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## **Appendix A – Checklist of Fundraising Activities**

[Checklist of fundraising activities with Definitions – DRAFT7.docx (33 pages)]

[Appendix to Applying Activity-Based Management (ABM) to Fundraising"]

### **Section I – Illustrative List of Fundraising Activities**

**[Section IV of this document provides definitions for the 20 activities in the FEP-ABM Illustrative List of Fundraising Activities (Table 1).]**

**Table 1**

**GroupCBA**

**Fundraising Effectiveness Project**

#### **Illustrative List of Fundraising Activities**

<b>Act. Code</b>	<b>Activity</b>	<b>Subtitle</b>
<b><u>Group A: Annual Giving Activities</u></b>		
A01	Direct mail – acquisition	Soliciting Prospective Donors
A02	Direct mail – renewal	Soliciting Prior Donors
A03	Memberships	Soliciting Members
A04	Donor clubs	Soliciting Club Members
A05	Benefits and Special Events	Conducting Special Events
A06	Telephone	Soliciting Prior Donors
A07	Testimonials	Seeking Testimonial Gift Opportunities
A08	Internet and Web-based giving	Seeking New and Repeat Donors
A09	Groups, Guilds and Associations	Seeking Group Funds
A10	Volunteer-led Personal Solicitation	Soliciting Prior Donors
<b><u>Group B: Major Giving Activities</u></b>		
B01	Major Individual Gifts	Individuals, Cultivation, Solicitation
B02	Corporate Relations	Corporations, Grant Proposals, Sponsorships
B03	Foundation Relations	Foundations, Relationships, Grant Proposals
B04	Special project campaigns	Raising Funds for Special Projects
B05	Capital campaigns	Conducting Capital Campaigns
B06	Endowment campaigns	Conducting Endowment Campaigns
B07	Planned giving	Planned Gifts received/current expenses
B08	Government agency relations	Government, Relationships, Grant Proposals

Source for Groups A and B: "Fundraising Responsibilities of Nonprofit Boards", □  
BoardSource, Governance Series #4. Second Edition, 2009, p. 17-27 □

#### **Group C: Development Office Administration and Other Non-Solicitation Activities**

<b>Act. Code</b>	<b>Non-Solicitation Activity</b>	<b>Subtitle</b>	<b>Activity Type</b>
C01	Administration	Fundraising Department Administration	Cost pool
C02	Development Services	Development Back Office Support	Cost pool
C03	Out of Service	Vacation, Holiday, Personal Day, Sick Leave	Cost pool

## Section II – Gift Income, Expenses and Net Gift Income by Activity

**Table 2 - Core Fundraising Net Analyzer<sup>1</sup> Report using the Illustrative List of Activities.**

AltActivity2a

<b><u>Fundraising activities</u></b>		<b><u>Gift Income</u></b>	<b><u>Expenses*</u></b>	<b><u>Net Gift Income</u></b>	<b><u>Net as % Of Total</u></b>
		(A)	(B)	(C=A-B)	(D=C/Ctot)
Annual Giving Activities					
A01	Direct mail (acquisition)	\$ 66,097	\$ 59,795	\$ 6,302	0.2%
A02	Direct mail (renewal)	84,672	22,150	62,522	2.0%
A03	Memberships	34,804	5,292	29,512	1.0%
A04	Donor clubs	52,206	7,938	44,268	1.4%
A06	Telephone	47,150	12,500	34,650	1.1%
A07	Testimonials	11,452	1,375	10,077	0.3%
A08	Internet, website and email	37,290	5,670	31,620	1.0%
A09	Groups, Guilds and Associations	22,500	1,515	21,500	0.7%
A10	Volunteer-led personal solicitations	143,750	12,600	131,150	4.2%
	Subtotal	\$ 499,921	\$ 128,835	\$ 371,601	12.0%
A05	Special Events	\$ 110,865	\$ 52,950	\$ 57,915	1.9%
	Subtotal	\$ 110,865	\$ 52,950	\$ 57,915	1.9%
Major Giving (individuals)					
B01	Major individual gifts	\$ 476,080	\$ 37,600	\$ 438,480	14.1%
B07	Planned giving	168,000	8,500	159,500	5.1%
	Subtotal	\$ 644,080	\$ 46,100	\$ 597,980	19.3%
Major Giving (organizations)					
B02	Corporation relations	\$ 31,450	\$ 12,650	\$ 18,800	0.6%
B03	Foundation relations	54,000	8,500	45,500	1.5%
B04	Special project campaigns	63,720	13,650	50,070	1.6%
	Subtotal	\$ 149,170	\$ 34,800	\$ 114,370	3.7%
	Subtotal - General Activities	\$ 1,404,036	\$ 262,685	\$ 1,141,866	36.8%
Capital Projects					
B07	Endowment campaigns	\$ 870,922	\$ 86,600	\$ 784,322	25.3%
B06	Capital campaigns	1,306,384	129,900	1,176,484	37.9%
	Subtotal	\$ 2,177,306	\$ 216,500	\$ 1,960,806	63.2%
	Grand total	\$ 3,581,342	\$ 479,185	\$ 3,102,672	100.0%

\* Includes allocations to fundraising activities of (a) natural expenses such as salaries, benefits, occupancy and depreciation and (b) development office administration, development services and staff-leave cost pools.

For year-end reports, total expenses will equal total fundraising expenses in audited financial reports and IRS Form 990, Part IX - Statement of Functional Expenses, Column D

Based on Hardwiring for maximum fundraising return on investment", James M. Greenfield.

Expanding the Role of Philanthropy in Health care. William C. McGinly and Kathy Renzetti, Editors.

*New Directions in Philanthropic Fundraising* . Number 49, Fall 2005, Table 6.3.

<sup>1</sup> From Fundraising Net Analyzer – FNA-v1, a Fundraising Cost Effectiveness Self-Assessment Tool  
[Downloadable free from [www.afpfep.org/tools](http://www.afpfep.org/tools)]

## Section III - Hierarchy of Fundraising Activities by Activity Level

Organizations raising less than \$500,000 will likely only need to use the four core fundraising activity codes in Level A, those raising between \$500,000 and \$2.5 million may need five to seven fundraising activities in level B, \$2.5 million to \$10 million might warrant up to the 12 fundraising activities in level C, \$10 million to \$50 million would probably need to use all 20 of the level D fundraising activities and organizations raising more than \$50 million might require more than 20 fundraising activities.

**Table 3**

ActByLevel  
Scalable2.xlsx

### Fundraising Effectiveness Project

#### List of Fundraising Activities Hierarchy By Activity Level

Activity Level A		Activity Level B		Activity Level C		Activity Level D	
Act. Code	Activity	Act. Code	Activity	Act. Code	Activity	Act. Code	Activity
<b>Group A: Annual Giving Activities</b>							
		A01	Direct mail – acquisition	A01	Direct mail – acquisition	A01	Direct mail – acquisition
		A02	Direct mail – renewal	A02	Direct mail – renewal	A02	Direct mail – renewal
						A03	Memberships
				A04	Donor clubs	A04	Donor clubs
				A06	Telephone	A06	Telephone
						A07	Testimonials
				A08	Web-based giving	A08	Internet and Web-based giving
						A09	Groups, Guilds and Associations
						A10	Volunteer-led Personal Solicitation
A99	Annual giving	A99	Annual giving - other	A99	Annual giving - other	A99	Annual giving - other
<b>A05</b>	<b>Special Events</b>	<b>A05</b>	<b>Special Events</b>	<b>A05</b>	<b>Special Events</b>	<b>A05</b>	<b>Benefits and Special Events</b>
<b>Group B: Major Giving Activities</b>							
		B01	Major Individual Gifts	B01	Major Individual Gifts	B01	Major Individual Gifts
				B02	Corp & Fdn Relations	B02	Corporate Relations
						B03	Foundation Relations
				B04	Special project campaigns	B04	Special project campaigns
						B05	Capital campaigns
						B06	Endowment campaigns
						B07	Planned giving
		B08	Government Relations	B08	Government Relations	B08	Government Agency Relations
B99	Major giving	B99	Major giving - other	B99	Major giving - other	B99	Major giving - other
<b>Group C: Development Office Administration and Other Non-Solicitation Activities</b>							
These development office activities are cost pools, which are allocated to direct fundraising activities							
Act. Code						Act. Code	Non-Solicitation Activity
C01	Administration	C01	Administration	C01	Administration	C01	Administration
						C02	Development Services
						C03	Out of Service

## Section IV – Definitions for Illustrative List of Fundraising Activities

General concept for these definitions is that the tasks involved in an activity can help define the activity. Income and expense are not tracked at the task level.

### Definitions for Group C Non-Solicitation Cost Pools

[Group C – Non-Solicitation Cost Pools for Use in Time Sheets, Measuring Fundraising Cost Effectiveness By FEP-ABM Team]

**Table 4**

**GroupC**                      **Proposed List of Fundraising Activities**                      **GroupC**

#### **Group C: Development Office Administration and Other Non-Solicitation Activities**

<b><u>Act. Code</u></b>	<b><u>Non-Solicitation Activity</u></b>	<b><u>Subtitle</u></b>	<b><u>Activity Type</u></b>
C01	Administration	Fundraising Department Administration	Cost pool
C02	Development Services	Development Back Office Support	Cost pool
C03	Out of Service	Vacation, Holiday, Sick Leave, Other Similar	Cost pool

## C01 – Administration, Fundraising Department Administration

For smaller nonprofits, the Admin Pool can include Development services pool and the Out of service Pool can be a task in some Fundraising Activities.

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### **Methods for Administration:**

1. Chief Development Officer
2. Support staff
3. Use volunteers

### **Tasks for the Administration activity:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for development office.
3. Prepare annual budgets for development office.
4. Monitor budget to actual for development office
5. Prepare progress reports for development office.
6. Distribute organization annual report to donors and prospects.
7. Write and distribute organization newsletters to donors and prospects.
8. Staff recruitment, education and training
9. Memberships – staff and department
10. Mail/phone/visitors

11. Non-solicitation volunteer recruitment, relations, management and training
12. Meetings (committees/volunteers)
13. Meetings (staff, management)
14. Personnel-HR activities, supervision, evaluation
15. Stewardship in general
16. Fundraising performance evaluation
17. Other support activities

### **Direct costs associated with Administration:**

1. Travel, entertainment
  2. Printing and production of development office reports and materials
  4. Meetings (tasks 12, 13)
  5. Development office equipment, software
  6. Office supplies
  7. Consultants to development office
  8. Other Administration activity-specific purchases
-

## C02 – Development Services, Development Back Office Support

For smaller nonprofits, the Admin Pool can include Development services pool.

When a specific development services task can be identified with a single Fundraising Activity in Group A or B, time spent on that task is recorded on time sheets accordingly.

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### **Methods for Development Services:**

1. Development Services Manager
2. Support staff
3. Use volunteers

### **Tasks for the Development Services activity:**

1. Fill out time sheet by activity – daily.
2. Prepare progress reports for development office.
3. Prepare progress reports for each fundraising activity.
4. Distribute organization annual report to donors and prospects.
5. Distribute organization newsletters to donors and prospects.
6. Computer records/data management
7. Data entry/management
8. Gift processing/pledge billing

9. Gift acknowledgment
10. Gift reports
11. Newsletters/brochures/report texts
12. Prospect research/management
13. Program results/analysis/reports
14. Web site services
15. Other support activities

### **Direct costs associated with Development Services:**

1. Printing and production of development office reports and materials
  2. Development office equipment, software
  3. Office supplies
  4. Other Development Services Administration activity-specific purchases
- 

## EXHIBIT 4-2<sup>2</sup> - STEPS IN PROCESSING, RECORDING, AND REPORTING GIFTS

1. The donor makes a gift by mail, in person, or by phone, fax, or e-mail (charging a ljf.gar4: or sponsors or underwrites an event or gift; or purchases a special-event ticket.
2. Processing begins with the gift processing staff's tasks:
  - Data entry
  - Update of donor records and donor files
  - Journal preparation
  - Batch processing
  - Transmittal sheets
3. The accounting or business office takes responsibility for:
  - Deposit slip
  - Deposit of money into the bank

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<sup>2</sup> Exhibit 4.2, "Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers," (Wiley, 2nd ed., 2002, p. 129)

Revenue entry on the organization's books

4. The bank, upon receipt of the money and thereafter:
  - Records the deposit
  - Records expenses
  - Processes checks
  - Pays on account
  - Prepares a bank statement
5. The accounting or business office of the organization:
  - Receives bank statements
  - Reconciles revenue and withdrawals
  - Prepares an accounting statement
6. The fund development office:
  - Reconciles income and expenses
  - Prepares gift reports
  - Sends gift reports to the board for review/approval
7. The auditor:
  - Reviews all financial activity
  - Prepares the annual audit statement
  - Presents the audit to the board for review/approval

### **C03 – Out of Service, Vacation, Holiday, Personal Day, Sick Leave**

For smaller nonprofits, the Out of service Pool categories can be tasks in Fundraising Activities.

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#### **Tasks for out-of-service activities:**

1. Fill out time sheet day after activity.
2. Schedule and get approval for vacation dates.
3. Schedule and get approval for personal days.
4. Prepare and submit sick leave reports.

## Group B – Major Giving Fundraising Activities

To meet their long-term and major needs, many nonprofits rely on large gifts from individuals, corporations, and foundations, usually solicited through special major giving activities (Table 5). Significant gifts are the result of time and attention given to qualified donors and prospects who resolve to make a sizable gift to meet an urgent and relevant need while simultaneously realizing one or more of their personal aspirations in their decision.

Major gifts result from relationships established and fostered over time by the organization's board and staff, usually through one or more annual giving programs. To maximize these opportunities, board and staff must prepare a separate strategy of appropriate cultivation and solicitation for each prospective donor. Large gifts are quite similar to major investment decisions for donors. Each qualified donor will require complete knowledge of the organization, its leadership competence, and its fiscal strength, as well as its well-prepared plans for how these funds will be used. The processes of identification, qualification, cultivation, and solicitation are presented below for each of the seven major giving activities.

**Table 5**

**GroupB - Draft1**

**Proposed List of Fundraising Activities**

### **Group B: Major Giving Activities**

<b>Act. Code</b>	<b><u>Activity</u></b>	<b><u>Subtitle</u></b>
B01	Major Gifts Program	Individuals, Cultivation, Solicitation
B02	Corporate Relations	Corporations, Grant Proposals, Sponsorships
B03	Foundation Relations	Foundations, Relationships, Grant Proposals
B04	Special project campaigns	Raising Funds for Special Projects
BO5	Capital campaigns	Conducting Capital Campaigns
BO6	Endowment campaigns	Conducting Endowment Campaigns
BO7	Planned giving	Current Planned Gifts/Future Estate Gifts

Source: "Fundraising Responsibilities of Nonprofit Boards",  
BoardSource, Governance Series #4. Second Edition, 2009, p. 17-27



## **B01 – Major Gifts Program, Individuals, Cultivation, Solicitation**

### **Definition:**

**Soliciting significant donations from individuals. The amount required to qualify as a major gift being determined by the organization<sup>3</sup>.**

**Individuals** are the largest source of giving; often their generous contributions come as a direct result of personal conversations with board members on the merits of the organization. Individual motives for giving are varied and increasingly donor directed; in other words, donors want to specify how their money will be used to benefit others.

Thus, donors who specify that their gifts should pay the tuition for students majoring in chemistry will expect chemistry students to benefit from their contributions. Or, if donors agree to pay for a piece of new equipment, they expect that equipment to be purchased, installed, and used as intended. In both instances, the organization has the opportunity to cement its relationship with donors through communication from and meetings with the students and a site visit to view the equipment in operation.

Securing major gifts from individuals requires extensive personal involvement, cultivation, and solicitation. Board members can be highly effective throughout this process. They provide the assurances that the donors' funds will be used as requested, as it is the board's duty to oversee how all funds are spent.<sup>4</sup>

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<sup>3</sup> AFP Fundraising Dictionary

<sup>4</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

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### **Methods, tactics for Major Gifts**

#### **Program:**

1. One-on-one personal cultivation and relationship building
2. One-on-one personal solicitation
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

### **Tasks for Major Gifts activities**

#### **overall:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for the Major Gifts activity.
3. Prepare annual budgets for the Major Gifts activity.
4. Prepare progress reports for the Major Gifts activity.
5. Major Gifts prospect research
6. Organization Stewardship of Major Gifts
7. Major Gifts volunteer recruitment and training

### **Tasks for each individual Major Gifts donor and prospect:**

8. Cultivation, involvement and relationship building
9. Maintain major donor's electronic and hardcopy CRM records

10. Written communications (letters and email):

- a. Cultivation
- b. Solicitation
- c. Involvement
- d. Acknowledgements and gift receipts

11. Planning and maintaining positive relations with a major donor or prospect

12. Periodic progress reports on the use of a major donor's gifts.

13. Stewardship of a major donor's gift

14. Major donor recognition

15. Major donor gift acknowledgements

16. Major donor research

### **Direct costs associated with Major Gifts**

#### **Program:**

1. Travel, entertainment
  2. Major donor research
  3. Printing and production of Major Gifts fundraising materials
  4. Meetings with major donors and prospects – individually or in groups
  5. Wealth engine software
  6. Other Major Gifts activity-specific purchases
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## **B02 - Corporate relations**, Corporations, Grant Proposals, Sponsorships

### **Definitions:**

**Corporate relations:** Solicitating gifts and grants from corporate foundations, from corporate-giving programs which are grant-awarding programs established and controlled by profit-making corporations, and corporate sponsorships which are financial support of a project in exchange for public recognition and other benefits<sup>5</sup>.

**Corporations** can be major sources of direct and matching gifts, grants and contributions.

## **B03 - Foundation relations**, Foundations, Relationships, Grant Proposals

### **Definitions:**

**Foundation relations:** Solicitating gifts and grants from private foundations, organizations created from designated funds from which the income is distributed as grant to nonprofit organizations<sup>6</sup>

**Foundations** can be major sources of gifts, grants and contributions.

**Corporations.** Corporations can make both annual and major gifts when the decision fits one or more business objectives, sometimes called a value exchange. Careful work is required to establish the return value for a gift from a company, business, or firm. The return usually comes in the form of visibility to one or more corporate customer audiences or target markets for its products. Nonprofit organizations can respond in several ways, generally in the form of visible recognition. As an example, colleges and universities offer corporate giving clubs directly related to their academic units; the value exchange is access to faculty, research, and students.

At a business, corporation, or firm, an internal committee typically makes gift decisions. The corporation may require nonprofits to observe complete adherence to application procedures as a way to identify those applicants that best match its giving criteria. Board members can assist in seeking corporate contributions by identifying candidates and opening doors for staff and volunteers, along with seeking sponsorships and underwriting gifts for benefit events and other activities. Developing long-term relationships with corporations can yield secure annual giving levels along with occasional major gift investments that both parties find advantageous.

**Foundations.** Foundations exist to give away at least 5 percent of their annual asset value - but only to those that most closely match their well-defined policies and procedures. Competition for these grants is fierce, as hundreds of organizations may apply for every grant decision possible from a foundation's available funds.

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<sup>5</sup> AFP Fundraising Dictionary

<sup>6</sup> Ibid

Here again, board members can identify candidates and, where appropriate, make contact with foundation board members on behalf of the nonprofit organization. Foundations often request confirmation that board members are supporting the organization financially. Also, they routinely ask for documentation on board governance and accountability as part of grant application procedures. Because of such specialized requirements, grant writing tends to be a labor-intensive and therefore staff-centered activity<sup>7</sup>.

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**Methods, tactics for Corporate and Foundation Relations:**

1. One-on-one personal cultivation and relationship building
2. Proposal
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

**Tasks for foundation and corporate relations activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for the activity they manage.
3. Prepare annual budgets for the activity they manage.
4. Prepare progress reports for the activity they manage.
5. Prospect research
6. Organization Stewardship
7. Volunteer recruitment and training

**Tasks for each foundation or corporate donor and prospect:**

8. Cultivation and relationship building

9. Proposal:

- a. writing,
- b. budget preparation,
- c. completing grant application,
- d. submission and
- e. similar.

10. Coordinating and maintaining positive working relations with foundation staff.
11. Periodic grant progress reports, expense reports, and final outcomes reports.
12. Grant Stewardship
13. donor recognition/
14. Acknowledgements
15. Grant agreements

**Direct costs associated with foundation and corporate relations:**

1. Travel, entertainment
  2. Grant writers
  3. Proposal printing and production
  4. Meetings with grantor and prospective program officers
  5. Foundation Center subscriptions
  6. Wealth engine software
  7. Other activity-specific purchases
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<sup>7</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

## **B04 – Special-project campaigns, Raising Funds for Special Projects**

### **Definition:**

**Soliciting gifts and grants from selected or all sources for specific purposes that required special funding but usually not requiring a capital campaign<sup>8</sup>.**

By designing a fundraising objective around specific priorities, a nonprofit invites immediate support due to an urgent need linked to a relevant public problem within its mission. Examples include fires, floods, hurricanes, earthquakes, and the like. Special-project campaigns offer a defined goal with a specific project that must proceed as soon as the money can be raised. Other forms may be designed around a unique situation (for example, a retiring chief executive or long-term employee) or an individual contributor, family, alumni class, or group of friends giving a memorial or tribute.

The board's role is to decide on the project and delay its implementation until all the funds required have been received. Board members also should participate visibly in one or more leadership positions in this special campaign as well as support it financially<sup>9</sup>.

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### **Methods, tactics for Special Project Campaigns:**

1. One-on-one personal cultivation and relationship building
2. Proposal
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

### **Tasks for special-project campaign activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare plans and procedures for conducting special-project activities.

### **Tasks for each special project:**

3. Prepare plans for the special-project activity.
4. Prepare the budget for the special-project activity.
4. Prepare progress reports for the special-project activity.
5. Prospect research for the special-project activity

6. Stewardship for the special-project activity
7. Cultivation and relationship building
8. Proposal:
  - a. writing,
  - b. budget preparation,
  - c. completing grant application,
  - d. submission and
  - e. similar.
9. Periodic progress reports, expense reports, and final outcomes reports.
10. Special-project funding stewardship
11. donor recognition/
12. Acknowledgements

### **Direct costs associated with special-project campaigns:**

1. Travel, entertainment
2. Proposal and case statement writers
3. Proposal printing and production
4. Meetings with prospective donors
7. Other special-project-specific purchases

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<sup>8</sup> AFP Fundraising Dictionary

<sup>9</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

## **B05 - Capital Campaigns - Raising Funds for Capital Purposes**

### **Definition:**

**An intensive fundraising effort to meet a specific financial goal within a specified period of time for one or more major capital projects that are out of the ordinary, such as the construction of a facility or purchase of equipment<sup>10</sup>.**

Capital campaigns are the most productive, efficient, and cost-effective method for raising large sums of money for the highest priorities in the organization's future plans, usually developed from a thoroughly prepared strategic plan. A capital campaign requires several years in planning and preparation prior to initiating the multiyear campaign itself and is applied only when other revenue sources are insufficient to fully fund the overall plan.

In general, capital campaign objectives include new construction, major renovations, new equipment, and/or building the endowment (if the capital project does not include a separate endowment campaign). In most cases, the strategic plan identifies the most urgent needs for one or more (or all) of these objectives, which is why extensive campaign planning and preparation are required. Campaigns reach the public only after all preparations are complete and the board, staff, and closest friends have made their best gift commitments to the project in advance. It is not unusual for this entire process, from initial planning to conclusion, to take from three to five and even seven to eight years.

Campaigns require a total effort by everyone associated with the organization and are board-led and board-supported throughout. Board members must set a personal example by giving to the best of their ability before inviting others to make their best gifts. Further, successful capital campaign efforts require board members to assist staff with specific tasks such as

- endorsing, supporting, and participating in the preparation of the strategic plan
- identifying specific fundraising objectives along with campaign policies and procedures
- supporting marketplace research surveys, development program audits, and pre-campaign planning or feasibility studies that test the public's response to campaign objectives
- selecting qualified campaign counsel and recruiting qualified and experienced fundraising staff
- supporting funding requirements for campaign budget, staff, space, and systems
- identifying, cultivating, and arranging opportunities to meet with major gift prospects
- resolving the need for other, ongoing fundraising requirements for annual operating support during the campaign period

Without the board's full engagement in the decisions that lead up to the need for a capital campaign strategy, the campaign itself - as well as the plans for the future - are likely to be unrealized<sup>11</sup>.

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<sup>10</sup> AFP Fundraising Dictionary

<sup>11</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

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**Methods, tactics for Capital Campaigns:**

1. One-on-one personal cultivation and relationship building
2. Proposal
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

**Tasks for capital campaign activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare plans and procedures for conducting capital campaign activities.

**Tasks for each capital campaign:**

3. Prepare plans for the capital campaign activity.
4. Prepare the budget for the capital campaign activity.
4. Prepare progress reports for the capital campaign activity.
5. Prospect research for the capital campaign activity

6. Stewardship for the capital campaign activity
7. Cultivation and relationship building
8. Campaign brochure and case statement:
  - a. writing,
  - b. budget preparation,
  - c. completing campaign materials, and
  - d. similar.
9. Periodic progress reports, expense reports, and final outcomes reports.
10. Capital funding stewardship
11. donor recognition/
12. Acknowledgements

**Direct costs associated with capital campaigns:**

1. Travel, entertainment
2. Proposal and case statement writers
3. Proposal printing and production
4. Meetings with prospective donors
7. Other capital-specific purchases

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## **B06 - Endowment Campaigns - Raising Funds for Endowment Purposes**

**Definition:**

**An intensive fundraising effort to meet a specific financial goal within a specified period of time for acquisition of endowment<sup>12</sup>**

Nonprofit organizations are increasingly aware they need an investment strategy to secure their future. The purpose of a permanent endowment is to produce a reliable level of annual income (usually determined to be at 5 percent of annual asset value) to meet annual operational budget needs.

However valid the need to build an endowment, the decision to embark on this strategy must be made with full awareness of its impact on all other fundraising activities. It is possible to conduct a separate fundraising strategy to seek endowment gifts while pursuing the full range of routine annual giving methods and techniques, chiefly because the most qualified audience can be identified as individual prior donors interested in or concerned about estate planning, not annual gifts. Some organizations include an endowment goal within their capital campaign's list of objectives, with the intent to add a level of permanent funding to support those programs and services linked to the campaign goals, as well as to provide maintenance funds for the building and equipment into the future.

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<sup>12</sup> AFP Fundraising Dictionary

The chief fundraising method to seek endowment is a planned giving program. This effort requires technical knowledge of estate planning, plus experience and expertise in investment management. Such programs should proceed only with full information and board-approved policies and procedures for all operating details.

Board members also should consider including the nonprofits they serve in their own estate plans. This decision may take the form of a planned gift commitment during their term of office or for a specific amount listed in their will or living trust, a percentage of their entire estate, or the gift of a specific asset they currently control<sup>13</sup>.

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**Methods, tactics for Endowment Campaigns:**

1. One-on-one personal cultivation and relationship building
2. Planned giving
3. Proposal
4. Personal visit, phone call, letter and email
5. Use volunteers, board members, CEO and/or development staff

**Tasks for endowment campaign activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare plans and procedures for conducting endowment campaign activities.

**Tasks for each endowment campaign:**

3. Prepare plans for the endowment campaign activity.
4. Prepare the budget for the endowment campaign activity.
5. Prepare progress reports for the endowment campaign activity.
6. Prospect research for the endowment campaign activity

6. Stewardship for the endowment campaign activity
7. Cultivation and relationship building
8. Prepare and negotiate planned giving agreement
9. Campaign brochure and case statement:
  - a. writing,
  - b. budget preparation,
  - c. completing campaign materials, and
  - d. similar.
10. Periodic progress reports, expense reports, and final outcomes reports.
11. Endowment funding stewardship
12. donor recognition/
13. Acknowledgements

**Direct costs associated with endowment campaign:**

1. Travel, entertainment
2. Proposal and case statement writers
3. Planned giving service consultants
4. Proposal printing and production
5. Meetings with prospective donors
6. Other endowment-specific purchase

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<sup>13</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield



## B07 – Planned Giving – Current Planned Gifts/Future Estate Gifts

### **Definition:**

**A systematic effort to identify and cultivate a person for the purpose of generating a major gift that is structured and that integrates sound personal, financial, and estate-planning concepts with the prospect's plans for lifetime or testamentary giving<sup>14</sup>.**

Nonprofit organizations are increasingly aware they need an investment strategy to secure their A secure financial base can be established by donations made through planned giving - future assets that a donor commits to contribute through bequests, charitable trusts, gift annuities, life insurance, or other forms. Current donors may consider increasing their current contributions by adding a planned gift, once its benefits (including tax advantages) are explained clearly.

Planned gifts offer donors, prospects, and friends another means to increase their contributions and leave a legacy gift to their favorite nonprofit organization. Donors should be encouraged to review any proposed planned giving with their own advisors to ensure the proposed gifting arrangement meets their personal needs and long-term financial requirements. There are two areas of planned giving or estate planning:

**Current Planned Gifts.** With these major contributions, the decision and the gift are made today, with the funds invested and managed by the nonprofit for the donor's lifetime (or other term as described in the contract). The donor derives income by transferring a current financial asset, by contract, to a charity, with the residual principal delivered to the nonprofit organization following the donor's death.

As an example, a donor can establish a charitable remainder trust or charitable gift annuity today, negotiate the income payment schedule (usually between 5 percent and 8 percent of the total gift value), claim an income tax charitable contribution deduction in the year the gift is made, and begin receiving income from the trust or annuity for the balance of the contract or life. Upon the donor's death, the charity receives the remainder value in fulfillment of the contract.

With future estate gift major contributions, the decision is made today but the organization does not receive the funds until after the death of the donor. For example, a donor may decide today to stipulate a specific gift for a favorite charity in a will or living trust. The gift may be in the form of a specified cash amount, specific asset, or percentage of the overall estate, all decided at the time the will or living trust is created - but not transferred to the organization until after the donor's death. Wills and living trust documents can be modified over time, suggesting that continued attention to the donor is needed to limit any unfavorable changes.

The board's fiduciary duty includes managing the organization's planned gift contracts and endowment funds. The board must faithfully observe donors' wishes and be vigilant about investing and managing donors' money. Planned gift contracts require the nonprofit organization to accept full trusteeship responsibility or to place the funds where all such legal obligations will be met faithfully on the donor's behalf (for example, with a local community foundation or bank trust department). Board policies should define whether it will act as trustee for each contractual agreement, and, if so, what professional investment policies and procedures will be in place to ensure the donor's interests are preserved for the life of the contract<sup>15</sup>.

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<sup>14</sup> AFP Fundraising Dictionary

<sup>15</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

Board members also should consider including the nonprofits they serve in their own estate plans. This decision may take the form of a planned gift commitment during their term of office or for a specific amount listed in their will or living trust, a percentage of their entire estate, or the gift of a specific asset they currently control<sup>16</sup>.

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**Methods, tactics for Planned Gifts:**

1. One-on-one personal cultivation and relationship building
2. One-on-one personal solicitation
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

**Tasks for Planned Gifts activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for the Planned Gifts activity.
3. Prepare annual budgets for the Planned Gifts activity.
4. Prepare progress reports for the Planned Gifts activity.
5. Planned Gifts prospect research
6. Organization Stewardship of Planned Gifts
7. Planned Gifts volunteer recruitment and training

**Tasks for each individual Planned Gifts donor and prospect:**

8. Cultivation, involvement and relationship building

9. Prepare and negotiate planned giving agreement
10. Written communications (letters and email):
  - a. Cultivation
  - b. Solicitation
  - c. Involvement
  - d. Acknowledgements and gift receipts
11. Planning and maintaining positive relations with a planned giving donor or prospect
12. Periodic progress reports on the use of a planned giving donor's gifts.
13. Stewardship of a planned giving donor's gift
14. Planned giving donor recognition
15. Planned giving donor gift acknowledgements
16. Planned giving donor research

**Direct costs associated with Planned Gifts:**

1. Travel, entertainment
  2. Planned giving donor research
  3. Printing and production of planned gift fundraising materials
  4. Meetings with planned giving donors and prospects
  5. Planned giving service consultants
  6. Other Planned Gifts activity-specific purchases
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<sup>16</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS, Greenfield

## Special considerations – Corporate and Foundation Relations<sup>17</sup>:

1. Larger nonprofits can have full-time staff assigned as directors or managers of foundation relations and/or corporate relations.

Midsize nonprofits can include this activity as one of several activities that are managed by development staff as part of their overall responsibilities.

Other nonprofit staff besides fundraisers are actively engaged in foundation and corporate grant applications. They need to assign their time spent to the relevant **activity** in their time sheets if portions of their salaries, benefits and other cost pool expenses are to be counted.

2. *"An activity is the level of accounting and reporting for which a separate measurement of expense and revenue is desired."* Activities are usually broken down into tasks. If a separate measurement of expense and/or revenue is needed for a task or group of tasks, the task or group of tasks become an activity for responsibility management purposes.

3. **Sources** such as foundations and corporations are not **activities**. Seeking funds from **sources** such as foundations or corporations are **activities**. The descriptors for the activities in the "Master List of Fundraising Activities" need to appropriate for the term "activities."

4. Each **activity** is a responsibility center assigned to someone on the development staff to manage or direct.

5. **Fundraising activity** directors and managers need to record the portion of the time they spend on **tasks** within various development office **activities** on a daily basis.

6. Many of Group C categories are **tasks** rather than **activities** and need to be in a single development office support cost pool activity, to be allocated to various fundraising **activities**. Such allocation are based on staff time percentages.

7. Foundations are a "source" of gifts, grants and contributions; seeking foundation funds is a fundraising activity.

8. There are several types of foundations (all are a "source"). Private foundations, public foundations, community foundations, personal foundations, family foundations, corporate foundations, etc.

9. They all have (a) board of directors/trustees, (b) mission or purpose, (c) application policy and procedures, (d) decision guidelines, (e) IRS Form 990-PF, etc.

10. Foundation relations activities include several steps (tasks), such as:

- a. to identify any foundation as a potential "source",
- b. research its mission or purpose to be consistent with the nonprofit's mission or purpose,
- c. study its guidelines, policies and procedures for qualification,
- d. complete their application accurately and completely,
- e. submit a proposal on time, etc.

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<sup>17</sup> Input from James Greenfield, Barbara Levy and Steve Wertheimer for this document.

11. If a gift, grant or contribution is received, steps are to verify its purposes or uses, its restrictions, establish reporting details and deadlines, maintain positive communications and continuing relations, etc.

12. Some fundraising activity is solicitation; much is non-solicitation.

13. Corporations are a "source" too and are somewhat like foundations, but are different in many ways.

14. Corporate gifts, grants and contributions can come from a corporation, a business, a partnership, etc., in many forms such as cash, its goods or products, its stocks, its owners, its board, its employees, as matching gifts, from employee volunteer time, etc.

15. Corporate gifts, grants and contributions are guided chiefly by self-interest. Other corporate purposes are similar to foundations. Most are guided by the owners and/or board, and profits.

16. Corporate giving decisions are made by the owner, by the board, by a "community relations" committee, through a separate corporate foundation (which acts like a regular foundation), by cause-related marketing partnerships with nonprofits, etc.

17. The corporate fundraising activity includes steps a to f described above in paragraph 10 for foundations.

18. Recording revenue received from foundations and corporations has its complications, such as a payment schedule over several years. Establishing the value of some corporate gifts (its goods and products) may require formal appraisals. Sponsorships and underwriting gifts also may involved non-solicitation expenses for donor recognition as well as donor promotions.

19. The development office with a single foundation grant opportunity does not have enough foundation support to justify having a separate activity, or a member of the development staff responsible, even on a part-time basis, for a foundation relations activity. Opportunities for a foundation grant can surface unexpectedly and the development staff teams up to make it happen. In this case, a time sheet revenue and expense activity can be set up mid-year by the accounting department for a "special project" like this when needed. Then every member of the development staff (or other employee in the organization) can report the time they spend on this specific foundation grant project in their daily time sheets.

## Annual GIVING<sup>18</sup>

The first and most important fundraising requirement is to provide sufficient money each year to fund the current operating budget if other sources of revenue do not cover all expenses. Donations of this type primarily come from individuals - the nonprofit world's principal source of support.

Acquiring, retaining, and upgrading these individual donors are an organization's primary goals each year, and it uses nearly every communication channel to reach the widest and most diverse audience possible. Given the depth and breadth of these efforts, annual giving is the most expensive type of fundraising and largely depends upon staff.

The funds raised are unrestricted, meaning that the organization can channel them to the annual budget areas where they are most needed at the time. Goals assigned to annual fundraising activities typically increase each year as budget needs increase, so fundraising programs continually face the challenge of meeting ever higher levels of financial support. The most common annual giving activities (Table 6) are described briefly below.

**Table 7**

GroupA - Draft1

Proposed List of Fundraising Activities

GroupA - Draft1

### Group B: Annual Giving Activities

<u>Act. Code</u>	<u>Activity</u>	<u>Subtitle</u>	<u>Method, Technique</u>
<u>Group A: Annual Giving Activities</u>			
A01	Direct mail – acquisition	Soliciting Prospective Donors	Direct mail
A02	Direct mail – renewal	Soliciting Prior Donors	Direct mail
A03	Membership programs	Soliciting Members	Direct mail
A04	Donor clubs	Soliciting Club Members	Direct mail, telephone
A05	Benefits and Special Events	Conducting Special Events	Direct mail, advertizing, promotion
A06	Telephone	Soliciting Prior Donors	Telephone
A07	Testimonials	Seeking Testimonial Gift Opportunities	Personal contact
A08	Internet and Web-based giving	Seeking New and Repeat Donors	Email, web-based
A09	Groups, Guilds and Associations	Seeking Group Funds	Personal contact, proposals
A10	Volunteer-led Personal Solicitation	Soliciting Prior Donors	Personal contact

Source: "Fundraising Responsibilities of Nonprofit Boards", □  
BoardSource, Governance Series #4. Second Edition, 2009, p. 17-27 □

<sup>18</sup> Chapter 2, © 2009 BoardSource FUNDRAISING RESPONSIBILITIES OF NONPROFIT BOARDS

## **A01 and A02 - Direct Mail Activities** - *USPS* approved bulk mail rates for nonprofit organizations.

Distinguishing between direct mail (aka direct marketing) and personalized mail (mid-level<sup>19</sup> gifts fundraising) can be by the use of bulk mail postage or first-class postage (Jim Greenfield). Direct mail uses computer generated labels and reply cards with window envelopes while name and addresses for personalized mail envelopes and the letters inside the envelope are produced and signed individually.

Two primary direct-mail related fundraising activities are A01 Direct Mail – Acquisition and A02 Direct Mail – Renewal.

**A01 & A02 - Direct mail – acquisition and renewal.** Mailings are a reliable method to market the organization's programs and services to wide audiences and allow a nonprofit to reach the largest number of potential clients, as well as prospective donors, with its direct appeals for support. While necessarily expensive in the acquisition phase, renewing and upgrading of a prior mail donor's gifts is highly profitable. Three years may pass before the organization achieves a reliable level of profitability or return on investment as a combined acquisition and renewal efficiency rate.

The board should consider this area as an investment strategy. Mailings build an enduring relationship with reliable donors - those who are willing to invest each year in the organization's present and future needs. Some among these donors can do much more, if given adequate personal attention.

A02 - Direct Mail – Renewal donors can be solicited multiple times during the year.

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<sup>19</sup> Mid-level donors give too much to be included in a direct-mail fundraising activity and give too little to be assigned to a B01 – Major Gifts Program activity. <https://www.truesense.com/blog/mid-level-donors-fundraising-white-paper>

## Tasks:

### A01 – Direct Mail - Acquisition

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#### **Tasks for direct mail fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting direct mail donor acquisition and renewal activities.
3. Prepare a direct-mail coding structure to be employed for all mailings and used for measuring direct-mail performance
4. Prepare annual budgets for the A01 Direct Mail – Acquisition and A02 – Direct Mail – Renewal activities.

4.

#### **Tasks for direct mail acquisition:**

4. Prepare plans for specific acquisition mailings.
5. Contract with a mail processing center to apply labels, insert printed items, zip-9 sort and bundle, and deliver mail to USPS.
6. Identify, qualify and place orders for test quantities of digitize prospect lists.
7. Analyze test results and place roll-out orders for appropriate quantities of successful digitize prospect lists.
8. Use dupe-elimination software to eliminate donors from prospect lists.
9. Produce computer generated labels or reply cards with assigned mail codes and deliver to mail processing center.
10. Design the direct-mail packages including solicitation letters, brochures, reply cards with asking levels, and cover and reply envelopes
8. Write copy for all printed materials
9. Order all printed materials and have them delivered to the mail processing center

10. Contract with a dropbox service
11. Analyze response data from development service's gift processing operation or lockbox service
12. Run responses through wealth engine software and assign new donors as appropriate to donor renewal fundraising activities such as A03 – membership programs, A04 – Donor Clubs and B01 - major gifts
13. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
14. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with direct mail acquisition:**

1. Contracts with direct marketing management firms
2. Contracts with mail processing center
3. Prospect list consulting fees and purchases
4. Creative and copy writer consulting fees
5. Printing contracts and purchases
6. Outside computer services including file maintenance, dupe-elimination, and label production.
7. Direct mail supplies such as letterhead, envelopes, paper, ink and similar supplies
8. Premiums such as prospects' home mailing labels
9. Lockbox processing and mail code analysis services
10. Other direct-mail-acquisition specific purchases

## **Tasks:**

### **A02 – Direct Mail - Renewal**

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#### **Tasks for direct mail fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting direct mail donor acquisition and renewal fundraising activities.
3. Prepare a direct-mail coding structure to be employed for all mailings and used for measuring direct-mail performance

#### **Tasks for direct mail renewal:**

4. Prepare plans for specific renewal mailings.
5. Contract with a mail processing center to apply labels, insert printed items, zip-9 sort and bundle, and deliver mail to USPS.
6. Segment house donor list as planned in step 4.
7. Prepare various direct mail packages for testing
8. Analyze test results and apply findings in subsequent renewal mailings
9. Produce computer generated labels or reply cards with assigned mail codes and deliver to mail processing center.
10. Design the direct-mail packages including solicitation letters, brochures, reply cards with asking levels, cover and reply envelopes
11. Write copy for all printed materials
12. Order all printed materials and have them delivered to the mail processing center

13. Contract with a dropbox service
14. Analyze response data from development service's gift processing operation or lockbox service
15. Assign donors as appropriate to other donor renewal fundraising activities such as A03 – membership programs, A04 – Donor Clubs and B01 - major gifts
16. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
17. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with direct mail renewal:**

1. Contracts with direct marketing firms
2. Contracts with mail processing center
3. Creative and copy writer consulting fees
4. Printing contracts and purchases
5. Outside computer services including file maintenance, dupe-elimination, label production.
8. Direct mail supplies such as letterhead, envelopes, paper, ink and similar
9. Premiums such as mailing labels
10. Lockbox processing and mail code analysis services
11. Other direct-mail-renewal specific purchases



## **A03 – Membership Programs – Soliciting members for annual gifts**

**A03 - Membership Programs.** A membership program actively invites donors to join as annual partners with the organization in meeting its mission and vision. Such programs typically use a range of gift levels and offer a variety of benefits and privileges to maintain the member's interest and involvement.

**A04 - Donor Clubs.** By offering higher giving levels, donor clubs identify and qualify major gift prospects as well as potential volunteer leaders. The personal attention accorded these donors will help to cultivate them as quality candidates for future capital campaigns and planned gifts.

Membership and Donor Club donors in the lower giving level ranges are solicited using the tasks above for the A02 – Direct Mail – Renewal fundraising activity.

Membership and Donor Club donors in the midlevel giving ranges are solicited using midlevel<sup>20</sup> personalized fundraising) methods can be by the use of bulk mail postage or first-class postage (Jim Greenfield). Direct mail uses computer generated labels and reply cards with window envelopes while name and addresses for personalized mail envelopes and the letters inside the envelope are produced and signed individually.

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<sup>20</sup> Mid-level donors give too much to be included in a direct-mail fundraising activity and give too little to be assigned to a B01 – Major Gifts Program activity. <https://www.truesense.com/blog/mid-level-donors-fundraising-white-paper>

## **Tasks:**

### **A03 – Membership Programs**

### **A04 – Donor Clubs**

---

#### **Tasks for Membership and Donor Club direct mail fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting direct mail donor renewal fundraising activities.
3. Prepare a direct-mail coding structure to be employed for all Membership and Donor Club mailings and used for measuring performance

#### **Tasks for Membership and Donor Club direct mail renewal:**

4. Prepare plans for specific renewal mailings.
5. Contract with a mail processing center to apply labels, insert printed items, zip-9 sort and bundle, and deliver mail to USPS.
6. Segment house donor list as planned in step 4.
7. Prepare various direct mail packages for testing
8. Analyze test results and apply findings in subsequent renewal mailings
9. Produce computer generated labels or reply cards with assigned mail codes and deliver to mail processing center.
10. Design the direct-mail packages including solicitation letters, brochures, reply cards with asking levels, cover and reply envelopes
11. Write copy for all printed materials

12. Order all printed materials and have them delivered to the mail processing center
13. Contract with a dropbox service
14. Analyze response data from development service's gift processing operation or lockbox service
15. Assign donors as appropriate to other donor renewal fundraising activities such as mid-level A03 – membership programs and A04 – Donor Clubs and B01 - major gifts
16. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
17. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with direct mail renewal:**

1. Contracts with direct marketing firms
  2. Contracts with mail processing center
  3. Creative and copy writer consulting fees
  4. Printing contracts and purchases
  5. Outside computer services including file maintenance, dupe-elimination, label production.
  8. Direct mail supplies such as letterhead, envelopes, paper, ink and similar
  9. Premiums such as mailing labels
  10. Lockbox processing and mail code analysis services
  11. Other direct-mail-renewal specific purchases
-

## **Midlevel Tasks:**

### **A03 – Membership Programs – midlevel**

### **A04 – Donor Clubs - midlevel**

### **[A06 – Telephone – midlevel]**

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#### **Tasks for annual giving donor renewal fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting direct mail and midlevel donor renewal fundraising activities.
3. Prepare a gift transaction coding structure to be employed for use in measuring direct-mail and midlevel fundraising performance

#### **Methods, tactics for midlevel fundraising:**

1. One-on-some personal cultivation and relationship building
2. One-on-some personal solicitation
3. Personal phone call, letter and email
4. Use volunteers, senior staff, program services staff and/or development staff
5. Stewardship of Midlevel Gifts

#### **Tasks for midlevel fundraising renewal activities:**

4. Prepare plans for specific midlevel fundraising appeals.
5. Segment midlevel donor list as planned in step 4.
6. Prepare various midlevel fundraising strategies to be tested
7. Analyze test results and apply findings in subsequent midlevel appeals
8. Midlevel donor cultivation, involvement and relationship building

9. Maintain midlevel donor's electronic and hardcopy CRM records
10. Written communications (letters and email) to midlevel donors:
  - a. Cultivation
  - b. Solicitation
  - c. Involvement
  - d. Acknowledgements and gift receipts
11. Planning and maintaining positive relations with midlevel donors
14. Analyze response data from development service's gift processing operation or lockbox service
14. Midlevel donor recognition
15. Midlevel donor gift acknowledgements
16. Midlevel donor research
16. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
17. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with midlevel donor renewal:**

1. Contracts with midlevel fundraising consulting firms
  3. Creative and copy writer consulting fees
  4. Printing contracts and purchases
  8. Supplies such as letterhead, envelopes, paper, ink and similar
  11. Other midlevel fundraising specific purchases
-

## **A05 - Benefits and Special Events.**

Along with mailings, benefits and special events are the most pervasive forms of public solicitation in current practice and are highly popular with volunteers and attendees. They also provide opportunities for high media visibility for the charity and its cause and are good vehicles for volunteer recruitment and leadership development.

Visibility for the organization, not net proceeds, is a key achievement of special events - but they still should generate income. However, they are the least cost-effective means of raising money and are highly staff intensive. For maximum efficiency and effectiveness, they should be volunteer-led, volunteer-directed, and staff-supported rather than assigned to the fundraising staff to do everything.

### **Special considerations for Benefits and Special Events**

1. Benefits and special events that include expenses that benefit donors such as dinner and theater benefits. The income and expense of these event activities need to be accounted for and reported separately to meet IRS requirements [reference instructions for related Form 990 sections.]
2. Special cultivation events involving midlevel and major donors and prospects that do not include an appeal for funds. Such events are not included in A06 – Special Events activities but rather conducted as part of the major individual giving and annual midlevel giving activities that employ these events to increase giving.

## Tasks:

### A05 – Benefits and Special Events

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#### **Methods, tactics for Benefits and Special Events:**

1. Direct mail
2. Telephone
3. Advertising
4. PR, promotion
5. Sponsorships
6. Use volunteers, board members, CEO, staff

#### **Tasks for special events fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting special event activities.
3. Prepare a special events coding structure to be employed for all benefits and special events and used for measuring special events performance
4. Prepare annual budgets for A05 – Benefits and Special Event activities

**[See tasks for direct mail and telephone activities when these methods are employed]**

#### **Tasks for benefits and special events:**

5. Prepare plans for specific events.
6. Contract with benefits and special events managers and consultants
7. Contract for benefits and special events facilities

8. Design the special events recruitment and solicitation packages envelopes
8. Write copy for all printed materials
9. Analyze event giving and donor participation from development service's gift processing operation
10. Run new event participants through wealth engine software and assign new donors as appropriate to donor renewal fundraising activities such as A03 – membership programs, A04 – Donor Clubs and B01 - major gifts
11. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
12. Prepare event results reports, expense reports, and final outcomes reports.

#### **Direct costs associated with special events acquisition:**

1. Contracts with event consultants and management firms
2. Contracts for event facilities
3. Creative and copy writer consulting fees
4. Printing contracts and purchases
5. Advertisement purchases
7. Special events supplies such as letterhead, envelopes, paper, ink and similar supplies
8. Other special events specific purchases

**A06 - Telephone.** Interacting with prospects on the telephone enables the organization to personally communicate and connect with donors and prospects. The telephone proves most beneficial with prior donors, where the discussion ties a variety of annual giving priorities to past giving results. Using the telephone in combination with mailings and/or e-mail has proven effective as well.

## **Tasks:**

### **A06 – Telephone (Renewal)**

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#### **Tasks for telephone fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting telephone donor acquisition and renewal fundraising activities.
3. Prepare a telephone coding structure to be employed for all telephone solicitations and used for measuring telephone activity performance

#### **Tasks for telephone renewal:**

4. Prepare plans for specific telephone donor renewal solicitations.
5. For telethons, arrange for telephone calling facilities.
6. Segment house donor list as planned in step 4.
7. Prepare various telephone strategies and messages for testing
8. Analyze test results and apply findings in subsequent telephone renewal mailings
9. Design and produce computer generated individual donor information, asking levels, and solicitation results cards with assigned mail codes for use by phone solicitors.

10. Order all printed materials
11. Analyze telephone solicitation response data from development service's gift processing operation
12. Assign donors as appropriate to other donor renewal fundraising activities such as A03 – membership programs, A04 – Donor Clubs and B01 - major gifts
13. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
14. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with telephone renewal:**

1. Contracts with telemarketing firms
2. Contracts with telephone calling services and facilities
3. Direct costs related to telephone calling facilities
4. Creative and copy writer consulting fees
5. Printing contracts and purchases
6. Other telephone-renewal specific purchases

**A07 - Testimonials.** Many donors participate in memorial gifts to a charitable organization to honor the life of a relative, friend, or business associate as an expression of sympathy to the family. Another form of testimonial giving is to honor someone, such as a retiring administrator, professional staff member, or board member. While such gifts may not occur each year, organizations should be prepared with memorial and tribute giving options. They offer donors another opportunity to express admiration and respect for another person with a gift made in that person's name.

## **Tasks:**

### **A07 – Testimonials**

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#### **Methods, tactics for Testimonials:**

1. One-on-one personal relationships
2. Personal visit, phone call, letter and email
3. Use volunteers, board members, CEO and/or development staff

#### **Tasks for Testimonials activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for the Testimonials activity.
3. Prepare memorial and tribute giving options
4. Prepare annual budgets for the Testimonials activity.
5. Prepare progress reports for the Testimonials activity.
6. Organization Stewardship of Testimonials

#### **Tasks for each individual**

##### **Testimonials donor and prospect:**

7. Relationship building
8. Periodic progress reports on funds received for the testimonial
9. Stewardship of testimonial funds
10. testimonial related acknowledgements and receipts

#### **Direct costs associated with**

##### **Testimonials Program:**

1. Printing and production of Testimonials fundraising materials
  2. Meetings with testimonial sponsors and prospects – individually or in groups
  3. Other Testimonials activity-specific purchases
-

## **A08 – Internet and Web-Based Giving.**

Web-based giving is the newest fundraising vehicle, and many organizations have designed their Web sites with this solicitation technique in mind. Nonprofits use this medium actively for direct solicitation as a preferred communications channel to request contributions. Its ultimate effectiveness and efficiency is its ability to integrate with other annual solicitation techniques.

Web sites should be interactive, inform visitors about annual priorities needing gift support, and provide a "donate now" icon that offers a secure means to accept contributions via credit card and other forms of electronic funds transfer. Thank-you letters and official receipts can be sent electronically to donors more quickly than by mail. Perhaps the most advantageous use of this technology is its ability to encourage direct communication between donors and their favorite charities. The Internet offers multiple avenues for direct interaction, such as e-mail, special reports, and newsletters. Blogs and other interactive channels allow for networking between volunteers and donors, public commentary with questions and answers, making appointments for service, and even virtual meetings of committees and support groups, charity auctions, and more.



## Tasks:

### A08 – Internet and Web-Based Giving.

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#### **Tasks for web-based fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting web-based fundraising activities.
3. Prepare a web-based coding structure to be employed for all mailings and used for measuring web-based fundraising performance
4. Prepare annual budgets for the A08 Internet and Web-based fundraising activities.

#### **Tasks for web-based acquisition:**

5. Contract with an internet and web-based fundraising service
6. Contract with a donation payment service
7. Design and write copy for fundraising content on website
8. Analyze response data from development service's gift processing operation or donation payment service

9. Run responses through wealth engine software and assign new donors as appropriate to donor renewal fundraising activities such as A03 – membership programs, A04 – Donor Clubs and B01 - major gifts
10. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
11. Prepare periodic progress reports, expense reports, and final outcomes reports.

#### **Direct costs associated with web-based fundraising:**

1. Contracts with internet and web-based fundraising service firms
2. Contracts with donation payment service
3. Creative and web-based content writer consulting fees
4. Other web-based-fundraising specific purchases

**A09 - Groups, Guilds, and Associations.** These groups combine membership affiliation with a vehicle for volunteers and donors to become personally involved in supporting their favorite nonprofit organization. Examples include college and university alumni associations, guilds that support the arts, and hospital auxiliaries.

Many nonprofit organizations structure these volunteers into semiautonomous support groups with their own boards of directors and committees, all approved and appointed by the board of the parent charitable entity. Such groups often identify and carry out their own membership recruitment and renewal activities, stage fundraising benefit events, and serve as informed advocates for the parent organization. They also can adopt one or more programs or service areas as "their" project to support each year through fundraising.

## **Tasks:**

### **A09 – Groups, Guilds, and Associations**

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#### **Methods, tactics for groups, guilds, and associations:**

1. One-on-one personal cultivation and relationship building
2. Proposal
3. Personal visit, phone call, letter and email
4. Use volunteers, board members, CEO and/or development staff

#### **Tasks for groups, guilds, and associations activities overall:**

1. Fill out time sheet by activity – daily.
2. Prepare periodic, annual and long-term plans for the activity
3. Prepare annual budgets for the activity
4. Prepare progress reports for the activity
5. Prospect research
6. Organization Stewardship
7. Volunteer recruitment and training

#### **Tasks for each group, guild and association donor and prospect:**

8. Cultivation and relationship building
9. Proposal writing
10. Coordinating and maintaining positive working relations with donor/prospect leaders and/or staff.
11. Periodic reports
12. Stewardship
13. Donor recognition
14. Acknowledgements

#### **Direct costs associated with groups, guilds, and associations**

1. Writers
  2. Proposal printing and production
  3. Meetings with group, guild, and association leaders and/or staff
  4. Foundation Center subscriptions
  5. Other activity-specific purchases
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**A10 - Volunteer-Led Personal Solicitation.** The most effective and efficient method of fundraising involves personal, face-to-face solicitation. The only downside is the lack of qualified and energetic solicitors, including board members, who are willing to ask their friends for money during the year. To succeed, all volunteer solicitors (including board members) must receive proper training and supervision, focus on larger gifts from the most qualified donors and prospects, and receive adequate recognition for their efforts.

Regardless of its components, the overall annual giving program requires board member participation in several areas that support fundraising. Personal gifts are essential each year, as is visible participation in fundraising activities and events. Board members also should actively participate in thanking donors; there is no higher level of appreciation that can be offered to new and faithful donors. Board members also must take action to ensure that funds raised are used for the purposes that donors intended; regular reports, provided by staff, should explain how these funds were applied for the benefit of the community the organization serves.

## **Tasks:**

### **A10 – Volunteer-Led Personal Solicitation – midlevel**

#### **[A06 – Telephone – midlevel]**

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##### **Tasks for annual giving donor renewal fundraising overall:**

1. Staff fill out time sheet by activity – daily
2. Prepare plans and procedures for conducting volunteer-led personal solicitation midlevel donor renewal fundraising activities.
3. Prepare a gift transaction coding structure to be employed for use in measuring volunteer-led personal solicitation midlevel fundraising performance

##### **Methods, tactics for volunteer-led midlevel fundraising:**

1. One-on-one personal cultivation and relationship building
2. One-on-one personal solicitation
3. Personal phone call, letter and email
4. Use volunteers, senior staff, program services staff and/or development staff
5. Stewardship of Midlevel Gifts

##### **Tasks for volunteer-led midlevel fundraising renewal activities:**

6. Prepare plans for specific volunteer-led midlevel fundraising appeals.
7. Segment midlevel donor list as planned in step 4.

8. Prepare various volunteer-led midlevel fundraising strategies
9. Midlevel volunteer-led donor cultivation, involvement and relationship building
9. Maintain volunteer-led midlevel donor's electronic and hardcopy CRM records
10. Volunteer-led communications (phone calls, letters and email) to midlevel donors:
  - a. Cultivation
  - b. Solicitation
  - c. Involvement
11. Analyze response data from development service's gift processing operation
12. Handle acknowledgements where appropriate (receipts are handled by the C02 – Development Services activity)
17. Prepare periodic progress reports, expense reports, and final outcomes reports.

##### **Direct costs associated with volunteer-led midlevel donor renewal:**

1. Contracts with midlevel fundraising consulting firms
  3. Creative and copy writer consulting fees
  4. Printing contracts and purchases
  8. Supplies such as letterhead, envelopes, paper, ink and similar
  11. Other midlevel fundraising specific purchases
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