

## Module 12

# Nonprofit Organizational Fund Raising: Building Financial Capacity

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Never think you need to apologize for asking someone to give to a worthy object . . .

— *John D. Rockefeller*

### Fund Raising by the Nonprofit Board

Nonprofit organizations live by the grants and donations of their supporters. Unlike business firms and government agencies, philanthropic organizations — schools, colleges, churches, hospitals, welfare agencies, museums, theaters, advocacy groups — are all sustained by voluntary contributions. Although many receive important income from revenue-producing programs — tuition, ticket sales, charges for services, insurance reimbursements — nonprofit institutions are fundamentally supported by those from whom they seek contributions and grants, that is, by fund raising (National Center for Nonprofit Boards, 1998).

As federal government underwriting of social services is greatly reduced or shifted to the states and local governments, and as corporations tighten giving practices, the burden on charitable organizations mounts. Incomes may have risen in recent years — some gigantically — but so have the number of organizations needing charitable support. Individuals have more choices than ever before in charitable giving, and competition has increased for the philanthropic dollar. All of this adds up to a mounting challenge for boards of nonprofit organizations to be more creative and aggressive in their approach to raising necessary funds (National Center for Nonprofit Boards, 1998).

How ironic and unfortunate it is, then, that the very people most closely associated with the governance of nonprofit organizations, especially board leaders, so frequently are heard to say, “I’ll do anything but fund-raising!” A recent survey reveals that fund raising is the most frequently cited weakness of boards (National Center for Nonprofit Boards, 1998).

For some board members, asking for a contribution is simply distasteful; they see it as begging or putting pressure on friends. Others genuinely believe they are not good at fund raising, or because leadership, coordination or staff support is missing, are unsure how to proceed. Some are actually fearful: they find fund raising scary (National Center for Nonprofit Boards, 1998).

Still others choose to concern themselves only with the programs. Particularly unhelpful are those who serve on a board only for the prestige it brings; they are unwilling to get involved. Occasionally someone suggests, “With all those fund-raisers out there, why don’t we just hire a good one to raise money for us?” (National Center for Nonprofit Boards, 1998)

How a nonprofit organization deals with this reluctance is critical to its well-being and its survival. So what do you do about it? Here is what you do. You make sure that every board member recognizes five key principles of fund raising. Every board member should fully understand, accept, and, to be a truly useful member, give full attention to these five principles (National Center for Nonprofit Boards, 1998).

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## Five Key Principles of Fund Raising that all Boards Should Know

### **PRINCIPLE #1. The board is ultimately responsible for attracting funding resources to ensure the financial viability of the organization and its programs.**

The board is responsible for governing the organization and ensuring that it succeeds in its mission. That responsibility includes seeing to it the organization has the required funding resources. An effective board member understands this responsibility for fund raising is inescapable (National Center for Nonprofit Boards, 1998).

To help meet this responsibility, a board may find it useful to appoint a development committee to bring focus and force to its own efforts and to work with and oversee the staff. Development committees can be helpful in motivating fellow board members and in planning and assigning tasks. But board members should never be seduced into believing they can turn over the entire fund-raising task to the committee, any more than they could do so to staff or to an outside agency (National Center for Nonprofit Boards, 1998).

Ensuring the board's overall responsibility is clear is one thing. Determining who does the work is a separate matter. Sometimes, although rarely, a few board members can go out into the community and, virtually unassisted, raise major donations to sustain the organization or build a building. More likely, however, the board will depend on the work of all its members and on the work of a tireless supporting staff (National Center for Nonprofit Boards, 1998).

The division of labor between board and staff, and between a chief executive and a development staff, will vary with each organization — young or old, large or small, strong or weak. Most organizations, quite properly, expect staff to undertake much of the initiative and carry the major workload in fund raising. Formulating the fund-raising program, making recommendations, drafting proposals, preparing pamphlets, composing correspondence, keeping the lists and records — these tasks are principally for the staff. But the board is still responsible for making sure the job is done and done well (National Center for Nonprofit Boards, 1998).

The staff can play an even more demanding role. Stimulating and guiding board members to complete their tasks is an altogether fitting function for key staff members, so long as no misunderstanding arises on the part of either staff or board as to who holds the ultimate responsibility (National Center for Nonprofit Boards, 1998).

### **PRINCIPLE #2. Asking for and giving money are natural processes and need not be viewed as something to be avoided.**

People give money because they want to. This concept is basic. Asking people for money is not an act of arm-twisting; you are not forcing people to do something they don't want to do, nor are you begging. You are inviting willing cooperation (National Center for Nonprofit Boards, 1998).

Think of your own giving: You give to your church, your alma mater and your own



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selection of charities because you want to give. When you decline to give to an organization you don't want to support, you don't resent those who solicited your gift. Asking and giving, therefore, should not generate confrontation or antagonism. In a very real sense, when you ask an individual, a foundation or a company to support an institution, you are offering the potential donor an opportunity to do something that can give pleasure and be rewarding — an opportunity the donor can, without feeling imposed upon, accept or decline (National Center for Nonprofit Boards, 1998).

This is especially so if a person is asked “to consider” a contribution. No one can take offense at being asked to consider a proposal. Accordingly, all requests for contributions or grants — addressed to government agencies, corporations, foundations and especially to individuals — should be couched in terms of “considering.” In that form, the asking cannot hurt either the asker or the giver (National Center for Nonprofit Boards, 1998).

*People don't give unless they are asked.* You cannot sit back and hope that, because your organization is known and liked, the money will flow in. You have to ask.

Equally important, people don't give large donations unless they are asked to consider large donations. Nor do prospective contributors resent being asked to consider a specific, named amount; indeed, they may be flattered. They may not give the suggested amount, but they certainly would not give in that dimension unless they had been asked to consider it. And their ultimate contribution will almost surely be greater for having been asked to consider giving a larger amount (National Center for Nonprofit Boards, 1998).

*People give money to people.* Never underestimate the personal equation in asking and giving. The personal touch, the person-to-person relationship, underlies most philanthropy. This personal factor is naturally present in asking for contributions from individuals; it also plays a key part in corporate, foundation and even government grant-making. Of course, a prospective donor must be interested in an organization and what it does, but then the people involved — those who asks for the gift, those who run the organization and those who support it — count most. Personalities are at the heart of asking and giving (National Center for Nonprofit Boards, 1998).

Contributors give for many different reasons: for public recognition, to assuage guilt, out of gratitude or to gain a tax advantage. But the most powerful motive underlying contributions is to make a change for the good. Whether the contribution is 5 dollars or 5 million dollars, donors want their money to go to an institution that seeks to make a difference, to make a change, to make something better. Institutions asking for money must constantly put themselves in the contributor's position and show they fill a community need, they address a “focus problem,” and they can make the world better, happier or more livable (National Center for Nonprofit Boards, 1998).

People give money to success, not to distress. Everyone likes a winner. Everyone wants to help someone who is achieving, doing something positive, making that “change for the good.” Contributors give to opportunities; they don't give because an institution needs money. Need and opportunity are often opposite sides of the



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same coin. An organization may see its own “need” for a new building or a new program, while a prospective contributor may see a change to achieve some good purpose by helping the organization acquire a building or mount a program. Above all, an organization’s appeal should show the success or the achievement and not plead for help to meet its own need. Raising the distress signal wins few supporters (National Center for Nonprofit Boards, 1998).

The basic message is simple but important: asking for money is not something to be seen as hurtful and unpleasant. You are not pressuring or invading someone’s personal domain when you ask for support for your organization. You should not think of it as an unpleasant task. If you do, you will fail (National Center for Nonprofit Boards, 1998).

**PRINCIPLE #3. Board members should help in preparing the “case,” which is the rationale for supporting the organization, and be able to explain the case persuasively to prospective donors.**

The case is critically important to successful fund raising. It is also where many — one could almost say most — organizations fumble. Although staff will play a major part in formulating the case, board members should be involved in the process. The case is too important to leave entirely to others (National Center for Nonprofit Boards, 1998).

The case interprets and explains the mission for the prospective donors. Where the mission statement is an internal document defining the purpose, programs, plan and priorities of the organization, the case looks at the organization from the perspective of the supporter: It presents reasons why the donor prospect would want to contribute. It articulates the underlying concept of why people should support the organization. It is the prospectus for investment. The case is usually not a single statement, a one-time document for all donor prospects. Rather, it formulates the message for proposals, pamphlets and brochures, promotional activities and individual solicitations (National Center for Nonprofit Boards, 1998).

It is surprising to see how many institutions make their approach to potential supporters by pointing out how old and respected the organization is, or how many students, patients or beneficiaries it has. But those are not the reasons people give. Most people don’t give because of a record of accomplishment; they give to make that “change for the good.” So the case for support must be based first and foremost on what in the community needs doing, what is missing and what the “focus problem” is. Only then should the case describe what the organization is doing to meet the problem and for how long it has been doing so (National Center for Nonprofit Boards, 1998).

The aspect of the focus problem is the WHY of the case: Why is the organization in business at all? Why is the organization essential to meeting a societal need “out there?” Setting forth that big WHY must come first. Only after identifying that focus problem does the case turn to WHAT: What the organization does to meet the need. Then the case goes on to say HOW the organization goes about meeting the need. Finally, the



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case comes to the WHO: Who the organization is and how well it has served its constituency and the community (National Center for Nonprofit Boards, 1998).

A focus problem exists for every institution, large and small. Harvard University and an independent secondary school in San Antonio, a Chicago Symphony and a string quartet in Spokane, Wash., a national Wildlife Federation and an anti-pollution group in Pensacola, Fla. — though so varied in every way — each has its own reason for being, its own focus problem in the community. Each is trying to make something better. That is WHY that must be underlined first in the case for support (National Center for Nonprofit Boards, 1998).

Such a statement of the WHY must be more than superficial. Simply to say the institution is there to educate, or to entertain or to give spiritual help is not sufficient. The case must elucidate the WHY that underlies the purpose and the very existence of the organization (National Center for Nonprofit Boards, 1998).

Building the case for support is board-member business, not a job only for staff. Members must see the case is strong. Members must themselves come to grips with its formulation if they are to represent the organization in the community and are to solicit support for it (National Center for Nonprofit Boards, 1998).

**PRINCIPLE #4. Every board member can do something useful to support the fund-raising effort, employing his or her own skills and interests.**

Board members are likely to think of their role in fund raising solely as asking for money — going to a friend or acquaintance to solicit a contribution. Many quite understandably resist this role. Board members, however, can assist significantly in fund raising without ever personally soliciting a donation (National Center for Nonprofit Boards, 1998).

No one would dispute that board members should solicit major gifts to an organization. Prospective donors considering a large donation want to talk with a board member, often with the president or the chairperson. These people are their peers. Prospective supporters are understandably put off if, by speaking only with staff, they gain the impression their gift is not of great importance to the leadership. Some board members are skillful at such “asking” and quite enjoy it — especially when success crowns their effort. For a number of different reasons, however, others fight shyness of asking for money contributions even when fully aware that “people give money because they want to.” It is critical, therefore, for board members to know of other ways in which they can assist in fund raising (National Center for Nonprofit Boards, 1998).

*The first way is to give oneself.* Making an annual contribution — presumably to the full measure of capability — is an act of commitment. It underlies the will to support the organization. Not to give is simply to declare indifference. Helping the institution in fund raising starts with making a contribution. Every organization should expect 100 percent participation from its board (National Center for Nonprofit Boards, 1998).

Second, board members can help staff in many ways to prepare for the actual solicitations. Successful fund raising, most professionals agree, is 90 percent preparation



and 10 percent asking. This axiom applies across the full spectrum of development programs — annual giving, memberships, mass mailings, fund raising events, capital campaigns, planned giving — and especially in seeking large individual donations. It applies to raising money from all sources of support — government, foundations, corporations, churches, associations and individuals (National Center for Nonprofit Boards, 1998).

To help their organizations raise money, board members should exhaust all of the contributed support options available to them:

- **Individuals.** The primary source of charitable contributions to most nonprofit organizations is individual giving. Individuals contribute through annual giving and memberships, fund-raising events and benefits, and bequest trusts.
- **Business.** Nonprofits receive gifts from companies, either directly or through corporate foundations. Businesses give with annual grants, with support to specific programs, and with in-kind contributions. They give to benefits and occasionally to capital campaigns.
- **Government.** Grants (not to be confused with earned revenue from fees, contracts and service reimbursements) are available from some federal, state and local government agencies.
- **Foundations.** Major sources for nonprofit organizations are independent and community foundations. They make unrestricted institutional grants, specific program grants and occasionally grants to capital campaigns.
- **Nonprofit organizations.** United Ways are nonprofit grantmaking organizations. Some other organizations, such as churches, professional associations, service clubs and labor unions, make donations to other nonprofits even if grantmaking is not their primary mission (National Center for Nonprofit Boards, 1998).

Although staff will normally assume the major load in the details of research and preparation, the participation of all board members is essential. Prospects must be sought out, selected and evaluated. The most favorable approach to each must be carefully worked out. Introductions must be arranged to enhance the personal element in an asking. Cultivation of the prospect may be important. Acknowledgeable and follow-up are essential. This area is where all board members can participate and assist significantly in the fund-raising effort (National Center for Nonprofit Boards, 1998).

- Mailing lists, critical to the periodic asking for contributions and to the distribution of cultivation communications, must include every current and prospective member, associate, subscriber and friend. Board members are a key source of new names and likely prospects for the mailing list. They can supply names from their personal and business address books, their clubs and their churches. Board members receiving appeals and invitations from other organizations can pass on to staff the names of other community leaders who are potential donors.



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- In annual appeals, experience shows over and over again that if a personal note accompanies or is even scribbled on the formal letter of request, the chance of a positive response increases manifold. Is this asking your friends for money? In a way it is, but in a way it is only supporting the institutional asking. It is hard to see that a simple note — “I do hope you will (again) consider helping our organization, which does such fine work in the community” — is pressuring a friend.
  - In the solicitation of major gifts from individuals, research and preparation are particularly important. When asking for a large contribution, it is critical to select the right person to do the asking (not necessarily the first to volunteer), and to request the right amount, for the right reasons and in the right way. No one is in a better position than a board member to get these “rights” in order, and to assist in the selection and evaluation of prospects to ensure the ultimate success of the solicitation process.
  - Often some cultivation of a prospect is appropriate: This effort might consist of inviting the prospect to events and social gatherings of the organization, or arranging for an opportunity to discuss the organization’s mission and case for support. Who better than a board member for such cultivation activity?
  - Corporate giving often depends on the personal contact. Not only must corporate prospects be selected and evaluated through research, but also a board member’s introduction to the appropriate company officer may become the key to success.
  - In approaching corporations and foundations, nothing is more impressive than having a board member accompany a member of the staff. The presence of a director or trustee is evidence of leadership involvement.
  - For individuals, foundations and corporations, a personal note from a board member in support of a request, or in acknowledgement of a gift, can cement a relationship and increase the chances of the first contribution and others to follow (National Center for Nonprofit Boards, 1998).

To spur on board members, some institutions use a Fund-Raising Checklist, an example of which appears at the end of this paper.

**PRINCIPLE #5. Motivation of board members is the most critical and the most difficult task of all.**

How do you get board members active to fulfilling their responsibilities for fund raising? This question is the most frequently asked in nonprofit organizations (National Center for Nonprofit Boards, 1998). The answer is not simple. Much hinges on leadership, and leadership is an elusive quality. Few would doubt that two principal features characterize all good leaders: The ability to attract and select good people to work with, and the ability to motivate associates — peers and subordinates (National Center for Nonprofit Boards, 1998).



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Nonprofit boards should devote much attention to the selection process so their membership will be composed of persons of prestige in the community, as well as people who have the manifold skills the mission of the organization requires and who will demonstrate a high level of involvement. For that reason, many effective boards believe the nominating committee — the group that selects new members and officers — is the most important of its committees, and ensures that it is chaired by a strong, prestigious member. The board chairperson, too, should be actively involved in the recruitment process (National Center for Nonprofit Boards, 1998).

An equally crucial quality of leadership involves the ability to motivate, John Gardner, in his widely acclaimed series of papers on leadership, sponsored by INDEPENDENT SECTOR, says:

*More than any other attribute, this {capacity to motivate} is close to the heart of the popular conception of leadership — the capacity to move people to action, to communicate persuasively, to strengthen the confidence of followers (National Center for Nonprofit Boards, 1998).*

Another key element of a strong board is enthusiasm. Board members and staff need to be keen about the purposes of the organization and show eagerness to be involved. No organization can expect to raise money if it lacks a good measure of enthusiasm within the board and throughout the organization. Indifference will not raise money (National Center for Nonprofit Boards, 1998).

Yet it is doubtful the qualities of leadership can be taught. One can analyze leadership, as Gardner has so comprehensively done. One certainly can recognize strong leaders. And some techniques in fulfilling leadership positions perhaps can be taught. But one cannot expect a school or a book to turn someone into a strong leader. Careful selection is the key (National Center for Nonprofit Boards, 1998).

Training cannot instill enthusiasm. On the other hand, well-selected leaders can take steps to stimulate a board's participation in fund-raising activities. High on the list of such steps is full, clear communication, with new and old board members alike, about the responsibility board members hold in fund raising. No dissembling. No excusing (National Center for Nonprofit Boards, 1998).

A development committee can help to concentrate the attention of members and staff on the important aspects of fund raising. It can motivate other board members and find ways in which even the most reluctant member can help in the fund-raising effort. It can ensure that adequate budgetary support is given to the fund-raising effort. Of special importance, the development committee can see that a realistic appraisal is made of the potential for getting support (National Center for Nonprofit Boards, 1998).

Involvement is a core element of motivation. For board members or other volunteers to participate in fund raising, they must be involved in the organization. The more people participate in the planning, the public relations, or any aspect of the organization's programs, the more likely they are to involve themselves in the fund-raising effort and make generous contributions (National Center for Nonprofit Boards, 1998).



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By far the most effective way to motivate board members is to work with each one of them individually. Many chairpersons, chief executives, development officers and development committee member go astray on this. It is quite true that for some activities, and for some causes, “group dynamics” help; people can sometimes generate enthusiasm when they meet and get steamed up over a subject. Not so, however, in attacking the key tasks in board responsibility, especially fund raising. General appeals at board meetings or in memoranda, seeking to inspire members to support the fund-raising effort or to participate in a particular fund-raising project, simply do not work (National Center for Nonprofit Boards, 1998).

If the board wants to get its members active in fund raising, it will need to deal with them individually. The chairperson, the chief executive or the development officer should go to each member and ask for support on specific tasks. In that way, a positive response can be elicited where a general appeal, no matter how evangelical or insistent, fails miserably (National Center for Nonprofit Boards, 1998).

In getting people involved and in working with each one individually, staff particularly must be ever aware their board members, whose support they seek, are busy people. To avoid scaring them off, staff must go to each member with limited tasks and be thoroughly prepared so that no time is wasted (National Center for Nonprofit Boards, 1998).

### **Accepting the Challenge**

Board members are slow to accept the fact that fund raising is an essential element of their responsibility and perhaps even slower to learn that it need not be an unpleasant task. Patience is therefore absolutely essential. Members must be led slowly along the path, encouraged to take the small steps first and moved on to greater and greater involvement. Let members start by doing what they enjoy most and are good at — evaluating prospects, drafting letters, organizing lists, hosting cultivation events. Thus nurtured and led, most board members can come to accept their responsibility for and overcome their resistance to fund-raising activities (National Center for Nonprofit Boards, 1998).

As each board member comes to realize that fund raising is indeed his or her responsibility, that the natural process of giving and asking does not present forbidding hazards and that a board member can do so many things to support the fund-raising effort, he or she will become more active and committed. Indeed, many will find they enjoy the challenge of raising funds to support their organization. And as in fishing, once a board member lands a big gift, there will be no holding back (National Center for Nonprofit Boards, 1998).



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## Fund-Raising Checklist

Check If Yes

- Do I understand the plans and program for fund raising?
- Do I fully understand and endorse the case why someone should contribute?
- Do I myself contribute to the fullest measure within my means?
- Do I continually offer my additions to the mailing list?
- Do I assist staff in identifying and evaluating prospects including individuals, corporations, and foundations?
- Do I share in cultivating key prospects?
- Do I make introductions for others to make a solicitation visit?
- Do I accompany others in solicitation visits?
- Do I write follow-up and acknowledgement letters?
- Do I write personal notes on annual appeal letters?
- Am I prepared to make a solicitation myself?
- Do I do what I say I will do?

(National Center for Nonprofit Boards, 1998)

## Nonprofit Organization Fund Raising Is Business and Entrepreneurship

Nonprofit organizations are in the sales and promotion business. They must compete successfully for dollars and support with other nonprofit organizations and the for-profit sector. Fund raising and promotion refers to activities that help sustain the nonprofit organization financially. In a sense, it is “selling” the organization and its services to the public. This may be accomplished on an individual basis or through mass marketing and promotion.

### A Few Ideas and Thoughts

Remember that giving is getting. Give away attractive brochures or items at public events. The materials should identify points of contact for additional information about the services or the purpose of the nonprofit organization.

The flier or brochure is effective. For pennies each you may get long-term constituents, volunteers and donors. Be prepared to explain the services rendered. Keep the brochure simple: One page, folded or not. Again, the key is to sell your benefit. Brochures can be distributed in a variety of locations: Posted on community bulletin boards, handed out at special events or at high foot traffic areas, placed under car windshields (with approval of the parking space owner), made part of your regular



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mailings, placed on the counters and windows of other organizations.

Your fax cover sheet can also be a form of flier. Make your business card a miniflier/-brochure by using both sides of your business card; on the back state the benefits of your product or service.

Volunteers are spokespersons. Some of the commonly used promotion activities are fund-raisers aimed at the organization's constituencies and stakeholders: group activities, sponsorships, field days, special events, hosting forums, displays, brochures, video presentations and training materials. The objective of the promotions might be to seek donations, identify potential volunteers, identify service projects and public relations to promote an image in the community (Corman and Lussier, 2001).

Promotion activities are used to stimulate interest in volunteer activity, donations or use of services. Promotions can be aimed at the constituency that uses the services or at stakeholders who can assist with fund raising and financial sustainability of the organization and its programs.

Constituents (also known as "consumers of services"): Some of the commonly used sales promotion activities aimed at final consumers include sales literature-brochures, banners, streamers, free samples, calendars, key chains, magnets, point-of-service materials, aisle displays, contests, coupons and gifts. These activities usually try to increase demand or enhance public image in the community. The store-front location of the agency and other public meetings are commonly used places for promotional material and literature (BoardSource, 2002).

## **How Much Money Should an Organization Spend on "Overhead" or Fund Raising?**

Because most donors want to ensure their gifts are well spent, many are concerned about the level of expenditures on overhead and fund-raising. In other words, how much money is spent providing programs and services and how much is spent on renting an office, paying staff and sending out fund-raising appeals.

The question is obvious and important. The answer is far from simple for several reasons: First, there is no universal formula for calculating overhead. The chief executive's salary is a good example. Many people would consider it overhead; others would argue that since the chief executive deals primarily with program-related issues and is essential to the success of the organization, the executive's salary is a program expense. Second, there are no generally accepted standards for what levels are acceptable. Many organizations boast that they spend only 5-6 percent of their funds on overhead. Other well-known and effective nonprofit organizations spend 25 to 30 percent on overhead (BoardSource, 2002).

Cost-effectiveness is an important consideration for all nonprofit organizations.



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## **Additional Factors to Consider When Evaluating Overhead and Fund-Raising Expenditures**

What is the mission of the nonprofit? Some activities, such as employment counseling or collecting and distributing blood, are labor-intensive and require a high level of staffing. It is not necessarily more efficient to use volunteers to provide such services, since volunteers require management and supervision. When evaluating effectiveness, it's important to understand the organization's nature and purpose. An operating foundation, for example, may look hopelessly inefficient at first glance, until you realize that it exists to carry out programs, not to give away money.

What environment does the organization operate in? Two organizations with identical missions might have very different cost structures if one operates downtown and the other serves a distant suburb.

Does the organization's level of overhead expenses seem reasonable given its location, the number of people it's serving and the manner in which it's providing services?

How does the organization raise money? Some methods of fund raising are simply more expensive than others. An organization that raises most of its money through direct mail or special events may have higher fund-raising costs than a nonprofit organization that relies primarily on large grants. In evaluating fund raising effectiveness, keep in mind that some activities are important for their educational value and their ability to involve greater numbers of people with the organization — intangible benefits that won't show up on a balance sheet (BoardSource, 2002).

### **Fifty-three Ways for Board Members to Raise \$1,000**

All good fund-raising plans have one thing in common: They show a diverse number of sources for their income. The board of directors plays a crucial role in selecting, implementing and evaluating fund-raising strategies. In addition to other ways that board members may participate in fund raising, they individually commit to raising and giving a certain amount of money, or commit to working by themselves on specific strategies with no financial goal attached (Klein, p. 25).

It is a good idea for board members doing fund raising on their own to put their plans in writing. The effort by the board must be coordinated and clear to all involved. A written plan is a "contract" and allows staff to know when they might be called on to help. It also ensures that solicitation events do not happen on the same day or that the same donors are not solicited by more than one board member simultaneously. It also helps to remind board members of their commitments (Klein, p. 25).

In order for this method to work, the organization or the board fund-raising committee should think of many specific ways board members could actually raise money by themselves. The 53 suggested below are not an exhaustive list, nor will they all work for every group. Few board members could use all 53 ways, but almost any board member should be able to use two or three of them. Different volunteers have used all of these methods in a wide variety of organizations. Some methods are much more popular than others. Some depend on access to certain resources (Klein, p. 25).



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Presenting board members with 53 ways that would work for your organization helps counter the excuse, “I would help but I just don’t know what to do.” Having each board member write out a plan, with goals and a timeline, also gives them a sense that if they do their best with this plan, they will have helped significantly. Many board members feel that fund raising is never ending, and that no amount of effort is enough. “Whatever I do, I could have done more and probably should have,” they say. This feeling of inadequacy leads to high turnover, burnout and resentment in boards. Specific fund-raising contracts can help avoid that result (Klein, p. 25).

Following the description of the 53 ways board members can raise funds, there is a suggested format for a contract and examples of some completed contracts (Klein, p. 25).

1. Give it yourself. This is the easier way for those who are able, although if you are able to give this much money you should be helping to raise much more than \$1000.
2. List all your friends who are interested in your organization or similar organizations. Decide how much you want to ask each one for. If you are not sure of an amount, use a range. Write to them on your own stationery; include a brochure from the organization and a return envelope. Phone those people who don’t respond in two weeks. Some people will need 10 friends to give \$100, and some people need 50 friends to give \$20. Most people will need a combination of gifts of \$100, \$50 and \$25.
3. Give part of the \$1000. Then ask your friends to join you in giving \$50, \$100, or whatever amount you gave. This is most effective because you are not asking them to do anything you haven’t done.
4. Set up a challenge campaign. Challenge gifts can be quite small. Tell people you’ll give \$5 for every \$25 they give, or will match every \$50 gift up to ten gifts. For added suspense, make this challenge during a fund-raising event. You or the host can announce, “We now have the Dave Buckstretch Challenge. For the next five minutes, Dave will give \$5 for every new member that joins Worthy Cause.”
5. If your organization has several grassroots fund-raising strategies in place, use them all:

Sell 100 raffle tickets (@\$2).....	\$200
Give \$200.....	\$200
Sell 10 tickets to the annual event (@\$25).....	\$250
Buy two gift memberships (@\$25).....	\$ 50
Get 12 friends to join (@\$25).....	\$300

6. Help with your organization’s phone-a-thon. Bring the names of people you think would like to join and call until you have raised \$1000. Or trade names with someone in the organization and call their friends until you have reached \$1000. This is particularly effective for people who are shy about asking their own friends for money but are not afraid to ask people they don’t know.



7. Acquire mailing lists for your organization. If you belong to another group, perhaps you can set up an exchange, or perhaps you have access to a list of members of some other group. You can ask all your friends to give you the names of 10 to 15 people they think would like to join. You would need to recruit about 25 members at an average gift of \$40. Depending on how “hot” your list is, you might need as few as 200 names (to do a bulk mailing) or as many as 1,500-3,000 (if you expect a 1-2% response). You would have to have a greater response if you wanted the mailing to pay for its costs and also generate \$1,000.
8. Give the organization something they need that is worth \$1000, such as a new computer, filing cabinets, couch, software program, etc.
9. Pledge \$28 a month, and get two others to do likewise.
10. Teach a seminar on a topic you know: fund raising, knitting, organic gardening, organizing, proposal writing, environmental impact reports, gourmet cooking, dog grooming, starting your own business. Charge each solicitor with a goal of \$50-\$75 per contact and work toward a goal of contacting 15 to 20 people. The organization should either absorb the cost of promotion or have enough participants to cover it.
11. Give some or a lot of things to your organization’s garage sale, making sure they are worth \$1000, and then help to sell them all.
12. With four or five friends, have a spaghetti dinner at a temple, church or union hall or other big room with a large kitchen. Charge \$10 per person and feed more than 100 people. You can charge extra for wine or garlic bread, or for dessert.
13. Have a fancy dinner at your home or a regular dinner at someone’s fancy home. Serve unusual or gourmet food, or have special entertainment. Charge \$40 or more per person, and have 25 guests or more.
14. Get three friends to help you have a progressive dinner. Start at one person’s home for cocktails and hors d’oeuvres, progress to the next person’s house for soup or salad, the next person’s for the main course, and the last person’s for dessert. Either charge by the course or for the whole package. To make it extra special (and much more expensive), get a limousine for the evening that carries guests from house to house, or have live music at each site.
15. Host a house party. Do not charge admission and invite as many people as you can. During the party, give a short talk about your organization and ask everyone to consider a gift of \$25, \$50, \$100, or more (depending on the crowd). Either pass out envelopes and ask people to give then, or after the party. Contact everyone individually who came and ask for a major gift. Indicate that you have given, and, if appropriate, how much you have given.
16. Get your gambling friends together. Charge a \$5 entrance fee and have a poker evening, asking that every “pot” be split with the organization. Individuals win and so does the organization. You can charge extra for refreshments, or include



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one or two glasses of something with the price of admission. (Watch the laws in your community on this one. In some communities it is illegal to gamble, even in your own home).

17. Do one fund-raising event every other month. This might look like:

Poker Party.....	\$200
Fancy dinner (8 people x \$50).....	\$400
Sell 50 raffle tickets @\$2 .....	\$100
Book sale.....	\$200
Recycle newspapers.....	\$100

18. Solicit small businesses, churches, synagogues or service clubs for \$1,000. If you are active in a church or you own your own business and are involved in business organizations or service clubs, this can be very effective. You can often raise \$200-\$1,000 with a simple proposal and oral presentation.

19. Take a part-time job in addition to your present work and give everything you earn up to \$1,000.

20. Ask five-10 people to save all their change for three to five months. You save yours. Count it at the end of the prescribed time and use one of the other methods to raise the rest. (You may not need to).

21. Ask two to five friends to help you put on a bake sale, book sale, or garage sale. You and your friends bake the goodies or get the books or the other stuff required for the sale, staff it and clean up afterwards. This is an excellent way to get people involved in fund raising without ever actually asking them for money.

22. For the fairly rich: Give your organization \$10,000 as an interest-free loan for a year. They invest it, earn 8 percent, and at the end of the year, they give your \$10,000 back.

23. Sell your organization's materials, buttons, T-shirts, bumper stickers or whatever else they have for sale. Also, help distribute these to bookstores or novelty shops.

24. The Farming Out Method: Entice five friends to sell 100 raffle tickets at \$2 each, or invite 10 friends to raise \$100 however they like. Share this list of suggestions with them. Give them a nice dinner at the successful end of their efforts (or a bottle of good wine, or a weekend away).

25. Get a famous or popular person to do a special event. Watch the costs on this, or you may lose money.

26. Invite people to your birthday party and ask that in lieu of gifts they give money to your organization.

27. Conduct a volunteer canvas. For one evening, you and a group of friends take literature to all the neighborhoods around you and ask for money at the door. Be sure to comply with city and county ordinances.



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28. Lead or get someone to lead a nature walk, an architectural tour, a historic tour, a sailing trip, a rafting trip, or a horseback ride. Charge \$15-\$25 person, or charge \$35 and provide lunch. Advertise the event in the newspaper to draw in people from outside your organization.

29. Start a pyramid dinner or a chain dinner. Invite 12 people and charge \$12 each. Get two people of the 12 you invited to invite 12 people at \$12, and two people from each of those dinners to have 12 people at \$12, and so on. Here's the income:

Your dinner \$12 x 12 .....\$144

From your dinner \$12 (\$12 + \$12).....\$288

From those dinners \$12 x (\$12 + \$12 + \$12 +\$12) .....\$576

From those dinners \$12 x (12 x 8) etc.

Twelve is used in this example because it worked well for the Nuclear Freeze Campaign in California, which was Proposition 12. In many communities, most of the income for the campaign was generated by 12 x 12 dinners.

30. Collect cans for recycling. Ask all your friends to save their cans and bottles for you and turn them into a buy-back recycling center.

31. Sell your frequent flyer miles to friends or donate them to the organization for a raffle. Watch the rules of the airline on this, but some airlines let you give away miles, and you may be able to sell your miles as long as you don't go through a mileage broker.

32. If you live in a nice house or own a getaway cottage in a beautiful place or an expensive city, rent it out for a week or a weekend two or three times during the year and give the proceeds to your organization. Or rent a room in your home for much less than the cost of a hotel room to people needing a place to stay while they are on business in your city. You may even make a new friend in the process.

33. Organize a service raffle. Get four people (one can be you) to donate a simple but valuable service that many people could use and sell raffle tickets for \$10-\$25 each. Keep the price a little high so you don't have to sell so many and so that the buyers have a higher chance of winning. Services can include childcare for a weekend or for any weekend night two weekends in a row; one day of housecleaning; yard work; house painting (interior or exterior), etc. Sell the tickets to neighbors, work mates and to other board members. Encourage people to buy several by offering discounts for multiple purchases, such as one for \$10, 2 for \$20, but 3 for \$25, 4 for \$35, 5 for \$40. If you are really bold or live in a more affluent area, or have few friends, sell the tickets for \$50 each. A full day of housecleaning for \$50 is a real bargain, and buyers have a high chance of winning with fewer tickets sold.



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34. Offer to do something your friends and family have been nagging you to do anyway and attach a price to it. For example, quit smoking on the condition that your friends donate to your group, or get your friends to pay a certain amount for every day you don't smoke for up to 30 days. Agree to match their gifts at the end of thirty days if you didn't smoke and to give them their money back if you did. (This method could be applied to other healthy behaviors, such as exercising or not eating sugar).
  35. Find out what items your group needs and try to get them donated. This is good for people who really hate to ask for money but who don't mind asking for things that cost money. Items that one can sometimes get donated include computers, office paper and other office supplies, office furniture (second-hand from banks and corporations as they redecorate), fax machines, adding machines, food, and even motor vehicles.
  36. If you or someone you know owns a small business that has regular customers who receive a catalog or announcements of sales, write them an appeal letter for the organization. Your letter can say something like, "You are one of my best customers. As such, I let you know about sales coming up and good things happening in my store. Today, I want to tell you about another good thing — what I do when I am not minding the store." Then go on to describe the group and ask for a donation.
  37. Similar to #36, post this letter on our Web site. Link to the organization's Web site and ask people to donate.
  38. If the organization doesn't have a Web site or doesn't keep their Web site up, ask all your techie friends to donate \$100 each and hire a Web Master.
  39. Give it yourself. (This is so good I have to say it twice).
  40. Strategy with a long-deferred payoff (we hope); leave the group a bequest.
  41. With similar hopes as above, get friends to include the group in their wills.
  42. Ask friends who belong to service clubs, sororities, antique collecting groups; support groups, bridge clubs, etc., to discuss your organization in their group and pass the hat for donations. A once-a-year sweep of even small groups can yield \$100 from each.
  43. For the church-going: ask if your organization can be a "second collection." The church passes the plate for its own collection and then you or someone from your organization gives a brief talk (or sometimes the whole sermon) about your group and the plate is passed again; the proceeds go to your group.
  44. A variation on the above is to organize a "second collection Sunday" and get as many churches as you can to take up a second collection for your organization on the same Sunday. Someone from your group will need to be at each service and give a brief talk. Second collection Sundays can be very lucrative; the Catholic Campaign for Human Development collects as much as \$20 million on one Sunday in all the participating Catholic churches in the United States.
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45. If, as a child, you collected something avidly that you now store in a basement, consider selling it. Coins and stamps are particularly valuable and have usually increased in value over the years. But your collection of rocks, toy ships, or rockets, arrowheads, or dolls can also be valuable. When you donate the income from the sale, you can deduct that amount from your taxes—an added bonus of this strategy, since you probably paid little or nothing for the items in the collection.
  46. Have a sidewalk sale or garage sale for your whole neighborhood or building. Go around to your neighbors and tell them you will take their stuff outside and sit with it all day to sell it if they will donate half or all of the proceeds to your group. Since this is stuff people want to be rid of anyway, it is a good deal for them. In one apartment building with ten units participating in donating stuff, an organization netted \$3,000 in one day. Three people from the organization helped with the selling. With a few high-ticket items, such as a washer/dryer or some nice lamps, you can make good money.
  47. If you have an artistic bent, offer to design greeting cards to specification for organizations or individuals for a fee. If you are good at calligraphy, sell your skills to schools for graduation announcements, friends for classy but low-cost wedding invitations, or just fun certificates such as “World’s Greatest Dad” for Father’s Day or “Outstanding Friend.” Create unique Halloween costumes or masks. Donate the proceeds from your artistry.
  48. Create a take-off of the “adopt-a-highway” technique by naming budget items of your group as available for adoption. You could develop a flyer that reads, “The following items have been found near death from negligence and abuse. Won’t you help? \$25 per month will ensure that our computer is maintained. \$100 per month will release our photocopier machine from toiling with no toner and a drying motor. (We can lease a new one).”
  49. An idea for people who live in border towns: Get permission to place a large container in stores or even at the airports of towns near national borders. Have a sign that asks people (in several languages) to throw in any coins or paper money they have not exchanged. Many times people leaving Canada or Mexico don’t have time to exchange all their money or cannot exchange their loose change. Multiply this times hundreds of shoppers or travelers and you can make a lot of money. UNICEF does this in many European airports.
  50. Hold an “I’m Not Afraid” Auction. You can do this with just a few friends or hundreds of people if you have enough items to auction. You survey a few people (and use your own common sense) about what things need to be done in their home or office that they are afraid of or would really rather not do. This is different from a service auction—there has to be an element of dread in the activity. For example, some people cannot wash their windows because their apartment is too high or the second story of their house is too high and they suffer from vertigo. If you are not afraid of heights, you can sell your window-washing service (bring a sturdy ladder). This goes for drain cleaning, minor roof repairs, antenna fixing, etc. Or, if you are unafraid of cockroaches or spiders, you can offer to clean out that dark



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corner or garage or basement for a small fee. Snakes can be found in gardens and woodsheds, but maybe that doesn't bother you. The problem doesn't need to be as serious as phobia. How about allergies to dust, pollen, weeds? If you don't have them, you can mow, sweep, and clean for a fee. By marketing it as an "I'm Not Afraid" Auction, you also have the option for people to name something they need done to a group of volunteers, and then have a volunteer say, "I'm not afraid to do that." In that case, you will need a set fee for service.

51. Similar to the suggestion above is the "Details Auction." This is for all your friends whose desks are overflowing with papers or who can't get their receipts in order to give to the tax preparer or who complain they can never find anything. If you are a well-organized person, offer to clean up their desk, get their Rolodex in order, file their papers, etc. If you like to shop, sell that to people who don't and do their holiday shopping for them, or buy birthday, baby shower or niece/nephew presents for them. Anything that people feel they cannot control is the organized person's fund-raising dream come true.
52. Find out which of your friends (perhaps this is true for your work also) work in corporation with matching gift programs. Then ask them to donate and get their gifts matched for your organization, and ask them to ask their co-workers to donate and get their gifts matched.
53. Think of a store or service related to your organization or where a lot of your members shop. Ask the store to donate a percentage of profits for a certain day or week, or even forever. You can also explore this with mail-order firms. Then you advertise widely to friends, family and members that Joe's Florist will give 2 percent of each sale during Valentine's weekend to anyone identifying themselves with your group (Klein, p. 25-29).

As you can see, almost all of these strategies involve asking for money and giving money yourself. These are the basic premises of fund-raising—you must ask, you must give. Everything after that involves creativity, imagination and a sense of fun.

## References

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## Suggested Readings

Carter, Hodding (moderator). "The Board's Role in Fund Raising." (40-minute videotape). Washington, DC: The Association of Governing Boards of Universities and Colleges, 1988.

Although produced especially for college and university boards, the video-taped discussion among higher education and corporate foundation leaders offers helpful advice to other nonprofit boards on preparing board members for their fund-raising responsibilities, identifying and cultivating donors, and budgeting for fund raising.

Howe, Fisher. Foreword by David Rockefeller. 1991. *The Board Member's Guide to Fund Raising: What Every Trustee Needs to Know About Raising Money.* San Francisco, CA: Jossey-Bass Publishers. Available from BoardSource formerly known as the National Center for Nonprofit Boards.

The book, which includes a foreword by David Rockefeller, highlights the need for board understanding and responsibility in fund raising. Key elements of a successful fund-raising program are featured, such as various techniques and procedures in seeking funds, capital campaigns and planned giving, prospect cultivation and proposal writing, ethics, and cause-related marketing. The book focuses on board leadership and describes how members can be effective in fulfilling this aspect of their role.

Lord, James Gregory. 1983. *The Raising of Money: Thirty-Five Essentials Every Trustee Should Know.* Cleveland, OH: Third Sector Press.

If one is to read only one book on trustees and fund raising, this should be it. Although its focus is principally on capital campaign fund raising, it is a thoughtful, lucid and informative review of almost all the fundamental aspects of giving and asking. This book is short and readable. All board members should read it and read it often.

National Center for Nonprofit Boards. 1996. *Speaking of Money: A Guide to Fund Raising for Nonprofit Board Members.* (30 minute videotape), Washington, DC: National Center for Nonprofit Boards.

In this video, real board members for a variety of organizations discuss fund-raising basics, successes and critical considerations. Issues discussed include fund raising as a basic responsibility, working in partnership with staff, creating a strong case, stages of the development process, personal contributions and the skill of asking for a gift. This videotape is suitable for viewing at a board orientation session, development committee meeting, or board retreat. A 20-page user's guide accompanies it.



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O'Connell, Brian. 1988. "Fund Raising." *Independent Sector: Nonprofit Management Series*, Number 7, Washington, DC.

Written especially for board members of nonprofit organizations, this paper offers a solid introduction to the variety of fund-raising activities that any nonprofit should consider.

Seltzer, Michael. 1987. *Securing Your Organization's Future*. New York, NY: The Foundation Center.

For the board member or staff member who wants to get deeply into the forms and procedures of fund raising, this is the handbook and reference of choice, replete with cases and worksheets.

Howe, Fisher. *The Board Member's Guide to Fund Raising: What Every Trustee Needs to Know About Raising Money*. Washington, DC: Lavender/Howe and Associates.

Lavender/Howe and Associates is a management and fund-raising consulting firm for nonprofits.