

The *Quick* Wise Guide to Fundraising Readiness

HOW TO PREPARE YOUR
NONPROFIT TO RAISE FUNDS

Waddy Thompson

Stitch-in-Time Books

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Introduction

Imagine . . . Your nonprofit has a clear purpose and is doing great work. A few contributions have come in from friends of the founder and from board members, but you need more income to carry out your programs in the manner and in the scale that you envision them.

It would be great to receive contributions from more people, and it would be really nice to get a few big checks from foundations—if only you could figure out how to fundraise.

Does that sound familiar? If so, read *The Quick Wise Guide to Fundraising Readiness* before you make any false starts or hire a fundraiser to help you. This book explains everything you need to know before you start asking anyone for a donation.

Step by step, I take you through the process that will bring your nonprofit to fundraising readiness, helping you put in place the people, infrastructure, and materials that will help your first moves in fundraising be successful ones.

In addition, I help you evaluate whether different types of fundraising (government grants, for example) will be likely sources of income.

To top it all off, you'll find at the back of the book a glossary of fundraising terms (that appear in italics in

the text) and a list of resources that will help you further explore various aspects of fundraising.

Let's get ready to fundraise!



Human Resources

Fundraising is all about people. We don't raise funds from corporations; we raise funds from people who work for corporations. Ditto for foundations and government agencies. Developing relationships is the most important part of fundraising, so it's important to start with the right kinds of people to do your fundraising. These include board members, volunteers, staff, and consultants.

Ideal Characteristics of a Fundraiser

Anyone who has done fundraising before is, of course, a valuable asset to your fundraising efforts, but just as importantly, you want to have people with the right characteristics working with you.

Someone with natural curiosity makes the best fundraiser. A curious person is interested in other people—where they come from, where they are going, what makes them tick—and can retain that information and use it to create personalized approaches. For example, someone with young children might be

particularly interested in education; a person with business interests in China might have reason to support a show of Chinese art.

You also want someone who possesses a high level of enthusiasm for what you do. Genuine excitement about your program will be infectious and help convince others to support your work.

In addition, you want someone who is dedicated to your organization—who believes wholeheartedly in what you do. The best fundraisers can speak passionately about what your nonprofit means to them personally.

Board Members

If yours is a new nonprofit, people close to the founder and/or practitioners in the field will likely make up your board of directors. These people might or might not be accustomed to or comfortable with fundraising. You can train those already on the board to be fundraisers, or you can expand your board to include people who will help you fundraise. You'll probably want to do both.

Before you start to work on fundraising from your board, you need to decide if you will have a minimum giving requirement for board members. Nonprofits have mixed results establishing a hard-and-fast minimum gift. In some cases, the minimum becomes the *de facto* maximum gift. Some nonprofits ask that board members instead make a gift that is significant to them or one that at least equals any other charitable gift they make. Either rule provides a lot of leeway for hardworking practitioners to feel

they are contributing fairly while making more affluent board members consider larger gifts in line with their other giving and their capacity to give.

Next, consider what you will count as a major gift that might be solicited personally by a board member. For many small nonprofits, the threshold is \$1,000, but it might be more or less for your nonprofit. (And at the other extreme, I know of a major museum where people aren't considered major donors until they are giving \$5 million annually!)

Training Your Board

There are a number of online guides about how to ask for donations (see the list of additional resources at the end of this book), and the right consultant (see below) can be of great help in training board members. I like to ask board members to start out by making thank-you phone calls. This task helps them get over the fear of making a blind call and of talking to a stranger about money; it also will have a tremendously positive effect on your donors. You can start with just a few board members making thank-you calls, and then you can have them report back to the full board on their experiences.

You also might create an opportunity for your board members to do some role play with each other, which should build confidence and help them feel more natural when asking for donations. Pairing a board member with a professional staff member or consultant to call on donors is usually very successful. In some cases, the board member might start the meeting by talking about what good work is being

done, leaving the professional staff member to actually ask for the donation.

Expanding Your Board

In seeking new board members, first look for people capable of writing you a nice-sized check. Discuss with your current board members who among their contacts might be good board members as well as significant contributors. To expand beyond your board's contacts, you'll need to research people who are active in supporting similar organizations by using other groups' publicly available donor recognition lists. (Rarely does someone support only one nonprofit in an area that interests him.)

You also want people with connections and influence on your board. Investment bankers and lawyers who deal in trusts and estates frequently have extensive networks of clients and other professionals they can call on. Prominent business leaders in your community also will have great connections and can help your nonprofit become better known. But beware of the overboarded. I don't mean people who have fallen out of a boat, but rather people who already have several other board commitments. What is the chance that your organization will be their top priority if they've been raising money for two or three other nonprofits for years?

There are consultants and headhunters who specialize in finding board members. Look to pay a flat fee for this service (not a percentage of what the new board member gives). You'll have to decide whether getting board members in this way is worth the expense.

That's the end of the free sample.

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