



*AdNet Conference 2014*

# Are You Positioned to Grow?

*Analyzing Your Community Foundation for Fundraising Success*

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# Overview

- ◆ What we'll cover
  - ◆ The community foundation fundraising culture
  - ◆ Your foundation fundraising platform - an audit of readiness
  - ◆ Best practices for fundraising success
  - ◆ Practices that block success

# The Community Foundation Fundraising Culture

# Should Community Foundations be Fundraisers?

- ◆ The obvious answer may be yes....however.....
- ◆ Many reasons foundations were not fundraisers:
  - ◆ The foundation did not want to compete with local nonprofits
  - ◆ Fundraising was not appropriate - their role was to encourage philanthropy
  - ◆ Fundraising costs money - which is better spent in grant making

# Shifting Focus

- ◆ Increasing shift to proactive grant making and permanent funds
- ◆ Most successful (and largest) gifts through estates - does that even require work? Won't it just happen?

# Three Examples

- ◆ No formal planned giving program - but a woman unknown to staff leaves the foundation \$250,000.
- ◆ The foundation receives two straight years of planned gifts - and begins to include the revenue in the budget for future years.
- ◆ The foundation receives gifts for 8 years, and then nothing for 2 - they quit focusing on deferred gifts

# Audit Your Fundraising Platform Readiness

# Foundation History

- ◆ You are asking donors to make perpetual gifts  
- is your foundation up to the task?
- ◆ What impact have you had?
- ◆ What are the milestones?
- ◆ What are the significant outcomes?



<i>Date</i>	<i>Significant Moments in the Nonprofit's Organizational History</i>	<i>Significant Moments in the Nonprofit's Development History</i>
1953		The foundation is established through a significant gift through the estate of Det
1965	The foundation establishes it's 100th fund	The foundation reaches reaches \$25 million in assets since inception
1970		The foundation participates with donors and foundations in the community to
1995	The foundation reaches \$75 million in assets, and has 225 funds for purposes including	The foundation receives \$10 million in new gifts from 84 donors.
2003	Foundation celebrates its 50th year and launches Catalyst	Campaign raises \$7.5 million in first year.

<i>Date</i>	<i>Significant Moments in the Nonprofit's Organizational History</i>	<i>Significant Moments in the Nonprofit's Development History</i>
2005		Chemical Bank purchase of First Community Bank (headquartered in
2009	Foundation named financial coordinator for federal funds for	First segment of the Red Rock Trail is opened; Gotham City is recognized for
2012	Catalyst donors select downtown park development as first project; part of a	Catalyst Campaign concludes raising \$15 million
2014	Foundation assets top \$200 million; cumulative grants made by the foundation top \$400.000 million.	Foundation receives gift to establish it's 350th fund.

# Track Your Giving History

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Number of Gifts from New Donors							
\$ Value of Gifts Associated with New Donors							
Number of Gifts from Returning Donors							
\$ Value of Gifts Associated with Returning Donors							
Number of New Funds							
Total value of all Gifts for the Year							
Total Value of all Funds at Year End							
Total Number of Funds at Year End							
Value of Endowed Assets at Year End							

# Track Your Planned Gift Cash Flow

- ◆ The focus is always pulled to the current year - it is important to track deferred revenue -
- ◆ It makes the case for planned giving
- ◆ It helps you understand which gifts are most popular
- ◆ It helps you focus on marketing
- ◆ It reflects trends

# Five Years Realized Planned Gifts

	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>%</i>
Realized Bequests under Wills						
Realized Testamentary Gifts - Revocable Trusts						
Realized Testamentary Gifts - Other Trust Distributions						
Retirement plan or IRA Beneficiary Distributions						
New charitable gift annuities						
New charitable remainder annuity trusts (irrevocable beneficiary, trustee)						

# Five Years Realized Planned Gifts

	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>%</i>
New Charitable remainder unitrusts (irrevocable beneficiary, trustee)						
Charitable remainder trust remainders - annuity and unitrust, outside trustee						
Insurance beneficiary						
Retained life estates						
Bargain sales						
Other						

# Determine Your Bequest / Deferred Gift Averages

- ◆ Things to remember:
  - ◆ Bequest payments may come in a single or series of payments - they must be combined
  - ◆ Post the payments in the year the first payment is received
  - ◆ Adjust the totals annually

# Historical Bequests

Year/Decedent	Bequest Amount	Average
<b>1953</b>		
Bat Manderson	\$3,000,000	\$3,000,000
<b>1965</b>		
Robin Smith	\$2,000,000	\$2,000,000
<b>2010</b>		
Ann Smith	\$50,000	
Troy Angle	\$175,000	\$112,500
<b>2011</b>		
Bobby Best	\$1,000,000	
Sandy Wilson	\$10,000	
Tom Jones	\$25,000	\$345,000



# Historical Bequests

Year/Decedent	Bequest Amount	Average
<b>2012</b>		
Kathy Demmons	\$75,000	
Ben Thomas	\$150,000	
Sam Ponder	\$100,000	\$108,333
Total All Bequests	10 Gifts	\$5,556,833
		\$454,483.30

# Historical Bequests

- ◆ If you have trouble gathering the data:
  - ◆ Bequest revenue often comes in as “cash”
  - ◆ Lack of consistency in posting (“Kathryn Miree Estate”, “Estate of Kathryn Miree”)
  - ◆ Records may not go back more than a few years

# Review Gift Commitments

<i>Donor Name</i>	<i>Donor Age</i>	<i>Gift Type</i>	<i>Gift Amount</i>	<i>Member Legacy Society?</i>
James Smith	75	Bequest	\$250,000	Yes
Sam Jones	87	Bequest	Unknown	Yes
Kathryn Wilson	55	Bequest	\$1,000,000	Yes
Nancy Bellamy	89	Bequest	\$500,000	No - Anonymous
<b>Total Bequests</b>			<b>\$1,250,000</b>	
Donna Landry	54	IRA Beneficiary Designation	\$25,000	Yes
Donald Landry	74	IRA Beneficiary Designation	\$350,000	Yes
Tim Best	45	IRS Beneficiary Designation	Unknown	Yes
<b>Total IRA Gifts</b>			<b>\$375,000</b>	
Ann Adams	62	Insurance Policy Beneficiary	\$1,000,000	Yes
Tom Gentry	75	Insurance Policy Beneficiary	\$750,000	Yes
<b>Total Insurance</b>			<b>\$1,750,000</b>	<b>Yes</b>
<b>Total All Expectancies with</b>			<b>\$3,375,000</b>	



# Staffing Trends

	<i>Total Front Line</i>	<i>Total Donor</i>	<i>Total All Donor Staff</i>
2014			
2013			
2012			
2011			
2010			
2009			
2008			
2007			
2006			
2005			

# Community Contacts

	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Number of donor visits responding to calls donors or prospects						
Number of donor or advisor calls/visits related to queries from						
Number of donor calls/visits initiated by foundation staff:						
Number of donor calls/visits initiated by foundation staff:						
Number of donor calls/visits initiated by foundation staff:						
Number of donor calls/visits initiated by foundation staff: <b>total</b>						
Total all calls/visits						

# How Well Do You Manage Data?

- ◆ Good data is the heart and soul of any fundraising program
- ◆ FIMS is most commonly used by community foundations
  - ◆ Fully integrated management systems
  - ◆ Has flexibility in managing donor data - but perhaps not everything

# How Well Do You Manage Data?

- ◆ Most of the functionality has to do with your protocols:
  - ◆ What percentage of donor names have e-mail?
  - ◆ What percentage have dates of birth?
  - ◆ Are there policies and procedures about how data is maintained? To ensure integrity?
  - ◆ Do you record advisor relationships for donors?
  - ◆ Is there a staff member assigned data responsibility?



# Marketing and Communication

- ◆ Make a list of written and electronic communication tools / activities
- ◆ Look at consistency in image and message
- ◆ What do you tell the community and your donors about the foundation's role?

<i>Marketing Tool</i>	<i>Audience</i>	<i>Purpose/ Comments</i>	<i>Form (Mass Print, Mass Electronic,</i>	<i>Frequency</i>
Print newsletter - donors				
Electronic newsletter - donors				
Print newsletter - advisors				
Electronic newsletter - advisors				
Website				
Annual Report				
letter from Foundation (Stewardship)				
Letter from Foundation (Welcome as new donor)				
Quarterly Fund Statement				
Prospective Donor Packet				
How to Give Brochure				
Legacy Society Brochure				
Program/Initiative Brochures				
Development Postcards				
Holiday/Birthday Card				

# Marketing and Communication: What's On Your Website?

- ◆ *Information for prospective donors*
  - ◆ Case for donor investment
  - ◆ Information about the foundation and its history
  - ◆ List of donor services and fees
  - ◆ Donor stories
  - ◆ Gift planning information

# Marketing and Communication

- ◆ *Donor services for current donors*
- ◆ Case for long-term donor investment
- ◆ Online access
- ◆ Online giving
- ◆ Staff contact links
- ◆ *Information for affinity groups*
- ◆ Young donors
- ◆ Women
- ◆ Students
- ◆ Environment
- ◆ Animal lovers

# Marketing and Communication

- ◆ *Information for donors/  
community/special initiatives*
  - ◆ *Crime prevention*
  - ◆ *Senior issues*
  - ◆ *Zero to Five early education*
  - ◆ *City-wide walking/biking  
trail*
- ◆ *Financial information*
- ◆ *Contact information*
- ◆ *Information for advisors*
  - ◆ *Gift acceptance policies*
  - ◆ *Fund options, parameters, fees*
  - ◆ *Standard fund docs*
  - ◆ *Links to financial information*
  - ◆ *Contact info for staff, board*

# What is Your Case for Donor Investment?

- ◆ Is the case clear and compelling?
- ◆ Are you asking donors to give to the foundation or through the foundation?
- ◆ How many places can you find the case?
- ◆ Is the case for short-term giving, long-term giving, or both?
- ◆ How consistent is your case?

<i>Message</i>	<i>Annual Report</i>	<i>Website</i>	<i>Internet Communi</i>	<i>Professional Advisor</i>	<i>Annual Letter/</i>	<i>Annual Meeting</i>
<b>ORGANIZATION AND COMMUNITY NEEDS</b>						
Clear call for support: “Join the foundation to address the needs of seniors and building a permanent fund to provide ongoing resources.” Or, “Leverage your philanthropic dollars through the foundation - we offer resources to help you maximize your gift goals, learn more about options to achieve your goals, and if desired, join with other funders to achieve larger goals.”						
Research on needs, information on current programs, outcomes related to initiatives						
The nonprofit’s current strategic plan and information on what has been achieved, what is in progress, and what is outstanding.						
<b>USE AND IMPACT OF FUNDS</b>						
Basic financial information: balance sheet, cash flow statement, comparative data for prior years						
Detail on fundraising revenue and costs, including sources of revenue (individuals, corporate, foundation partners, etc.)						
Detail on long-term holdings, including permanent fund balances (and comparative data from prior years), investment performance, amounts distributed, detail on impact of distributions						

<i>Message</i>	<i>Annual</i>	<i>Website</i>	<i>Internet</i>	<i>Professional</i>	<i>Annual</i>	<i>Annual</i>
<b>RECOGNITION OF DONORS</b>						
Recognition of donors - current established funds, new gifts, gifts to initiatives, corporate gifts, foundation partners on initiatives, and						
Recognition of donors who have made planned gift commitments						
Recognition of volunteers - board and						
<b>EASE OF GIVING</b>						
Clear communication that gifts at all levels are welcome for established funds, and fund levels						
Easy to find information on ways to give and						
Easy to find information on asset options - and what the foundation needs to accept non-cash						
Easy to find contact information linking potential donors to staff members who can provide						
Easy to access information for professional advisors relating to gift policies, standard gift agreements, standard endowment agreements,						



# How Engaged Are You With the Professional Community?

- ◆ Advisors are the gateway to your donors
  - ◆ Number of advisors in system
  - ◆ Number of proactive visits
  - ◆ Number of print/electronic contacts
  - ◆ Professional advisory council?
  - ◆ Number of calls from advisors
  - ◆ Percentage of gifts referred by advisors

# Best Practices for Community Foundation Fundraising Success

# The Development Team Has a Strategy and a Plan

- ◆ You have many options - if you are going to be successful, you need to have a strategy and set priorities
  - ◆ Goals and objectives
  - ◆ Key strategies
  - ◆ Actions / tactics to execute those strategies
  - ◆ Timeline for activities

# Donor Data Is a Priority

- ◆ The data is magic
- ◆ Clean donor records with complete gift data
- ◆ Consistent use of attributes
- ◆ Updated system
- ◆ Staff
- ◆ Data analytics and reporting capacity
- ◆ Policies and procedures

# The Foundation Has a Donor-Centric Fundraising Culture

- ◆ Know the foundation's strategy and goals
- ◆ Help the community understand how the foundation makes decisions about community investment
- ◆ Prioritize contacts with donors
- ◆ Record what donors tell you about their interests

# The Foundation Has a Donor-Centric Fundraising Culture

- ◆ Be patient
- ◆ LISTEN to donors and ask questions
  - ◆ How did you first get involved in giving?
  - ◆ What prompted that gift?
  - ◆ Where do you invest the majority of your philanthropic dollars?

# The Foundation Has a Donor-Centric Fundraising Culture

- ◆ Where do you get your advice for giving? What type of advice? (Assets, gift forms, charities)
- ◆ How do you engage your children or family in your giving?
- ◆ How has the foundation impacted your giving?
- ◆ Are there resources we can provide that would make your giving more effective?

# Other Best Practices

- ◆ The foundation sets clear donor expectations - and positions the donor as a partner in its work
- ◆ The foundation ensures consistency in messaging
- ◆ The foundation uses metrics and measures to set goals, identify opportunities, and measure success



# Practices that Block Success

# What Creates Problems?

- ◆ Live for today! (cash in king)
- ◆ Accounting vs. data
- ◆ Expectancies are not real money
- ◆ Inconsistent (or invisible) messaging
- ◆ “We can’t waste time talking to donors....”
- ◆ The Board and staff are clueless

# Final Thoughts