

Do-It-Yourself Fundraising: How to Get Money for Your Nonprofit

Leadership Advance Online – Issue IX, Spring 2007

by Marc Pitman

I often get asked, by start-up nonprofits, how to raise money. The panic of making budget seems to make raising money impossible without knowing someone rich and famous like Bill Gates or Warren Buffet.

But fundraising isn't impossible. It can be an incredibly exciting adventure. Here is a simple plan I recommend to my clients. It can get you off to a good start and keep being used for years to come. To keep it easy, I implore them to "Get R.E.A.L."

Get R.E.A.L.

The basic model I use is the acronym **R.E.A.L.**: Research, Engage, Ask and Love.

Research

The first step of research is to find out how much money you need to raise. This may seem obvious, but my experience is that most groups never put a specific dollar amount on their need.

Once that need is determined, it's important to research how many gifts you'll need. If you're attempting to raise \$100,000, the knee-jerk reaction will probably be "We just need to find 100 people that will give us \$1,000." As nice as that seems, decades of fundraising experience show that it simply doesn't work that way.

One of the most helpful tools is a gift grid. A free online version can be found on sites like Blackbaud.com. Long-standing common wisdom shows that you'll need at least one gift equaling 10% of the total. The next two should equal 5% of the total, etc.

So, to reach your goal of \$100,000, you'll need at least one donor to give a minimum of \$10,000. Experience shows that you'll need to have four or five prospects to achieve that gift. Work through the grid until you have prospect names for each level.

As you're building your prospect list, you'll want to continue your research. Google can be an incredibly helpful tool, along with your board members and a development committee in the form of a peer review committee. You could gather these people together, remind them of your cause and fundraising goals, and ask them to go over the names of prospects.

One simple method of doing this is conducting what I call a "CPI screening," where each prospect is rated on **capacity**, **philanthropy** and **interest**.

- Does the prospect have **capacity**—are they financially able to make a gift?

- Are they **philanthropic**—are they generous with their money? You need to be a good steward of your resources, if the prospect can't make a worthwhile gift or doesn't have a track record of giving, you would be better served seeking donations elsewhere.
- Are they **interested** in your cause? You can find this out by looking at other causes they've supported and by asking people close to your organization.

Have the people on your committee assign a score of 1-5 for each category—1 being lowest, 5 being highest. This tool is useful in that it removes individual personalities from the prospect rating process and makes the process more objective. You should promptly visit anyone scoring 12 or more. But watch for those with high scores in the first two categories and only some inclination to your cause. While you can't make someone more wealthy or generous, you *can* have a chance at making someone more interested in your organization, which brings us to the second step, engage.

Engage

I like to think of this as the dating part of the relationship. It's important to get to know your prospects before you "pop the question." While you'll certainly want to share the story of your cause, take time to get to know the prospect—listen to their story, discover their interests, hear their goals. If the prospect has capacity and philanthropy, then here's where you work on their interest.

Ask

The number one reason people don't give money to your cause is that they are not asked. Even if you skip the prior two steps, you'll still reach some level of success by consistently executing this one.

If you've done the first two steps, this step will be quite fun. You'll already have the odds in your favor. You know that they are predisposed to saying "yes" and you'll have had time to shape the "ask" around their passions.

I recommend asking people for gifts that are spread out over a period of time: i.e. \$1,000 a year for three years. This shows that you not only consider your cause important enough for a substantial investment, but it also saves you from having to ask them again and again.

Love

I originally called this step Live/Like/Love. This is easy if the prospect says "yes" when you've asked. You simply need to be sure to thank them about seven times before you ask them again.

But fundraising is all about relationships. The work really starts if they've said "no." The big thing is to not burn any bridges. If you made it all the way to the "ask," you had good reason to believe they'd say yes. The timing simply might not have been right. If you keep in touch with them, they just may give in the future. People will remember you if you're exceptional at handling a "no." Refusing a request can be so difficult that they'll be grateful for your composure.

Some Other Initial Pieces

As you introduce people to your cause, it can be very helpful to have some background materials with you.

The Case Statement

If you were called into a court of law and had to make a defense for your fundraising, what would you say? In a few paragraphs, powerfully express why someone should be interested in giving their hard-earned money to this venture. Why is it so important? Why is this the time? You might include a projected timeline for your nonprofit's goals and how much it will take to make those goals happen.

The Players

Who are the people carrying out the work? Why are they captivated and enthralled by this project? How are you changing the lives of people? If you're the founder, tell your story. I'd include a listing of your board and a brief explanation of any existing strategic partnerships. People may emotionally want to give, but they'll need solid, tangible information to rationally back-up their emotional decision.

Gift Ranges & Naming Opportunities/Sponsorship Levels

It's helpful to break down the amount you want to raise into different giving levels and/or sponsorship opportunities. Giving levels are often something like \$500-\$999; \$1,000-4,999; \$5,000-9,999 and \$10,000+.

It can also be helpful to break your goals into nameable chunks and projects like the "Joe CEO Honorary Training" or the "Big Corporate Airlines Institute" and pitch this naming opportunity to potential donors. This would be wonderful for your nonprofit *and* give the sponsor visibility as well through press releases and other types of publicity.

Gift ranges, naming opportunities and sponsorship levels can be extremely effective ways to make giving tangible and thereby, help donors feel like they're giving to something concrete. If you haven't yet, check out heifer.org to see how they make giving tangible. Be sure to check out the small print too. They're very clear that every gift is a gift to Heifer Project's mission, not necessarily to the goat or chickens you're "buying."

You'll also want to have your 501c3 documentation available when you get it. But go ahead and start fundraising whether you have it or not. People give because the mission and vision grab them, not because of the IRS documentation. You'll probably want everything to be in PDF format so you can e-mail it easily (and not have to print up a bunch of stuff.)

The Two Basic Groups of Donors

Now you're ready to start asking. There are two groups from which you should ask: those who already know you and those who don't.

Those Who Know You

Those who know you are probably already enthralled with what you're doing. Ask them for money – especially the board members. Major donors and foundations may well ask what percent of the board is giving to the project. Note: not *how much* the board is giving, but *how many* of the board members are giving. 100% board participation is the goal. If the whole board *isn't* giving, it will probably jeopardize your fundraising effectiveness.

Steps:

1. Make a list of all those who know about your initiative.
2. Run them through a quick CPI screening to determine whether you want to ask them for a certain dollar amount or simply a "participation gift."
3. Ask them.
4. Be sure to show them how their gift is changing the world.

Those Who Don't Know You

Because this group is so big, it would be *very* easy to lose focus. Always follow up every solicitation with something like "Do you know other people who may be interested in learning about what we're doing?" You may yield additional names from such a simple question.

Here is a plan for asking for gifts from people you don't know, in this case, corporations:

1. Make a list of people and companies. Start with those that you suspect have capacity, are philanthropic and/or are interested. As you pursue these leads, you may become aware of companies or people that just seem to be overwhelmingly generous. They may be worth adding to your list.
2. Since these will be mostly cold calls, do a quick check of their website to get:
 - a. An overall feel for how this company communicates (Is it formal and traditional or cutting edge and informal?)
 - b. An understanding of their mission statement or values
 - c. The name of the VP of Marketing (you may have to call for this). Always go to the Marketing Department first. Even if the company is progressive enough to have a charitable office, marketing will *always* have the bigger budget.
 - d. The company's e-mail protocol (firstname_lastname? firstinitiallastname? etc.) This could help you break through the gatekeepers and communicate with the VP directly.
3. Make the "ask."
 - a. Based on your quick survey, determine what level or naming opportunity you intend to seek from them. You may only have 30-60 seconds to make the "ask." Make it specific. How will this help the company or individual? How will it help your nonprofit?
 - b. Explain who you represent, why you're calling (what leads you to believe it may interest them) and what you're asking for as quickly and succinctly as possible. They don't have time for normal calls, let alone cold calls!

This may sound simple...and it should. But it'll take lots of work to get it done. I hope you see how this simple process can be morphed to fit approaching individuals and foundations. If you're asking foundations, be sure to follow their specific format for asking. Those guidelines are usually available on their websites.

Remember, every year more than \$200 billion is given to nonprofits in the U.S. alone. Your nonprofit could definitely get a piece of those philanthropic dollars. But you need a realistic goal, a compelling story and a disciplined approach to fundraising.

Congratulations, you're embarking on a wonderful adventure! I'm convinced that asking people for money is one of the best vocations in the world!

About the Author

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