COUNCIL on FOUNDATIONS

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Trends and Strategies in Community Foundation Fundraising

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Kathryn W. Miree is President of Kathryn W. Miree & Associates, Inc., a consulting firm that works with boards and staff of nonprofits and foundations to develop administrative policies, structure, and planned giving programs. She received her undergraduate degree from Emory University and her law degree from The University of Alabama School of Law. She spent 15 years in various positions in the Trust Division of AmSouth Bank where she was the manager of the Personal Trust Department before joining Sterne, Agee & Leach, Inc. to start its trust company. She established Kathryn W. Miree & Associates, Inc. in 1997.

Ms. Miree is a past president of the National Committee on Planned Giving, a past president of the Alabama Planned Giving council, a past president of the Estate Planning Council of Birmingham, Inc. and a past member of the Board of the National Association of Estate Planners & Councils. She currently serves on the board of the Community Foundation of Greater Birmingham and has been a member of many local and national boards over her career.

Ms. Miree is a frequent lecturer, co-author of *The Family Foundation Handbook* with Jerry J. McCoy (CCH Publishers) and author of *The Professional Advisor's Guide to Planned Giving* (CCH Publishers). She has served on the Editorial Advisory Board of *Planned Giving Today* and on the Board of Community Foundation of Greater Birmingham where she is Chair-Elect. Her clients include a variety of nonprofits and foundations across the country.

Trends, Models, and Strategies in Community Foundation Fundraising

Successful community foundation fundraising programs are driven by strategic donor engagement, solid partnerships with those donors, and clear communication about the manner in which the foundation enhances philanthropic investment and results. Many community foundations have difficulty describing their role as fundraisers. Indeed, may avoid the term "fundraising" considering it too aggressive a concept to describe the more passive process of serving donors through the foundation platform. Yet this lack of clarity on the foundation's fundraising role leads to lack of strategic clarity in building the foundation's assets. In this session we'll look at the trends in community foundation fundraising, common fundraising objectives, strategies to achieve those objectives, and metrics to measure your progress. Learn how to create a results framework for development that fits your foundation's asset building goals.

I. Are Community Foundations Fundraisers?

A. The Lack of Clarity on the Fundraising Role

Although it seems a strange question to raise at a fundraising conference, the key question for many community foundations is: "Is it appropriate or necessary for a community foundation to raise funds?" Indeed, there are some community foundations with no fundraising staff. For decades, this lack of clarity and ambivalence about the fundraising role kept many community foundations on the sidelines.

B. The Cultural Divide

There were many reasons community foundations did not actively raise funds in the community:

- The foundation did not want to compete with local nonprofits;
- That foundation did not feel it was an appropriate role - rather, their role was to encourage philanthropy in all forms and to serve those who needed their services; and
- Building a fundraising staff would increase costs, thereby decreasing funds available for grant making.

In other words, for decades most community foundations have positioned and staffed themselves to respond to donor needs rather than to proactively engage donors. This culture of being a responsive entity rather than a proactive entity means the foundation may have focused extensively on professional advisors, but spent very little time in conversation with its donors or in gathering critical information that guides donors conversations. It also means that any fundraising program must drive and be driven by a change in the foundation's culture, which is often the most challenging piece of the puzzle.

C. The Confusing Messages to Donors

One of the byproducts of this history and culture is that donors have received confusing messages or no messages at all about the role of the foundation in maximizing and enhancing the donor's philanthropy. Rather the key messages have centered on the products offered by the foundation such as fund types or split-interest gift options. Rather than educate donors on the role of the foundation in making the donor a more effective philanthropist, the messages have centered on how the foundation works which generally generates no more passion or excitement than reading an owner's manual for a new appliance.

It is not surprising that without a clear and intentional fundraising strategy, the audiences and messages get muddled. As a result, the most critical element of a fundraising program was missing: a clear, compelling, and urgent case for philanthropic investment in the community, both on a short-term and long-term basis.

II. The Changes in the Charitable Environment that Changed the Conversation

A. The Upheaval in the Securities Markets

The economic news has been uncertain or gloomy since 2000. Lower stock values, higher gas prices, fewer jobs, and the related economic turmoil have affected all donors. Even the wealthy – especially those holding concentrations in financial stocks, automotive stocks, mortgage backed bonds, or real estate – are feeling the pinch.

The nature of financial markets is to move to reflect current economic conditions and fears, but markets have been particularly erratic since 2000. As a reminder, annual returns from 1999 through 2012 are shown in Table 1 and 2. The tables do not tell the full story. Mid-market fluctuations, the reduction or elimination of dividends, and tight credit markets have created even greater uncertainty for donors.

TABLE 1
MAJOR INDEX RETURNS 1999 – 2005

INDEX	*1999*	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*
DJIA	25.22%	-6.18%	-7.1%	-16.76%	25.32%	3.15%	-0.61%
S&P 500	19.53%	-10.14%	-13.09%	-23.37%	26.38%	8.99%	3%
NASDAQ	85.5%	-39.29%	-21.05%	-31.53%	50.01%	8.59%	1.37%
DJ World	31.54%	-17.36%	-21.02%	-15.63%	38.58%	19.23%	14.4%
Barclays LT Treas.	-15.13%	20.11%	3.5%	14.62%	1.38%	5.06%	2.7%
ML Muni Master Bond Index	-6.34%	18.1%	4.5%	10.73%	2.54%	5.45%	3.9%
Barclays Corp. Bond Index	-1.89%	9.1%	10.7%	10.17%	8.31%	5.41%	2%

TABLE 2
MAJOR INDEX RETURNS 2005 - 2013

INDEX	*INDEX*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
DJIA	16.29%	6.4%	-33.8%	18.8%	11%	5.5%	7.3%	26.5%
S&P 500	13.62%	3.5%	-38.5%	23.5%	12.8%	0%	13.4%	29.6%
NASDAQ	9.52%	9.8%	-40.5%	43.9%	16.9%	-1.8%	15.9%	38.3%
DJ World	23.01%	11.8%	-46%	37%	10.1%	-16.3%	13.6%	13.3%
Barclays LT Treas.	1.85%	10.2%	20.64%	-13.17%	9.37%	34.01%	0.87%	-13.33%
ML Muni Master Bond Index	4.4%	4.18%	0.54%	9.4%	2.52%	10.64%	5.56%	-2.19%
Barclays Corp. Bond Index	4.3%	4.56%	-6.54%	18.68%	9%	8.15%	9.82%	-1.57%

B. A Sustained Period of Low Interest Rates

Low interest rates have also impacted donors. As interest rates have declined, the interest paid on bonds, certificates of deposit, checking accounts and other fixed income instruments that seniors and retired donors rely on for living expenses has also declined. For a look at how those rates have fluctuated over the last decade, see Table 3.

TABLE 3
PRIME RATES, QUARTERLY, 2000 – 2013

	2001	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*
Jan 1	9.5%	4.75%	4.25%	4%	5.25%	7.25%	8.25%	7.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Apr 1	8%	4.75%	4.25%	4%	5.75%	7.75%	8.25%	5.25%	3.25%	3.25%	3.25%	3.25%	3.25%
July 1	6.75%	4.75%	4%	4.25%	6.25%	8.25%	8.25%	5%	3.25%	3.25%	3.25%	3.25%	3.25%
Oct 1	6%	4.75%	4%	4.75%	6.75%	8.25%	7.75%	5%	3.25%	3.25%	3.25%	3.25%	
Dec 1	5%	4.25%	4%	5%	7%	8.25%	7.5%	4%	3.25%	3.25%	3.25%	3.25%	

C. A Dramatic (and Continuing) Decline in Federal, State, and Local Grants

The National Association of State Budget Officers conducts a "The Fiscal Survey of States" each year, and the most recent was published in Fall 2013. [1] States report that state revenues are slowly increasing and 43 states enacted higher general fund budgets in 2014 compared to 2013. Aggregate general fund budgets incased by 3.8 percent over 2013 and for the first time surpassed pre-recession highs. However spending increases (after years of reductions) are skewed primarily towards K-12 education and Medicaid, so that funding in other critical areas is reduced. In addition, The Affordable Care Act may require additional state spending.

The American Recovery and Reinvestment Act of 2009 pumped $135 billion into state budgets so that steeper cuts were not required - but most of this funding ended in 2011. Earlier National Association of State Budget Officer Reports project the state services experiencing cuts often include:[2]

- Public health programs
- Programs for the elderly and disabled
- K-12 education
- Colleges and universities
- State work force

States governments are not the only government experiencing revenue problems. The Federal government's debt is now at an historically high level. This has resulted in a dramatic decrease in funding for many of its ongoing programs and grants. At the same time, counties and cities are reducing the charities funded because of the dramatic drops in property taxes, sales taxes, and license taxes. Organizations dependent upon these government grants are scrambling to find other ways to fill the gaps.

D. An Increased Need in Charitable and Community Services

The market free fall of 2000 - 2003 and the recession that followed in 2008 had a dramatic impact on donors' willingness to give to charity with the enthusiasm of the 1990s. Individuals across the economic spectrum experienced a sharp decrease in revenue and many lost their jobs. As a result, charities experienced an increase in the demand for services, especially as the recovery left many with unmet needs. In a survey conducted by the Nonprofit Finance Fund in 2013 (sponsored by Bank of America and the Ford Foundation), researchers found 80% of those nonprofits surveyed reported an increase in the demand for services - the sixth year of increased demand in a row.[3] Even more distressing, 56% were unable to meet the demand, 55% have 3 months or less cash on hand, and 28% ended fiscal year 2013 with a deficit. This confluence of events increased the emphasis for growing community foundation assets to add more resources and support to the charitable community as well as

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[1] "The Fiscal Survey of States, Fall 2012," National Association of State Budget Officers (NASBO), 444 North Capital Street, Suite 267, Washington, DC 20001-1512, http://www.nasbo.org/sites/default/files/Summary_Fall%202013%20Fiscal%20Survey%20of%20States_0.pdf.

[2] Johnson, Nicholas and Elizabeth Hudgins, "Facing Deficits, Many States are Imposing Cuts that Hurt Vulnerable Residents," Center on Budget and Policy Priorities (July 2, 2008), www.cbpp.org.

[3] 2014 State of the Nonprofit Sector Survey, Nonprofit Finance Fund, http://nonprofitfinancefund.org/state-of-the-sector-surveys.

the need to be responsive to the changing needs in the community and to bring service providers together in a collaborative fashion to address common needs.

E. The Internet, and a More Educated Group of Donors

There is a final factor that has changed the dynamics of community foundation fundraising: donors have become more educated about gift options. The Internet is filled with resources for grantmaking, access to philanthropic advisors, information on gift planning options, and easy access to alternatives for traditional donor advised funds. In the past, many community foundations provided this expertise which is now widely available. Donors may perceive the community foundation as a commodity, with funds no different from a donor advised fund offered at a university and philanthropic advice indistinguishable from that offered by gift planning departments or independent advisors.

III. The Fundraising Trends

Over the last ten years, community foundations have become more intentional and strategic in fundraising. Every community foundation is different because every community is different and every community foundation story is unique. The trends below reflect the most common elements of the development evolution for community foundations.

A. Trend #1: The Proactive Pursuit of Permanent Funds

The economic challenges since 2000 and the resulting demands on community nonprofit resources have increased the emphasis on permanent funds. This emphasis is also fueled by a changing style in grant making, moving away from a responsive allocation of available funds to a more focused, sustained, targeted approach to specific areas of community need. There are at least three clear opportunities or approaches to building permanent funds: transactional opportunities, estate gifts, and capital campaigns.

1. Transactional Opportunities

The foundation's success in transactional opportunities is tied to the ability to reach the community and educate them about philanthropic options that may meet personal and charitable goals in the most effective way. 2014 taxes on both income and capital gains have increased significantly, creating an opportunity for donors to combine charitable giving with tax reduction, retirement planning, and estate planning goals for a more powerful result. Transactional opportunities for gifts may include:

- *Mergers and acquisitions.* Local companies are merging or being acquired; public companies are being split, sold, or acquired. Both offer opportunities to community foundations, especially when the company has a significant local presence.

- *Real estate sales.* Donors who seek to sell large blocks of property either acquired or inherited, donors who downsize, and business sales.

- *Retirement:* Donors who retire - especially donors with public companies who retire with large blocks of the stock or stock options - often engage in a restructuring of assets (or realization of the options) within a year or two or retirement, at the same time they are restructuring their retirement plans.

The key to engaging donors in transactional events is ongoing education and timely reminders when public transactional events occur.

2. Estate Gifts

Community foundations are placing a renewed emphasis on estate gifts by positioning the community foundation platform as the most flexible, responsive, and accountable platform for long-term charitable giving. Some community foundations have been positioning the foundation as the donor's long-term philanthropic partner for many years and are steadily building future foundation resources through bequest and deferred gift commitments. It is important for the foundation's messaging to clearly invite the donor to invest in the future of the community through the foundation and to educate donors (and prospects) about the foundation's ability to leverage the donor's goals.

3. Capital Campaigns

Some foundations have initiated audacious (large!) campaigns to build permanent assets through a capital campaign. This approach is perhaps the most difficult of all. Getting donors to invest in endowment is a challenge. Donors are driven by vision, passion, and impact, and many times endowments - especially unrestricted endowments - seem like inert pools of unused funds. While the foundation understands why it needs an endowment, the donor has difficulty understanding the impact their funds will have. Allocating current funds has an immediate reward.

If the foundation chooses this avenue to build endowed/permanent funds, always start with the board. Educate the board on the role of endowment and the importance of permanent funds in executing long-term grant making and program strategies. There are almost always board members who do not believe in the appropriateness of endowment or who do not want the community foundation competing with local charities.

B. Trend #2: More Focus on the Case for Donor Investment

The case for donor investment - both short-term and long-term - is critically important in engaging donors and community foundations are becoming more comfortable and eloquent in making that case. The most effective case statements:

- *Are donor centric* - focusing not on the foundation's desire to build additional funds but on the foundation's ability to enhance the donor's needs;

- *Are compelling and visionary* - challenging the donor to invest in a personal vision for the future of the community; and

- *Emphasize the unique ability of a community foundation* to achieve the donor's goals and visions in a way that ensures ongoing impact.

In other words, the most effective case statements are not about the foundation's structure or fundraising needs and goals - they are focused squarely on the donor and the value the foundation brings to the donor's philanthropy. They recognize that every donor - rich or poor - has the power to change the world and they challenge them to dream about the community.

C. Trend #3: Engaging Donors as Partners in the Foundation's Success

The most successful fundraising foundations treat donors as partners in their work - not funders, but partners. Consider the following examples of successful donor partnerships.

1. Involving Donors with Grants and Initiatives

While many foundations have programs similar programs, I've seen first hand the success of Giving Together at The Community Foundation of Greater Birmingham. Kathryn Corey, Vice President for Donor Relations, and Lora Terry, Donor Relations Manger, spend time getting to know their donors and their interests and are able to share funding opportunities that fit those interests so that these donors partner with the foundation to make grants through its unrestricted grants program as well as community initiatives. In 2013, these donors contributed more than $1 million in the foundation's grant cycles. More importantly, it expanded those donor's opportunities for community investment, put them in closer relationship with the foundation, and helped them understand the value the grant making process adds to their philanthropic investment in the community.

2. Community Initiatives

It is exciting to see the number of community initiatives across the country led by community foundations. These initiatives are largely collaborative projects joining agencies and funders in a common goal in a sustained, multi-year project designed to address specific areas of need. Projects range from the Zero to Five Initiative addressing early childhood education managed by The Dallas Foundation, the Group Violence Prevention of the Community Foundation of St. Joseph County (in South Bend, Indiana), to projects dealing with eldercare issues, healthcare partnerships, and city-wide parks. Most of these initiatives require a pool of permanent funds to sustain them, and have the advantage of aligning with specific donor interests or clear community needs that donors can come together to address.

3. Affinity Funds

Some foundations have expanded their donor reach and found a way to identify with specific donor interests through affinity funds. Women's Funds have proliferated across the United States and are designed to bring women together in a collaborative way to make grants around issues important to the group. Other affinity groups focus on specific charitable interests or unique interests such as environmental funds, neighborhood development funds, LGBT Funds or Native American Funds.

4. Catalyst Fund

The Community Foundation of Greater Birmingham created a Catalyst Fund to celebrate its fiftieth anniversary. The Catalyst Fund focuses on transforming the community through grants that are not part of the foundation's traditional grant cycle. Donors who contribute $50,000 or more have a seat at the grant table and a voice in how the funds are spent. Expenditures vary from lighting a downtown underpass to connect a growing, vibrant downtown with the city's midtown to investing in a collaborative project to reduce crime. The value goes beyond the contributed dollars and resulting projects because it gives donors a seat at the grants tables, educates them about community issues, and inspires them to invest to generate results.

D. Trend #4: Recognizing the Remarkable Flexibility in the Planning Platform - and Using the Platform to Solve Problems

Community foundations have a unique platform that is more flexible and dynamic than any one single gift vehicle or charitable entity. That platform only has value in solving problems for donors, meeting special needs for oversight, providing a platform/training/framework for family philanthropy, or serving as the donor's grant making voice for generations to come. In addition, the foundation has a broad, unique knowledge of the community, the nonprofits that comprise that community, and the needs of its citizens. Positioning the foundation as only a donor service center reduces the foundation to a commodity in a world where fees drive decisions. Foundations are recognizing their value and doing a more effective job of describing their role in terms that donors and the communities understand and value.

E. Trend #5: Engaging Advisors More Effectively to Address Client Needs

Advisors serve as the gatekeepers for your donors and have traditionally been a primary source of referrals for community foundations. To prove this point, look at the bequest gifts your foundation has received over its history and divide them between those individuals with established relationships with the foundation (such as donor advised funds, designated funds, or field of interest funds) and those without that point of engagement. More than likely the largest percentage of your gifts are those surprises that arrived without any knowledge of the gift or any prior relationship with the donor. These gifts are likely the result of professional advisor recommendations.

While community foundations have always appreciated the role of the advisor, now they are engaging with advisors in a more meaningful way, focusing on educating advisors about the foundation's role in meeting their clients' needs.

IV. Community Foundation Models

A. The "We're Not Fundraisers" Model

Some community foundations have no development staff at all. Rather, they drive foundation investment through initiatives selected by the foundation. This approach can be successful where the initiatives are clear, related to clear community issues, have clear impact, and a clear role for funders. However, this model also tends to attract foundation grants and sometimes government grants for the specific goal. They cut into a narrow swath of funders and do not do much to raise the conversation and investment around philanthropy.

B. The "We're Here to Help" Model

The "We're Here to Help" model reflects the most common community foundation model of the past. This is a passive approach to fundraising that generates new funds by simply telling the community what you do and how you do it. The model positions the foundation in the role of a philanthropic service provider who does not compete with local fundraisers and charities, but simply enhances a donor's giving. In this model, the development staff is responsive to calls from donors and advisors and step forward to help them select the product/fund that is best for them.

C. The "You Can Change the Community; We Want to Work With You" Model

The "You Can Change the Community - We Want to Work With You" model is one that is emerging and gaining strength in the community foundation world. In this model, the foundation builds relationships with its donor, takes on a leadership role in initiatives in the community, and positions itself as a champion for philanthropy and a leveraging tool for donors who want to invest their philanthropic dollars with greater impact. In this role the foundation is more visible in the community, it understands its donors and their interests and can put projects or initiatives in front of them in which they have interest, and builds new relationships through donors who invest in initiates and through advisors who see the examples of the foundation's collaborative work with donors and can communicate those examples to their clients.

V. Key Fundraising Strategies

Success in fundraising requires a strategy and a results framework for development similar to the results framework associated with grant making. This requires a solid platform, information to make decisions, a communications and donor engagement strategy with a clear focus and goals and metrics to measure progress.

A. Use Data and Analytics to Identify Opportunities

The most essential element in building and executing a strategic fundraising plan is data. Data not only gives you insight into donor interests, provides a way to analyze the effectiveness of marketing, but guides you to donors who have specific interests in areas addressed by the foundation or who might be strong candidates for deferred gifts.

Data-driven strategies are not possible without a commitment to prioritize data. Here's what that commitment requires:

1. *Make sure the data management system has the capacity to meet your goals and objectives.* Evaluate the system's functionality and capacity every three to five years. Identify the fields that need to be tracked and the specific functionality required to support the foundation's lines of revenue. Ensure there is a budget for training and to call for support when needed.

2. *Adopt clear standards for data input.* This means defining how fields and tables are used, how data will be captured, and where it will reside. Hold individual segments of data in discrete fields so that it can be searched, extracted, and used. Avoid loading all information in the notes field where it becomes an amorphous mound of data that cannot be searched. Without clear guidelines, data will be gathered inconsistently and tables and fields will be used differently by each new data clerk.

3. *Be vigilant about data quality.* This means limiting access to certain fields, adopting protocols to change information, and developing a self-audit system and annual scrubbing process to ensure the data is accurate and up to date.

4. *Move all data to a single platform.* When data is held in discrete silos, the development team sees only a portion of the donor's relationship with the nonprofit.

Once the data platform is viable, the challenge is to maximize the value of the data. Use the following strategies.

1. *Ensure there are tools to extract and create reports with the data.* Having millions of points of data. Having tens of thousands points of data is of absolutely no value if you cannot harness and use it. Many systems have automated, pre-formatted reports but these may or may not meet your foundation's needs. Someone on staff must be able to produce regular reports as well as extract data for specific projects. This requires qualified staff, training, and report writing tools.

2. *Engage in training for all development staff.* It is as important to train those using and accessing the data as it is to train those who input the data. Every new version of a data system offers gift officers more information about their donors. But if they cannot access or use that information, it is useless.

3. *Use business intelligence to guide and measure work style and strategies.* Foundations are using data to work smarter, more effectively allocate time, set priorities, establish metrics, and measure staff performance. This may include: the number of calls it takes to qualify, cultivate, solicit, and close a gift; the "perfect" profile of the best prospects and donors; the average dollar value of realized gifts and current expectancies; and the close rate for "insiders" (individuals with a foundation relationship) and "non-insiders".

B. Engage Current Donors and Others Who Interact with the Foundation

One of the greatest barriers in community foundation fundraising is a lack of understanding of the value the foundation brings to charitable investments. For those of us in the community foundation world, we marvel at the skill, knowledge, and expertise community foundations offer their donors. However, those who are not involved with the foundation do not have the same perspective or understanding of how the foundation works or adds value to their giving.

Therefore, when you become more intentional about fundraising with your donors and look for strategies that will build permanent assets, begin with those donors who have contacts with the foundation and are more likely to have witnessed first hand the role of the foundation in leveraging their charitable work. Consider donors who:

- Have donor advised funds, especially those who are using them as a family giving vehicle;
- Join the foundation in grant making on projects within their area of interest through programs like Giving Together;
- Non-donor advisors to donor advised funds (next generation family members);
- Board members and former board members;
- Non-board members of the foundation’s committees, especially those on on the Grantmaking Committee;
- Staff;
- Executive leadership of corporations who have funds with or partner with the foundation; or
- Individuals involved with key initiatives in the community.

Look for ways that individuals come into contact with the foundation and explore those avenues. Anyone with contact with the foundation is more likely to understand its role and impact on individual giving and meeting community needs more than someone who has no relationship at all with the foundation. Look for corporations that align with specific projects - such as crime, healthcare, education, or eldercare. They are engaged in solving the problem; position the foundation as a long-term partner in success.

C. Engage Donors Around Issues

One of the most effective ways to engage the community is to involve them in a project or initiative that is important to them or important to the community. Consider the four initiatives underway at the Community Foundation of St. Joseph County in Indiana:

- Early Years Count Education Initiative
- Senior Housing Initiative
- South Bend Group Violence intervention
- ArtsEverywhere Initiative

The Community Foundation of St. Joseph County is the fastest growing community foundation in Indiana. It has no development staff. Yet it has grown from $0 in assets in 1991 when it was established to $130 million in assets in 2013 by focusing on community initiatives and the impact of those initiatives.

Initiatives generally involve a collaboration of donors that may include individuals, corporations, and private foundations and provide a platform that allows donors to join invest in success and the potential for success. Participation in initiatives takes investors to a higher level of understanding of the moving parts in solving the problem.

D. Engage the Professional Community (In a Meaningful Way)

The key to the successful engagement of the professional community is to understand their role in working with their clients and to provide them information, education, and resources that make them more effective with their clients. Interaction with the professional community should focus on education, ears, and engagement. It is more important to show them how the foundation can solve planning issues, how the foundation can provide philanthropic support to their clients, and examples of the foundation's work in the community than to provide them with a list of funds and fees, or a technical explanation of how a foundation works, or an impassioned plea that the community foundation is "simply a better platform" than other charities who may dissolve, or go out of business, or violate donor intent.

- Identify the estate planing professionals (not only the established professionals but the up and coming younger planners as well).

- Learn more about them and their practice. Use the attached form to build a base of information and referral network.

- Educate by sending them periodic information about donor stories, key developments, and foundation initiatives focused on how that information relates to their practices.

- Make it easy to contact the foundation to get assistance and answers.

- Provide information on the foundation's website about fund options, fees, sample documents, financial information about the foundation, board and staff contacts, planning resources, current rates, gift calculator, and other resources you hear from conversations would be helpful to them.

- Set regular meetings (1 per month or 2 per month) to interact with the professional community. For larger firms, take coffee and pickup food and go to their office for a short meeting; for smaller firms invite them to come to a lunch and learn event, or breakfast event at the foundation.

  Focus the conversation on the professional:

- When did you first learn about the foundation?
- What is the foundation's greatest value in your practice?
- What could we provide that would make us more helpful to you in your charitable practice?
- What are the biggest issues your clients struggle with in their current giving? In their deferred giving?
- Tell me more about your practice and the type of work you do.
- Tell them how you can support them in their work:

    1. *The Foundation provides an extremely flexible, accountable, dynamic charitable platform for long-term giving.* Donors can create funds for multiple charitable beneficiaries or allow the Foundation Board to direct the funds to charitable organizations that can most effectively achieve the donor's goals.

2. *The Foundation can create funds around a specific area of interest* - whether education, or housing, or the environment. This fund can serve as a catalyst to bring other donors in the community to the table with similar interests, leveraging your client's contributions.

3. *The Foundation can work with you and your client to identify the most effective type of life income gift* to meet their needs and to maximize the benefits of those gifts through the use of the most effective assets and distribution rate.

4. *The Foundation can serve as trustee of split interest vehicles* or can arrange for third party trust administration if the donor prefers to self-trustee.

5. *The Foundation can prepare charitable deduction calculations* for your clients.

6. *The Foundation accepts donations of complex, non-cash assets i*ncluding real estate, closely-held stock, art, collections, and life insurance.

7. *The Foundation can work with your clients who want to create a platform for family philanthropy*.

- Ask advisors to support the community in the following ways:

1. *Complete our Advisor Profile Form* so that we can add you to our database of estate and charitable planning professionals and include you among the resources we provide to clients who need an advisor.

2. *Ask your clients about their charitable goals in the financial and estate planning process.* This will increase charitable giving across the community. Begin with these three questions:

   - Do you have charities that you support on an annual basis?
   - Do you want to include any of these charities in your financial or estate plans?
   - If I could show you how to shift tax dollars to charitable dollars in your planning, would you be interested in exploring that?

3. *Call us during the planning process if you are creating a perpetual charitable gift through the Foundation.* We will be happy to brainstorm with you about how that gift might be structure to best achieve your client's charitable goals.

4. *Help educate your clients and the community about the unique role of the Foundation* in building a permanent pool of resources for the community.

5. *Serve as our ambassadors and advocates in the community.* Encourage your friends, colleagues, or clients to call us if they have questions, concerns, or see opportunities.

E. Engage Your Board in Fundraising

If education, visibility, and impact are the keys to donor engagement, the Foundation's Board of Directors is one of the most important tools the Foundation has in fundraising. They are the ambassadors, they provide the credibility, and they help in maintaining the visibility of the Foundation. Here are the key roles for board members:

- Community Leadership
  - Board members are leaders and have respect in the community
  - People listen to those they respect
  - Board members should lead by example - it's about encouraging philanthropic investment, not demanding it

- Vision
  - Identify opportunities and priorities. What are the community's greatest needs?
  - How can you quantify and prioritize those needs?
  - How can you use that process to engage the community?
  - How can you position the Foundation as a platform to address those needs?
  - Collaborate for impact - you will not be successful alone. How will you include others in the community as partners?

- Ambassadors
  - Learn more about the Foundation and its work.
  - Spread the word through friends and family.
  - Have meetings in your homes to introduce the community to the Foundation or its initiatives.
  - Bring up the Foundation in your conversations.
  - Accompany Foundation staff on calls.

- Donors
  - Use the foundation for your personal giving.
  - Participate in projects and initiatives.
  - Lead by example! You cannot ask others to invest if you do not understand the platform.

IV. Create a Results Framework for Your Fundraising Program

A. Begin With a Plan

Begin with your to do list for the current year. There should be three groups of items in the plan: 1) Areas of work on the development platform that require strengthening; 2) Key marketing and messaging to build visibility, case for support, and knowledge; and 3) Activities and outreach to donors. Balance these groups and prioritize options within each group. Options may include the following tasks.

1. Work on the Development Platform

- Determine key data that will be tracked for donors, advisors, gifts
- Evaluate data management system to determine capacity to track identified data
- Develop and adopt data management policies
- Develop and adopt gift acceptance policies
- Develop stewardship standards for all donors
- Establish Legacy Society for deferred gifts

2. Key Marketing and Messaging

- Develop a case statement for short-term donor gifts/investment
- Develop a case statement for long-term donor gifts/investment
- Add third party gift planning information to website
- Design ongoing educational tools for donors and prospects
- Design ongoing educational tools for professional advisors
- Design “About the Foundation” brochure to explain the foundation’s impact on giving

3. Activities and Outreach

- Meetings with professional advisors (primarily proactive, some reactive)
- Meetings with current donors for stewardship (proactive)
- Meetings with current donors for deferred gifts (proactive)
- Meetings with prospective donors (many will be responsive)
- Annual Legacy Society event
- Quarterly Lunch and Learn events

Break every project into individual steps, schedule them in critical path order. Some projects must occur before the next project can occur. For example, if “developing a case for donor investment” and “integrating the case for donor investment on the website” are on the list, obviously the case must be developed before it can be integrated. Also, some projects have elements with long lead times, while others do not. By have steps with long lead times while others do not, and some

B. Setting Goals

The two biggest mistakes made in setting development goals are: 1) failing to set any goals at all on the theory that the foundation is a service organization and should not measure its success in the dollar value of its new assets; and 2) setting an annual dollar goal as the only measure of success. Goals should include financial and non-financial objectives in the following areas.

- *Short term dollar goals* may be set if the foundation has historical data and if those goals tie to specific items in the fundraising plan. For example, if one of the goals is to raise donor advised fund dollars, then short-term financial goals may be appropriate. Or, if the foundation is in a capital campaign to raise current endowment dollars it is appropriate to set short-term dollar goals. If, however, the goal of $20 million is set (in order to generate sufficient fees to cover the foundation's operating expenses), recognize that the goal is likely: 1) arbitrary (other than the tie to the fee revenue needs), 2) will drive the development staff to non-permanent funds that may also be temporary (pass-through), and 3) will focus attention away from other essential activities.

- *Long term dollar goals* are always appropriate, especially if the foundation's goal is to build permanent funds. Conversations with donors about deferred gifts take time, and the maturity of those gifts can take five to twenty years. By setting long-term goals for asset growth, the annual plan continues to focus on building door relationships and deferred gift commitments.

- *Infrastructure tasks* should also be on the list of annual goals. As you look at the items in the section above, many of the critical development goals have no dollar values but require completing tasks.

- *Proactive calls on donors for stewardship,* to development relationships, and to make gift proposals.

- *Reactive calls on donors to respond to requests* for more information, or assistance, or to plan gifts.

- *Proactive calls on professional advisors* to develop relationships and educate them about the role of the foundation in supporting their charitable practice and clients.

- *Reactive calls with professional advisors* to respond to questions

- *Number of new gift commitments for deferred gifts* and/or new members of the Legacy Society

- *Dollar value of new gift commitments* for deferred gifts

C. Tracking and Reporting Progress

Create a one-page development report with the annual goals, prior year goals, results, and progress to date. Share this not only with staff and also with the board. Engage both staff and board as part of the development team. Help them understand the goals and objectives the foundation has in increasing the foundation's assets and impact.

V. Final Thoughts

Community foundations are becoming more intentional in the way they define the work of the foundation, articulate their role, and build assets to achieve their objectives. Every one of the almost 750 community foundations is different. Create a comprehensive development strategy that builds on the best practices and trends sweeping the community foundation world that make sense for your foundation. Your success will have an impact for generations to come.

