign thank you cards

**Executive Director**
Assign list of donors and consider as major gifts officer

**Program Staff**
Identify and communicate needs and opportunities
5. WHY STEWARDSHIP IS IMPORTANT:
Plan for next steps

Document
• Track all interactions

Debrief
• Discuss what worked and what didn’t

Consider next step/s
• Identify who should do what

Assign action/s
• Be specific – include timeline

Report back
• Celebrate outcome

Repeat
• Be consistent
TOOL KIT FOR DEVELOPMENT STAFF AND VOLUNTEERS

PLAN
Keeps everyone accountable => Focus

MATERIALS
Tell your story and keep it simple => Impact

SCRIPT
Learn about your donors => Connect

CALL REPORT
Write down what you talked about => Data

DATABASE
Track donor cultivation => Report

COLLEAGUE
Understands what you’re going through => Network
While no one knows how donors might react, a 2016 US Trust Study of High Net Worth Philanthropy surveyed high net worth donors and learned that tax deductions are not a primary motivating factor for their charitable gifts.

They found that the primary motivations for giving are:

- Believing in the mission of the organization (54%)
- Believing that their gift can make a difference (44%)
- Experiencing personal satisfaction, enjoyment or fulfillment (39%)
- Supporting the same causes annually (36%)
- Giving back to the community (27%)
- Adhering to religious beliefs (23%)
TAX REFORM IMPACT

- Standard Deductions were increased
- Many Itemized Deductions were eliminated
- Taxpayers will chose the larger of their standard deduction or itemized deductions
- Charitable contribution deduction is an itemized deduction
- With fewer donors claiming itemized deductions, the tax benefit of charitable contribution deductions will diminish
TAX REFORM IMPACT

• “Tax smart” giving strategies
  • Give appreciated property
  • Bunching strategy
    • Cluster charitable contributions into a single year to itemize
    • Use a donor advised fund to achieve this goal
  • If a donor is over the age of 70 ½ and making minimum required
distributions from an IRA, consider a qualified rollover
    • Endow Iowa eligible if the gift is to an endowed fund
    • Trustee to trustee transfer