NONPROFIT KNOW-HOW:

Annual Fund Campaign

May 15, 2018



WHY IS IT IMPORTANT TO HAVE A PLAN

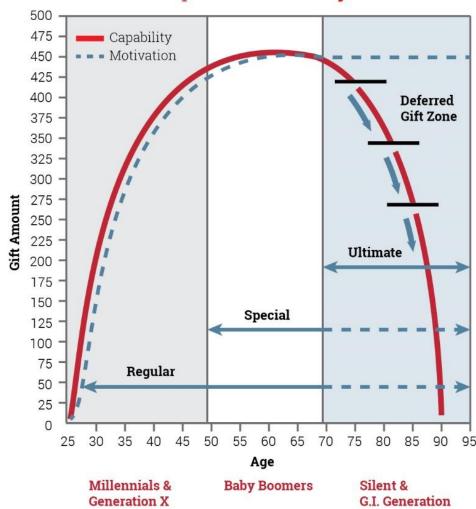
- Connects donors with mission and programs "We" have impact to do meaningful work
- Creates a manageable platform Every year evaluate and every third year refresh
 - Baseline => Evaluate => Refine
- Keeps everyone informed Coordinate efforts
- Measureable progress Report outcomes
- Provides time to 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



LIFE CYCLE OF AN INDIVIDUAL DONOR

Sharpe **Donor Lifecycle**®



ANNUAL FUND



GIFTS:

Individuals and companies

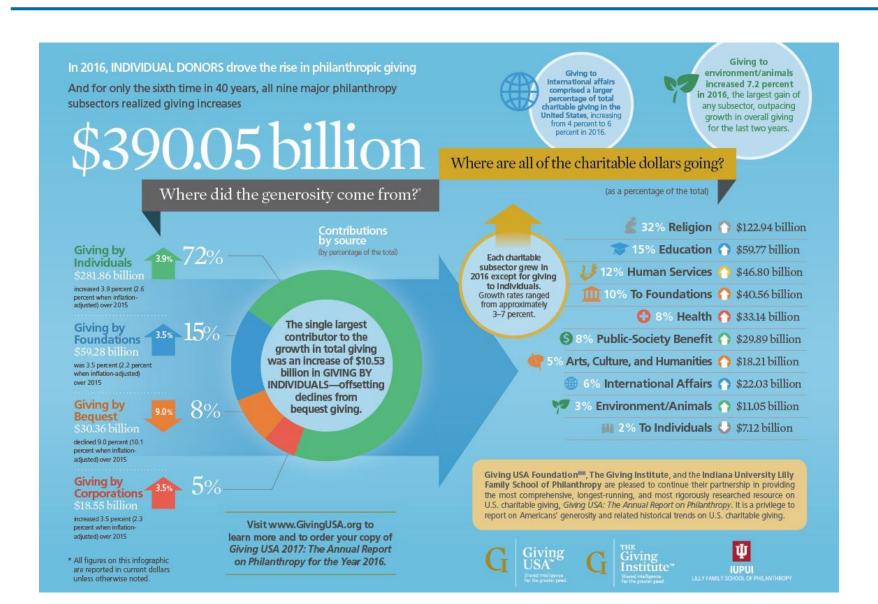
GRANTS:

Local, state and federal

EVENTS

Fundraising and mission or brand awareness

INDIVIDUAL DONORS



INDIVIDUAL DONORS

CHARITABLE GIVING IN THE USA 2017

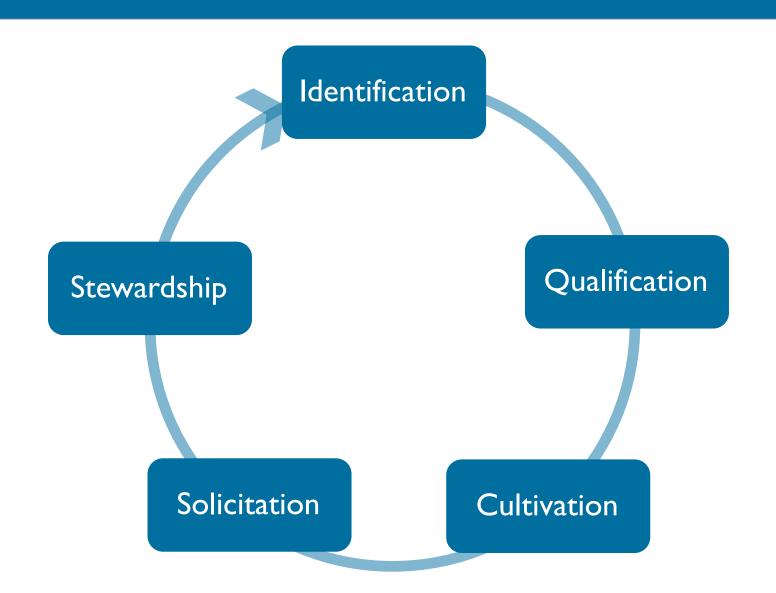
An overview of individual giving in the USA.



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"



PROCESS OF MOVES MANAGEMENT

- 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

I. 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

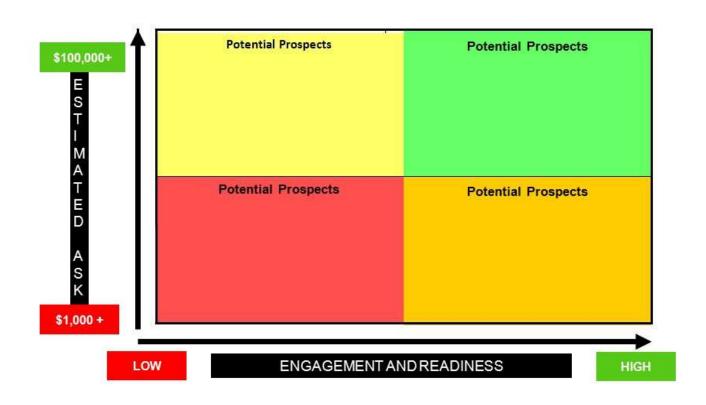
2. HOW TO QUALIFY: Keep the list targeted and manageable

Create Matrix

- First quadrant
- Second quadrant
- Third quadrant
- Fourth quadrant

"PROSPECT EVALUATION GRID"

YOUR ORGANIZATION Prospect Evaluation Worksheet



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

TAX REFORM IMPACT

- 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