

SUCCESSFUL FUNDRAISING

A GUIDE FOR LOCAL CHURCHES

Successful Fundraising

Expanded Edition, 2015

A Guide for Churches and Their Related Organizations

Church and church school building programs; community service centers; major renovations; purchase of buildings; endowment funds and other church based projects

Authors and Editors

Lilya Wagner & Nikolaus Satelmajer

Contributors

Alphonse J. Brown, Jr., Michael J. Brown, Michael W. Campbell, Karnik Doukmetzian, Randy Fox, Jim Greenfield, Harold Lee, Mark Lindemann, John Mathews, Kristin Priest, Dionne A. Rowe, Hal Thomsen



12501 Old Columbia Pike
Silver Spring, MD USA 20904
+1 301 680-6131
www.philanthropicservice.com

A Publication of:



Cover Design: Ornan Anthony

Page Layout: Christal Gregerson and Edward Akioka

For additional copies:

AdventSource

5120 Prescott Avenue

Lincoln, NE 68506

(402) 486-8800

<http://www.adventsource.org>

© 2012 North American Division of Seventh-day Adventists

Updated 2015

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

ISBN 978-1-57756-846-5

Printed in the U.S.A.



Introduction to the Handbook

Are you planning a building project—a new church, an addition, a school building, a Community Service building, for example? Do you wonder how you should go about getting the funds? Does it seem like your campaign for funds goes on forever? Are your members or constituents tired of talking about money? If you have these questions and probably many others, please read on.

Seventh-day Adventist leaders in churches, church schools, and church ministries such as Community Services, understand that “we’ve always done it that way” is an adage that no longer works. These leaders are looking for more responsible and credible ways to raise money. Beginning with the question, “Where do I start?” and moving through the process of raising money responsibly, this handbook is designed to help pastors and lay leaders avoid pitfalls and raise money responsibly, in ways that work today.

Much has changed from the simpler times when giving to churches and their programs was taken for granted, when members could be counted on to give because “God said so,” and when there was less competition both for the spiritual as well as material attention of our constituents.

Local church leaders have approached Philanthropic Service for Institutions (PSI)—a department of the North American Division of Seventh-day Adventists (NAD)—for assistance in understanding how to carry out fundraising in the best ways. We are responding to the growing desire by leaders and committees to do it right and aim for success rather than rely on outdated and ineffective strategies. As these visionary Adventist leaders see the need to raise funds besides tithes and regular offerings, they learn the best principles and practices and adapt them to their particular projects and situations. Therefore, this handbook is designed to help these astute individuals in their journey toward accomplishing their goals, whether project, campaign, or ongoing financial support goals. There are no shortcuts to raising funds, no “ten easy steps,” which means this is a working handbook, to be used in conjunction with the assistance of PSI. This handbook is just one of many services PSI provides (see following chapter which introduces PSI) and is not designed as a stand-alone item. It is best used with the help of a PSI staff member or designated advisor who can help a church or organization prepare for responsible fundraising.

Please contact PSI for additional information. Also, we invite you to visit the PSI Web site, www.philanthropicservice.com. PSI services are without charge to NAD organizations and churches. Request from independent Adventist organizations are also handled as much as possible. The NAD is unique in providing a consulting service to its member institutions and leaders, and supporting the adoption of what works best for today’s church organizations.

This handbook won't be mass distributed but will be provided at the request of organizations that approach PSI for assistance in carrying out successful fundraising for today's organizations in today's environment and circumstances.

In this handbook, you will find a variety of resources. You will find an overview of what is the foundation of good fundraising—stewardship, biblical, and Ellen White counsel, legal considerations and, above all, a chapter on “before you start.” You will also find an introduction to the best of fundraising, the principles, and the practices. Finally, you will find articles on specific strategies and campaigns, particularly the capital campaign, which is of most interest to pastors and churches and church-sponsored ministries.

We congratulate you for wanting to perform at the optimum level in serving God and your constituents and applaud your desire to learn what works best. Thank you for contacting and working with PSI and we look forward to a most favorable relationship with you.

—Dr. Lilya Wagner, Director, Philanthropic Service for Institutions

—Dr. Nikolaus Satelmajer, Handbook Editor and Author

The Handbook Team

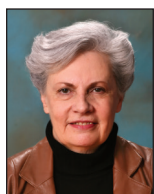
The writing, reviewing, and production of this handbook involved a number of individuals. Though it would be difficult to list all those who have in various ways contributed to this project, we will list those who have in specific ways made this project possible.

The work of the editors and contributors was reviewed by a number of individuals from various professions and locations throughout North America. This group was made up of two panels, each meeting for two days. Their input makes this handbook a valuable resource for churches and their ministries throughout North America.

Members of the PSI team have participated in the development of the handbook. Kristin Priest met with the review panels and provided valuable input. Mark Lindemann made it possible for the review panels to have a good working environment and needed resources. Special thanks needs to be given to Lorena Hernandez, who worked with the editors in all aspects of this project. Her enthusiasm for quality work and organizational skills enabled the editors to produce this resource.

The editors thank each contributor, reviewer, the PSI staff, and other individuals who provided valuable input for this handbook.

Authors and Editors



Lilya Wagner, EdD, CFRE, is director of Philanthropic Service for Institutions, a consulting department serving North American organizations affiliated with and operated by the Seventh-day Adventist Church. For many years, she worked for the Indiana University Center on Philanthropy, an international development organization and a national association. She is a published author and a frequent speaker and workshop presenter. She has worked in higher education at several institutions, including Union

College. Lilya holds a doctorate in education from the University of Florida in Gainesville and has two master's degrees in journalism and music.



Nikolaus Satelmajer, DMin, has been a pastor and conference administrator and has lectured at various seminaries and universities. He most recently served the General Conference of Seventh-day Adventists where he was associate ministerial secretary and editor of *Ministry*. Currently, he is involved in various projects, including evangelism, writing, lecturing, and interim-pastoring. During his ministry, he has been involved in numerous building and fundraising projects.

Contributors



Michael Brown, is the current Associate Director for Philanthropic Service for Institutions (PSI) where he oversees programs. He is the former president of Targeted Insights, a marketing consultancy he founded to serve the donor communications, research, and fundraising needs of nonprofit clients.



Mark Lindemann, has been the Client Services Coordinator at Philanthropic Service for Institutions of the North American Division for the last 4 years. Previously Mark was with the General Conference, World Headquarters for the Seventh-day Adventist Church.



Alphonce J. Brown, JR., ACFRE, is a senior fundraising consultant for Philanthropic Services for Institutions (PSI) of the North American Division. He is the former chair of the Association of Fundraising Association (AFP), an international professional organization with a membership of 30,000.



Harold L. Lee, is the former president of the Columbia Union Conference. Although retired, he continues to provide leadership development and training to church and health care organizations. Dr. Lee is an organizational consultant, coach, educator, trainer, program facilitator, and Stewardship Strategist. He is called upon to present leadership development training workshops and seminars on Organizational development, Strategic Planning processes, and organizational governance.



Michael W. Campbell, Ph.D, Assistant Professor, Historical/Theological Studies Adventist International Institute of Advanced Studies Philippines.



John Mathews, DMin, CSPG, has been a pastor, planned giving and stewardship director, and currently is the stewardship director of the North American Division of Seventh-day Adventists.



Karnik Doukmetzian, LLB, is an attorney with experience in private practice and insurance company management and is currently the general counsel of the General Conference of Seventh-day Adventists.



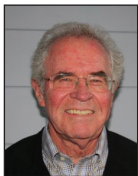
Kristin Priest, CFRE, (at the time of publication was Associate Director for PSI) serves as a Senior Consultant for Pursuant, partnering with diverse nonprofit organizations including faith-based ministries, healthcare, and secondary and higher education institutions, to strengthen their fundraising programs and advance their mission.



Randy Fox, Director, Fundraising Fitness Test, is Business Manager at Philanthropic Service for Institutions. Randy has 20 years of expertise generating earned income through sales and establishing discounts through affiliations with for-profit companies desiring to expand their faith-based market share. He has offered helpful insights to many church ministries during his tenure, including Adventist Community Services. Randy also has expertise in database development, software for fundraising, for-profit ventures for nonprofits and nonprofit budgeting.



Dionne A. Parker, Esq., has expertise in the areas of employment, immigration and intellectual property law. She is currently an Associate General Counsel for the General Conference of Seventh-day Adventists.



Jim Greenfield, is a 40-year college and hospital fundraiser, author and editor of 10 books on fundraising, and frequent speaker at AFP and AHP conferences in the US and abroad. Now semi-retired, he continues to advise nonprofits on effective and efficient fundraising strategies and performance evaluations.



Halvard B. Thomsen, D.Min., Retired. California. Former Pastor and Administrator, Seventh-day Adventist Church.

Reviewers



Wally Amundson,
Field Secretary,
ADRA Director
Inter-America Division
of Seventh-day Adventists



Fred W. Batten Jr.,
Pastor, Word of Life
Seventh-day Adventist
Church, South Central
Conference of Seventh-
day Adventists



Michael R. Bernard,
Vitas Hospice
Chaplain/Retired Pastor,
Florida



Franklin David,
Senior Pastor,
Southern Asian Seventh-
day Adventist
Church, Maryland



Daniel A. Duffis,
District Pastor,
Greater New York
Conference
of Seventh-day Adventists



Volodymyr Grinchenko
Senior Pastor, Willow
Brook SDA Church,
Maryland



Roland J. Hill,
Pastor, Allegheny East
Conference
of Seventh-day Adventists



Daniel Honore,
President
Northeastern Conference
of Seventh-day Adventists



Sylvan Lashley, Dean
of Continuing Education
Division
University of the Southern
Caribbean



James Lewis,
Director,
Office for Regional
Conference Ministry



John Mathews,
Stewardship
Director, North American
Division
of Seventh-day Adventists



Manuel Medina,
Senior Pastor in CT
Danbury District and
Brewster Hispanic SDA
Evangelism Department
Committee President
with the Hispanic Department of the
Northeastern Conference of Seventh-
day Adventists



Carmelo Mercado,
General Vice
President, Lake Union
Conference
of Seventh-day Adventists



Gerald L. Mobley,
Pastor, Carolina
Conference of Seventh-
day Adventists



Claude Morgan,
Director of Planned
Giving and Development
Greater New York
Conference of Seventh-
day Adventists



Geof Park,
Director of Planned
Giving, Southern
California Conference of
Seventh-day Adventists



Aaron Payne,
Chaplain,
Columbia Adventist
Academy, Battle Ground,
Washington



Kristin Priest,
(at the time of publication
was Associate Director for
PSI)
Senior Consultant
Pursuant



Marlon Reid,
Pastor, Straford Memorial
Church, Lake Region
Conference of Seventh-
day Adventists



Dan Serns,
Senior Pastor, Richardson
Seventh-day Adventist
Church & English
Evangelism Coordinator,
Texas Conference of
Seventh-day Adventists



Thea G. Walker,
Executive Director,
Mission Driven Ministry



Ivan Williams,
Ministerial Director
for the North American
Division of Seventh-day
Adventists



Elias Zabala Sr.,
President
New York Conference of
Seventh-day Adventists

Table of Contents

Welcome to PSI, Lilya Wagner	1.1-7
Before You Start, Nikolaus Satelmajer	2.1-7
The Many Faces of Fundraising, Lilya Wagner and Halvard Thomsen	3.1-6
Introduction to Fundamentals of Fundraising, Lilya Wagner	4.1-21
The Capital Campaign, Lilya Wagner.....	5.1-16
Should You Hire a Fundraising Consultant? Lilya Wagner.....	6.1-5
Legal Aspects of Fundraising, Karnik Doukmetzian.....	7.1-6
Stewardship Based Fundraising, John Mathews.....	8.1-4
Relevant Biblical Passages, Lilya Wagner	9.1-3
Ellen White as Philanthropist, Michael Campbell	10.1-6
Signposts Worth Remembering, Nikolaus Satelmajer and Lilya Wagner	11.1-2
Debt Payment Fundraising Campaigns, Lilya Wagner and Jim Greenfield	12.1-5
Raising Funds for Special Projects, Lilya Wagner and Kristin Priest.....	13.1-4
The Work of Boards and Committees, Alphonse J. Brown, Jr., ACFRE	14.1-7
Accountability and Trust in Giving, Harold Lee.....	15.1-5
Transparency and Accountability, Alphonse J. Brown Jr	15.6-7

Recruiting and Training Volunteers, Mark Lindemann and Dionne A. Rowe.....	16.1-5
Donor Recognition, Michael J. Brown.....	17.1-8
Fundraising Fitness, Randy Fox.....	18.1-9
Alternative Revenue Sources, Michael J. Brown	19.1-6
Fundraising vs Tithe and Offerings, Nikolaus Satelmajer	20.1-2
Grant Proposal Writing for Adventist Organizations, Lilya Wagner.....	21.1-46
Additional Resources.....	22.1



Chapter 1

Welcome to Philanthropic Service for Institutions (PSI)

By Lilya Wagner

Philanthropic Services for Institutions (PSI) is an internal consulting department of the North American Division of Seventh-day Adventists (NAD). It is both a one-stop shop and a gateway to services. Thanks to the dedication of the NAD leadership to building strong organizations, including local congregations and their ministries, the services of PSI are without charge or low cost to those who request our assistance. This introduction will give you an overview of PSI.

Who we are

PSI was established by the NAD in the mid-1970s in order to develop a philanthropic mentality and practice in church organizations, primarily higher education and healthcare. Since that time, PSI's outreach has extended to all North American institutions, including churches, Community Service organizations, education, and ministries. PSI can be described as follows:

- PSI serves the Seventh-day Adventist Church in North America as the primary vehicle for promoting philanthropic generosity and action through consulting and advising, educational opportunities, operational resources, and information-sharing.
- Our resources help churches and their institutions develop a responsible approach to fundraising, provide structure to help clarify mission, and set realistic goals.
- PSI uses educational tools to help church leaders, fundraising professionals, and volunteers learn how to most effectively meet the financial needs of their organizations through careful planning and implementation of campaigns.
- PSI provides information to clients, keeping them current on the newest trends and established practices that promote organizational success.
- Most information and strategies apply universally, but special effort has been made to develop relationships with professional organizations in Canada, which can supply the information that is uniquely relevant to Canadian fundraising and nonprofits. Please see the PSI Web site for the Canadian site, which provides links to significant resources, or contact PSI. Churches in Bermuda should contact the PSI to determine if we have additional resources for Bermuda.

Whom we serve

- Pastors, churches, and their institutions (especially schools and Community Services)
- Universities and colleges
- Healthcare systems and institutions
- Senior professionals
- Academies
- Elementary schools
- Conferences
- Ministries
- Novice fund-raisers
- Career changers
- Speakers of other languages (contact PSI to find out the language resources we have)
- Non-NAD ministries as resources allow
- And all who ask us for assistance, whenever possible (such as overseas organizations)

How we serve—highlights of our services

PSI offers a variety of resources, ranging from personal consultations to conferences, articles, and specific books, and all other services and materials that make it a full-fledged consulting department. For customized and personalized service, please contact PSI staff. Due to cross-training, our staff can receive your request and either assist you or refer you to someone else on staff. If desired, you can also be referred to people or organizations who have benefited from PSI and who can share their experiences. The following is a list of services available:

- Training—workshops, seminars, short presentations, courses, one-on-one training, institutes, online offerings (podcasts, Webinars), board training, and the PSI conference
- Education—assistance toward receiving certification, higher education class presentations, career advice, and mentoring
- Resources—library, online materials, hard-copy materials, publications, and referrals to other organizations and their services that enhance what PSI provides
- Small capacity building grants—available for needs that can't be met in an organization's budget
- Events—PSI conference, special interest meetings, presidents' dinner, and colloquium.
- Information-sharing—responses to phone calls and e-mails, answering questions, sending materials, and referring to experts/colleagues among our ranks
- Customized services—special materials such as for faith-based organizations and speakers of other languages
- Consulting services—responses to e-mail and phone requests for assistance and information and face-to-face meetings, on site or at PSI offices



- Career development—career advice, advising of those who want to increase expertise in fundraising while maintaining their present positions, creating awareness, training, mentoring, and academic programs
- Data sharing—maintenance of a database so that all groups and persons can receive information and updates.
- Communications—e-Dollar (online newsletter), inclusion in NAD materials, and a dynamic, informative Web site, as well as social media
- Networking—connecting members for mutual benefit and with other organizations, materials, professional organizations, and career opportunities
- Internships—please see PSI’s Web site for specific types of internships, and contact us
- Senior professionals—opportunities for professional growth and involvement

Of particular interest for pastors and lay leaders are PSI’s collection of reading materials, forms, and related document that you will find helpful. The list below is a partial listing, and you may contact us for this material and for other items:

Sample forms for capital campaigns
 Resources on ethics and fundraising
 Board practices and responsibilities, including the board and fundraising
 Accountability and transparency in fundraising
 Choosing a database (including software information)
 Social media and fundraising
 Cross-cultural philanthropy and fundraising
 Trends shaping the near future
 How to ask for money

Information on faith-based fundraising is growing and quality material is being added on a regular basis. Much of that material is available on our Web site and below is a list of some of the more helpful Web sites:

- Evangelical Council for Financial Accountability (ECFA): www.ECFA.org
- The Lake Institute for Faith and Giving, Center on Philanthropy, Indiana University, www.philanthropy.iupui.edu
- Maximum Generosity: www.MAXIMUMGenerosity.org. Free eNewsletter for pastors and church leaders.
- State of the Plate Research: www.stateoftheplate.info
- The Empty Tomb: www.emptytomb.org/research.html
- Christian Leadership Alliance: www.christianleadershipalliance.org
- Association of Fundraising Professionals (AFP): www.afpnet.org



There are some things that PSI cannot do for you. We cannot find the funds for you, tell you the “ten easy steps for fundraising success” (they do not exist), provide you with full-fledged, ongoing campaign consulting (although we are available for ongoing advice and even on-site visits), and we cannot work miracles. Fundraising is a demanding but exciting process, and we can help you have a positive experience with your fundraising.

Why we serve

- Because fundraising is a biblical practice: “Since you excel in so many ways—in your faith, your gifted speakers, your knowledge, your enthusiasm, and your love from us—I want you to excel also in this gracious act of giving. I am not commanding you to do this. But I am testing how genuine your love is by comparing it with the eagerness of the other churches” (2 Corinthians 8:7, 8, NLT; emphasis supplied).
- Today’s financial circumstances demand approaches that are different from the “good old days.”
- Church member giving has changed (research data and evidence, as well as written, materials are available on this topic).
- To help you take advantage of opportunities for growth, expansion, increased and better service.
- Because service to others and good causes require funds.
- Because Jesus is our role Model in serving others

In Summary

This is brief introduction to what PSI can do for Adventist personnel and organizations. Visit our Web site, call us to see how we can help you build stronger organizations and services. We welcome your questions, requests, and suggestions.



PSI Contact Information

General e-mail: info@philanthropicservice.com

General number: +1 301 680-6131

Web site: www.philanthropicservice.com.

Web site: www.philanthropicservice.com. Please check our Web site regularly. This is our dynamic service that we keep up-to-date and includes many resources. You can also contact staff through the Web site, and specific details of staff responsibilities and expertise are listed on the site.

PSI staff

Each PSI staff member is responsible for a variety of tasks and services. Often several staff members can be helpful due to cross-training and continual focus on professional development. Please contact the general number or one of the staff members listed below.

Lilya Wagner
Director
301 680-6130
lilya.wagner@nad.adventist.org

Michael Brown
Associate Director
301-680-6134
michael.brown@nad.adventist.org

Paul Hopkins
Associate Director
Communication
301 680-6136
paul.hopkins@nad.adventist.org

Randy Fox
Business Manager
301 680-6135
randy.rox@nad.adventist.org

Lorena Hernandez
Senior Office Assistant
301 680-6133
lorena.hernandez@nad.adventist.org

Mark Lindemann
Client Services Coordinator
301 680-6138
mark.lindemann@nad.adventist.org





Before You Start

By Nikolaus Satelmajer

What major project is your congregation considering? Is it building a new structure, purchasing a building, starting a major renovation, constructing a new church school building, or creating a funded scholarship program for your school? For any project to be a success, though, the congregation must be united. Experience shows that major projects will either unite or, unfortunately, in some instances, divide the congregation.

What can the leadership do to unite the congregation so that members will support the project? In this chapter, we will discuss points to consider before you begin a project. Often when a project idea is born, there is positive response among many, but that initial support will not have enough momentum to bring the project to a successful conclusion. So then, what needs to be considered to continue the positive momentum throughout the project? By following these steps, you will not only start the project on a positive note, but there should also be a helpful spirit throughout and after completion.

A number of individuals, both ministers and lay leaders, were asked to share their input in order to compile these steps. Each has been involved in numerous projects, and thus their input is invaluable and your congregation will benefit greatly.

Spiritual and theological implications

If you are building (or buying) a new church or school building, you are not building a monument to an individual or group. Likewise, if you are raising funds for a scholarship program, your goal is not to raise significant amounts of money so that others will be impressed at the financial strength of your congregation. There has to be a spiritual reason for the project, otherwise your congregation should not enter into it.

How do you determine the spiritual reason for the project? Study Scripture and ask yourself how the project will help your congregation fulfill the mission God has given you. Jesus' ministry is a good example of how we can determine our mission. Jesus tells us that the mission of the church is to proclaim the gospel (Matt. 28:18-20) and the proclamation includes teaching and bringing individuals into the church through baptism. Jesus also spent much of His ministry healing people. How can we implement that ministry in our church and school buildings? The church should also ask how the project will meet the needs in your community. You may have unique needs and opportunities in your community, so it is important to ask how the building project will help with these needs and opportunities.

In the Old Testament, for example, temples were built so that God’s people had a focal point of worship. Later, synagogues were built so that God’s people had a place to assemble on the Sabbath. Early Christians did not have the opportunity of building large worship places, but often a room in a house was dedicated to worship. That practice has continued in various parts of the world where these rooms become special gathering places for the believers. All of these building projects were focused on the worship of God and meeting the needs of God’s people and the community they served. There is another very helpful study source. Look at some of the building projects described in the writings of Ellen G. White. You will not get advice as to the kind of material to use and other technical help, but you will find she always emphasized the spiritual nature of the projects. In a letter,¹ she describes the property that eventually became the health complex at Loma Linda. While she speaks positively about the property, she also points out what the church could do there to fulfill the God-given mission. She reminds us that we do not build or buy buildings for the sake of just having buildings—we build in order carry out the work. Encourage your congregation to study both the biblical examples of major building projects and those described in the writings of Ellen G. White and reflect on the spiritual purpose for your project.

Throughout this process of determining the spiritual reasons for the project, the congregation needs to pray for God’s guidance and do serious research as to the needs and options available. No matter how many projects you study, you will never find another project that is identical to yours. Thus, do not attempt to copy another project. Your situation is different, so through prayer, the congregation needs to ask God to lead them in their project.

By focusing on the spiritual aspect of the project, you will be open to God’s leading. Listening to God must be done by all leaders, members, and constituent members of the churches and schools. By traveling together on a spiritual journey, you will as a group accept God’s response. God’s response may be “yes,” “not yet,” or even “no.”

I recall a situation in which the church board studied the facility needs and came to a consensus that there should be an addition to the main building and a new Community Services center should be built. There was a positive attitude on the board and the signals from the congregation were positive. An engineer prepared a preliminary study and it was well received. While there was no controversy, the leadership soon realized that, for whatever reason, the project was not moving forward. In fact, while the leadership could not determine the reasons why it was not moving forward, they accepted the fact that the project would not happen.

About two years later, the leadership realized why the project did not move forward; a major addition to the school was urgently needed instead. That project moved fast through the planning stages, fundraising, and building. There was such enthusiastic support for it that within less than two years from the start, the head elder and pastor stood before the congregation and announced the project was paid for. There was no debt and the school’s needs were met. The congregation rejoiced. The leadership understood that God knew something else was needed in the very near future. Incidentally, the congregation returned later to the first project and then God’s response was “yes.”

¹ SpTB03b-Letters From Ellen G. White to Sanitarium Workers in Southern California (1905).



Before you start any major project, lead the congregation on a spiritual journey to seek guidance from God. God will respond and take you on a path that will avoid unnecessary pitfalls and difficulties.

Boards or committees

In the midst of a major building project, the spirit in the church was not positive. The pastor asked outside advisers for input on the matter. “What about the building committee?” he was asked. There was no building committee, the pastor responded. And why not? He stated that the church did not have enough qualified individuals to make up a building committee. If that was really so (which I doubt), they probably should not be building a new church. A building committee or board is central for a successful project.

Early on, it is important to form a competent building committee. How is such a committee formed? All too often at a business meeting or church board, a decision is made regarding how many are needed to serve and then the floor is open for nominations. When a sufficient number is nominated, the nominations are closed and the committee is formed. Except for small congregations, that may be an efficient way, but it is most likely not the best way. Please keep in mind that a building committee will function for a significant period of time and carries major responsibilities. Its decisions will impact the congregation for years to come.

A more effective way to constitute a building committee would be to set up a small committee that will nominate the building committee. For good reasons, in our denomination we use a similar method for setting up a nominating committee. This small committee would have only one task—nominate a building committee. In doing that, it should keep in mind several important points as to who should serve. Individuals who:

- represent various categories of the congregation.
- know the congregation, its programs, and its buildings.
- will most likely remain in the congregation for the duration of the project.
- are known to be consensus builders.
- will actively seek and enlist input from the congregation and various ministries (Sabbath School, Pathfinders, young adults, youth, seniors, long-term members, etc.) in the church.
- will promote an atmosphere of transparency.
- have expertise in building projects or fundraising. (If you do not have such individuals, the committee needs to be open to getting input from such experts. Often the local conference knows individuals who have significant experience in building projects. Your committee needs to be open to their input.)
- have good communication skills.



Using these and other points, the small committee will be able to recommend a quality building committee to oversee the project. The makeup of the building committee is central for a successful project.

Planning

Before a project is started, the congregation must go through various planning stages. All too often, the planning process is done hurriedly. It is not unusual that a small group in a church has a vision as to what they would like to see happen and soon their focus is on how to make these dreams become a reality. Such an approach may be expedient, but it will most likely not create unity in the congregation.

One effective way of planning is to think of a funnel—wide at the top and narrow at the bottom. Assume that in your church there has been general discussion about the need for a larger fellowship hall. In the early stages, it is important to welcome all ideas and understand what is being proposed without dismissing any because of cost or other reasons. It is wise to not only welcome all ideas but solicit ideas from the whole congregation. All the ideas submitted should be recorded so that no input is lost. Wide input will generate wide support. A church is not like a business owned by one or two people who make all the decisions. Every member wants to and should have opportunity for input. Once the members have been given ample opportunity to share their ideas, a natural reduction will take place—just as water moves from the wide part of the funnel to the narrow part, the number of ideas will be reduced. If the church is patient, this process will happen without controversy or any one individual feeling they were ignored.

Trust the congregation and the process of how congregations function. Welcome all ideas and, through patience and prayer, a consensus will develop.

In the planning process, there are several valuable points to keep before the congregation:

- Have definite goals in mind and a prospective timeline for different stages.
- Identify the items that may be changed or revised later, but remember that changes usually add to the cost of the project.
- Keep in mind that costs usually increase over time.
- If you are purchasing a property, plan to have qualified professionals evaluate and inspect the property and determine if the property can be used for your purposes.
- Be realistic. One individual stated that, “White elephants are not pleasant to live with.”
- Make sure future needs are considered.
- Research to determine what is actually needed.



- Consider what the maintenance and operating costs will be once the project is completed.

Effective advance planning will create a strong base of support and, in a church setting all successful projects need such support.

Borrowing

Some projects are fully funded before they start, but that is the exception. Most of the time, churches or church-sponsored schools need to borrow funds in order to purchase a building, do major renovation, or construct a new building. Early in the process, it is important to discuss with the membership the idea of borrowing funds. How does the membership feel? There may be some who are opposed to any borrowing, while others would feel comfortable borrowing most of the funds. During such discussions, keep in mind that our denomination has very helpful guidelines on how much should be borrowed. It does not mean that a church must borrow the maximum allowed by policy, but it should never plan to borrow more. In addition to the amount of the loan, the church needs to discuss the length of the loan. Long-term loans sometimes are more appealing because the monthly payments are less, but is the congregation ready to pay the extra interest expenses and will the extra years become burdensome? The sooner you discuss these issues the more unified the congregation will become.

In most parts of North America, the denomination has a very helpful source of borrowing. Some union conferences manage a fund that accepts deposits from members, churches, and church entities and then loans the money for major building projects. The rates are usually very competitive and the processing fees are much less than if you borrow from a bank. Before you start the project, you should find out from your conference representatives if such a fund exists in your area.

Creating a giving atmosphere

Before the members are asked to contribute for a building project, church leadership needs to create a positive atmosphere for giving. In other words, if the members have a desire to participate in the project, they will contribute. Creation of such an atmosphere does not start just before the project begins. It is a long-term and ongoing process.

One colleague stated that fundraising success depends on the vision members have of the completed project. That means that if you're adding on to your church school, you are doing much more than adding to a building—you are expanding the mission of your congregation. If the members realize that the project has a spiritual outcome, they will give from a spiritual motive. Members will give sacrificially if they are convinced that God's work will be enhanced through the project.

The spiritual aspect of giving does not mean that you move forward without considering the response of the members. Every building project is a faith project and yet faith must not be used as a weapon. Some may want to go forward even though the congregation as a whole is not ready to move—that is usually a formula for disaster. It is not sufficient to say, "We have to believe that God will provide in the future." Yes, we have to have that faith, but faith should not lead us into taking debt that will burden the congregation. All too often these "faith" statements are forgotten when the mortgage payments become an ongoing yoke.



The leadership needs to plan in advance to involve various groups within the congregation—long-term members, newcomers, children, youth—every group that makes up the congregation. Children, for example, do not have major financial resources, but their involvement generates enthusiasm throughout the membership and if children are involved, they will be more apt to treat the property with respect.

Finally, how will you express appreciation to the donors? All too often, once the funds are given, the donor is forgotten. Some leaders assume that giving is a membership responsibility and thus plans are not made on how to thank the donors. Decide in advance to send personal Thank-you notes to donors and, when appropriate, give public recognition. It is the right thing to do and then, most likely, donors will be encouraged to give more.

Record keeping

Early in the process, the church needs to develop a system of careful record keeping. Good minutes of committees and boards create confidence in the group; poor minutes are a source of conflict. It is not helpful if the minutes read (as some do), “Voted to accept Mike’s proposal.” Those types of minutes invite debate and confrontations, something you do not need in a major campaign. Describe the proposal so that a person who was not at the meeting will understand it.

Before you start raising funds, the church must develop a good record keeping system. Unless your congregation is very small, you should consider using appropriate software that will aid you in your record keeping. Whether you develop a paper or electronic system is not the most important point—it needs to be accurate and useable. It needs to address points such as, How much has a person promised to give? How much has been given? Who is the contact person? etc.

Communicate

You may have a need (for a building or other project) and good plans, but if you do not communicate with the congregation, there is a high probability that the project may divide the congregation or even fail. Communication does not just happen—you have to plan. If the project is to be successful, there must be transparency which must exist from the earliest stages of the project.

How do you communicate with the congregation? There is no one method. In an age of electronic communication, some congregations have stopped mailing newsletters to the membership. Electronic communication by itself is not sufficient, since not everyone has a computer. Some congregations hand out a newsletter or a report on the building project on Sabbath mornings, but that approach misses those who do not come every Sabbath. The bottom line is that a variety of communication methods must be employed and communication is an ongoing activity.

In order to effectively communicate with the congregation, it is vital that the church has an up-to-date directory of members and others who attend but are not official members. Throughout the project the directory needs to be updated so that the reports will be received by all.



Who will do all this communicating? An often underused group is the youth of the church. They are especially capable of using video and similar methods of communication. Ask them to produce short programs and they will usually respond with enthusiasm. Recently, a graduate of a junior academy produced a video about a school. It was well done and the congregation responded with enthusiasm because this was one of their young people.

In planning your communication strategy, there two other groups to remember—local government officials and neighbors. Talk with the government officials early on so that they feel they are a part of your project. We usually turn to them if we have difficulty with a regulatory agency of the government, but it is best to involve them before you have any problems. Once the project is started, your neighbors—and the community in general—will wonder what is going on, but if you let them know in the early stages of the project, you will most likely get more support.

Before you start

Before you start your project, focus on these critical areas so that once the project starts you will not face as many emergencies or controversies. There will always be emergencies and, no matter how well you plan, some controversy may come. But the leadership can create a positive attitude by carefully looking at these and other areas before the project starts.

And remember—communicate, communicate, communicate!







Chapter 3

The Many Faces of Fundraising¹

By Lilya Wagner and Halvard Thomsen

Bible stories provide great insight into the principles of fundraising. One of the best examples is found in 1 Chronicles 29:1–17, where David outlines his donations to the building of the temple because “this palatial structure is not for man but for the Lord God.”²

“So,” David says, “I’m making all my resources available—gold, bronze, wood, onyx, turquoise, and all kinds of fine stone and marble. And I’ll make these available in large quantities. Besides, in my devotion to the temple of my God, I now give my personal treasures of gold and silver, and above everything I have provided for this holy temple, I’m going to give an additional thirty thousand dollars’ worth of gold (gold of Ophir) and seventy thousand dollars of refined silver, for the overlaying of the walls of the building. Now who else is willing to join this campaign and consecrate himself today to the Lord?”

The leaders responded by giving to the work on the temple of God fifty thousand dollars in gold and silver, eighty thousand dollars’ worth of bronze, and a hundred thousand dollars’ worth of iron. Besides that, those “who had precious stones gave them to the treasury of the temple of the Lord in the custody of Jehiel the Gershonite” (verse 8).

David rejoiced greatly, as did the people, at the willing response of their leaders. He responded by praising his God: “I know, my God, that you test the heart and are pleased with integrity. All these things I have given willingly and with honest intent. And now I have seen with joy how willingly your people who are here have given to you.”³

As my own professional skills and knowledge in fundraising grew, I saw how this story described a modern-day capital campaign so very well. All the steps of a successful campaign were outlined, and the current best practices were also reflected:

- The “kingdom” (i.e., institution or organization) budgets for a campaign because it takes money to raise money; it also practices good stewardship.
- The king (i.e., board chair, president, or executive director) gives personally.
- Leaders (board members, organization personnel) give.
- The campaign is made public, and donors are enthusiastic.

¹ Published in the February 2011 issue of *Ministry*, International Journal for Pastors. Used with permission.

² Unless otherwise indicated, Scriptures are taken from the New International Version.

³ Paraphrased by the author from the New International Version.

- Donors give when asked.
- People give for worthwhile causes—they give to achieve results. It is not about the money; it is what the money accomplishes.
- The campaign is a success.

Given the ample evidence in the Bible of fundraising as a ministry, there is, nevertheless, a lack of understanding, much less an embracing, of fundraising in churches. We shy away from talking about money (except to chide members for not returning tithe and giving offerings). We avoid using the term *fundraising*, and separate the act of giving into compartments that often do not intersect. We pray publicly about giving and say in our prayers what we do not dare say in other ways to our congregations. In short, we treat fundraising like a bad word, a despised practice even.

That attitude is all wrong, and the purpose of this article is to help put fundraising in its proper perspective. The first task, however, should be to dispel a few myths about this important ministry.

Myth #1: “God said ‘we must give,’ so we do not do fundraising”

In times past, tithes and offerings just seemed to materialize (or so we like to think). Today’s church members, however, are different. They want to be treated as a donor; they do not want their generosity taken for granted. Trust has to be earned through accountability, transparency, and good stewardship.

According to Dr. William Enright, director of the Lake Institute for Faith and Philanthropy, giving to religious institutions has fallen from roughly half of all charitable dollars in 1995 to a third. Between 1987 and 2004, religious giving fell an average of 30 percent. Some denominations, he said, experienced a 50-percent drop in per-household giving.⁴

Clif Christopher writes: “Donors are saying to our churches today that you have to earn our gifts.”⁵ In a book called *Passing the Plate*, the authors enumerate the reasons why religious giving is in a decline:

- The influence of mass consumerism
- Clergy discomfort with issues of money
- A confused and uninformed laity as to Christian stewardship practices
- Mistrust of organizations
- The taboo of money-talk in American culture

⁴ Speech given at the Presidents’ Colloquium sponsored by Philanthropic Service to Institutions, November 2008.

⁵ J. Clif Christopher, *Not Your Parents’ Offering Plate: A New Vision for Financial Stewardship* (Nashville: Abingdon Press, 2008).



Impulse giving has replaced planned and systematic giving (for instance, today only 9.4 percent of all American Christians tithe).⁶ For many people, their church is not automatically their “charity of choice.” Members want to be informed, want to be asked, and want to know what their offerings and donations are accomplishing. Also, they want to be acknowledged for their giving.

Myth #2: “Fundraising is for secular organizations, not for us”

If we really believe this, then how do we handle all of those Bible texts that counsel us to be facilitators of the giving process?

“Since you excel in so many ways—in your faith, your gifted speakers, your knowledge, your enthusiasm, and your love from us—I want you to excel also in this gracious act of giving. I am not commanding you to do this. But I am testing how genuine your love is by comparing it with the eagerness of the other churches” (2 Corinthians 8:7, 8, NLT).

“And now, brethren, I commend you to God, and to the word of his grace, which is able to build you up, and to give you an inheritance among all them which are sanctified. I have coveted no man’s silver, or gold, or apparel. Yea, ye yourselves know, that these hands have ministered unto my necessities, and to them that were with me. I have shewed you all things, how that so labouring ye ought to support the weak, and to remember the words of the Lord Jesus, how he said, It is more blessed to give than to receive” (Acts 20:32-35, KJV).

Research has verified what many have believed or sensed: those who give to religious causes are more likely to give to other causes as well. Even if we were to ignore the fact that “it is more blessed to give than to receive,” common sense says that the joining of faith with fundraising is a practical matter that yields the best results—results that are minimized if these two factors are fractured.

Myth #3: “But we’re different”

Many Christians believe that we are a select people, but when it comes to habits of the heart, we are not. Today’s giver usually desires and requires more accountability and more of a say in what happens with their finances. This goes for both the religious and secular giver.

We cannot ignore the reasons why people give, the motivations that cause them to be involved in supporting good causes financially. Researchers Schervish and Havens have determined the most commonly stated reasons for generosity are the following—and these apply suitably to many Christian givers as well:

- Communities of participation: people give because they are part of an entity bigger than themselves.
- Identification with a cause: how much do we do to help people truly be a part of our church life?

⁶ Christian Smith and Michael Emerson with Patricia Snell, *Passing the Plate: Why American Christians Don’t Give Away More Money* (New York: Oxford University Press, Inc., 2008), 175–179.



- Invitation to participate: according to research, the main reason people do not give is because they are not asked.
- Models and experiences from youth: are we being good philanthropic role models for our youth?
- Assurance of positive outcomes, while also realizing there is an urgency to carry out a cause.
- Demographic characteristics—the changing populations in our churches also cause changes in giving—e.g., people living longer, more consciousness of global needs, more action by youth.⁷

At the same time, we must respect the reasons why some people do not give. They may not see the need; they may have other interests besides the cause at hand; they may feel disenfranchised. We need to remember that philanthropy—and therefore the practice that facilitates giving (i.e., fundraising)—is about bringing people together, inclusivity, and working toward a common goal.

The best practices

Now that we have looked at some of the myths about fundraising, we need to look at some of the core principles behind it.

First, we often hesitate to use the word *fundraising* mostly because of abuses, especially among the clergy. But fundraising is a noble act. It is not about the money; it's about what happens when the money is acquired. We often emphasize the need for money, yet we forget to focus clearly enough on *why* we need it, on the good that will result, on the people who will be helped, and ultimately, how we will also benefit if we are generous.

When Jesus said, “Whatever you did for one of the least of these brothers and sisters of mine, you did for me,”⁸ He added illustrations that apply to us as well. If we help an organization succeed in its mission and purpose because we provide the necessary funds for its functions, we have had a part in helping the hungry, the poor, the hurting, the homeless, and countless others. If we support the enhancement of the human mind and soul through education and the arts, for example, we are serving God as well. We minister unselfishly when we give to needs and opportunities that benefit those within our sphere of influence.

The six “rights” of good fundraising

The following statement, adapted from The Fund Raising School, sums up good fundraising: *Fundraising is the right person asking the right prospect for the right cause in the right way for the right amount at the right time.*

These six “rights” encapsulate the complex practice of fundraising.

⁷ Paul Schervish and John Havens, www.bc.edu/research/cwp.



Fundraising is not just up to the pastor but to a team composed of leaders and lay persons with a sincere commitment to a cause. The pastor should not be a solo performer but should organize, mobilize, and motivate fundraising.

Understanding who our donors might be is a key factor as well. We need to be wise in determining where funds may come from. We also need to make it possible for all those who have an interest in our case to be invited to participate.

Fundraising is not manipulation or coercion. People like to be part of successful efforts, and it is a privilege to be invited to become part of a collective effort. People give because they are asked, because a case has been made that allows them to see the problem they are solving and what solution can be achieved.

Asking potential donors in the right way—that is, employing the right communication strategy (whether through the Internet, by mail, in person, or in other ways)—becomes critical. This adds to the challenge but also increases opportunities as our fundraising team exercises individual talents.

Another consideration is timing. Is this the right time to ask? Is the donor ready? Has enough information been shared? Are people passionate about accomplishing a cause? These questions must precede an invitation to participate.

And we should forever banish the simplistic phrase, “Whatever you can give will help.” The result could be a \$10 gift when really a \$1,000 gift could have been requested for the Lord’s work. By showing donors what their gifts will do, we can ask for a donation in a certain monetary range.

Fundraising as a ministry

In the end, we must see fundraising as part of our ministry—a ministry of caring, not just for our congregation’s needs but for the many needs around us, thereby fulfilling Christ’s mandate, “‘Whatever you did for one of the least of these brothers and sisters of mine, you did for me.’”⁸ Fundraising, as a ministry, becomes part of a continuum of giving. We practice good stewardship when we consider our overall giving, beginning with tithing, giving offerings for specific church appeals, and stretching ourselves, and our resources, to care for other causes. We help others practice the same good stewardship when we educate about wise giving, making good choices, the logical expectation of results, and the mutual benefits achieved when resources are shared.

And let us not forget that we also benefit if we give and facilitate giving by others. “If you give to the poor, your needs will be supplied! But a curse upon those who close their eyes to poverty” (Proverbs 28:27, TLB). “Give, and you will receive. Your gift will return to you in full—pressed down, shaken together to make room for more, running over, and poured into your lap. The amount you give will determine the amount you get back” (Luke 6:38, NLT).

Even secular research has borne out this biblical promise. A recent study by the National Institutes of Health said, “The results were showing that when the volunteers placed the interests of others before their own, the generosity activated a primitive part of the brain that usually lights up in

⁸ Matthew 25:40, NIV.



response to food or sex. Altruism, the experiment suggested, was not a superior moral faculty that suppresses basic selfish urges but rather was basic to the brain, hard-wired and pleasurable.” Their 2006 finding that unselfishness can feel good lends scientific support to the admonitions of spiritual leaders such as Saint Francis of Assisi, who said, “For it is in giving that we receive.” But it is also a dramatic example of the way neuroscience has begun to elbow its way into discussions about morality and has opened up a new window on what it means to be good.⁹

Conclusion

The following tombstones, I believe, illustrate the great honor of being generous.

In Warwickshire, England, this verse can be seen on a tombstone:

Here lies a miser, who lived for himself,
And cared for nothing but gathering pelf.
Now where he is or how he fares,
Nobody knows and nobody cares.

Contrast those lines to the following epitaph in St. Paul’s Cathedral, London:

Sacred to the memory of Charles George Gordon,
who at all times and everywhere gave his strength to the weak,
his substance to the poor,
his sympathy to the suffering, and his heart to God.

Yes, we all need to always remind ourselves that *fundraising is ministry*. We then follow the words of Jesus, follow God’s command that we be generous and promote generosity. When we do fundraising, we help people obey what the Lord has called all who profess His name to do.

⁹ Shankar Vendantam, “If It Feels Good to Be Good, It Might Be Only Natural,” *Washington Post*, May 28, 2007, A01.





Introduction to Fundamentals of Fundraising

The Foundation for Accomplishing Church Projects & Campaigns

By Lilya Wagner

Much can be accomplished for all nonprofit organizations, including churches, if sound fundraising principles are followed, and practice is based on successful experience. Fundraising is an organized practice, a logical process—one that takes time and careful thought to implement.

In this handbook, any organization for which money is raised, and which is either a church or associated with a church, will be referred to as a nonprofit organization.

Often well-meaning individuals perceive a need and immediately seek to remedy it by seeking funds. This kind of practice frequently results in failure or a disagreeable experience. Certain steps must be taken in order for fundraising to be effective and productive. Following is a brief description of steps involved in a successful fundraising program.

1. *Understand that fundraising is an exchange of values.* A responsible fundraiser, whether a professional, lay person, or pastor, begins the fundraising process by realizing that it is a reciprocal relationship. Any nonprofit, including churches, invites individuals to donate, and it also cultivates and solicits its friends of many types, many of whom become donors. Donors should be thanked and recognized, and should be informed about the use of the money. As donors provide funds for programs and operating needs, they desire gratitude and recognition, as well as some intangible rewards, such as a sense of belonging and making a difference. In short, there is an exchange taking place—if donors of any kind support the cause, they will do so because they share the values the organization represents.
2. *Consider the environment and climate for fundraising.* An organization's environment has an impact on the feasibility of fundraising. If current economic factors, changing demographics, and other factors aren't considered, you may find it difficult to meet its fundraising goals. Internal circumstances also dictate success or failure, such as an organization's readiness to raise funds. Have appropriate personnel assignments been made? Is there an accounting and recording system? Has strategic planning been done? These and other questions must be answered before donors are approached.

3. *Create and examine the case.* A case includes the reasons someone should or could give money to an organization. Making a case means sharing the mission, goals and objectives, and programs. It includes describing programs and evaluation procedures, and providing financial reports. It means there is an effective governing body committed to the mission of the organization to whom the organization is accountable. It means pastors and lay leadership are credible and competent. Once a case has been developed, various methods of communications are then prepared for expressing the case. These materials must be appropriate for the potential donors with which the nonprofit seeks a relationship. Because there isn't one "right" case statement or case materials, please contact PSI for appropriate samples and help in preparing your own materials.
4. *Involve board and other volunteers.* Although board membership and practice varies greatly in the Adventist Church versus other nonprofits, the use of volunteers and board in securing and managing financial support is crucial. Therefore, boards should be involved from the inception of planning for programs and fundraising. Volunteers are the most effective persons to ask for funds because they represent a selfless commitment to a cause. However, volunteers must be carefully selected. Also, volunteers should have credibility if they are going to interface with potential or existing donors. A pastor will model the need for visiting prospects and donors, and the right volunteer can be engaged and trained to visit the right candidate selected as a potential donor. Steps for volunteer involvement include:
 - a) Identify volunteer needs—what kind of persons are the best for meeting face-to-face with those persons being invited to support a project and campaign? What qualities are needed?
 - b) Invite volunteers to become involved—expecting people to willingly give their time in today's busy societies and lives is unrealistic. Being invited makes this endeavor special. Besides, inviting according to established criteria suitable for the project or campaign avoids potential ill feelings by those who would be willing but aren't, perhaps, the right candidates.
 - c) Train volunteers—ensure they understand how fundraising is a process and what steps are taken toward success; that they are comfortable with the roles selected for them (or self-selected); that they are willing to work on the project or campaign.
 - d) Value the volunteer's time and resources—busy people often make the best volunteers, but a plan must be in place to maximize their time and talents.
 - e) Recognize volunteers—celebrate, thank, and ask for feedback. Build a team!
5. *Determine possible donors.* Potential funders for church projects and programs are primarily and initially members, but they should also include foundations of various types (explained later in this chapter), businesses of all kinds, government agencies (for particular projects), and, most importantly, individuals. Many of these possible funders may become apparent because of relationships with members. In addition, another possibility for funding is collaboration—working with a similar organization when requesting funds, a practice many donors like.



6. *Select programs and strategies.* How will the prospects be solicited, and for what programs? It starts with systematic giving as a foundation, and then may extend to capital campaigns, special projects, and other fundraising efforts as needed. Strategies for approaching donors include use of the Internet and other electronic means, mail, telephone, special events, and face-to-face solicitation. The more personal the approach, the more effective the solicitation. Matching potential and existing donors with the right tools for inviting them to give is important. Some members of the fundraising team are best at writing, while others excel in personal visits or public presentation. Because face-to-face solicitation is often feared, perhaps because of fear of a rejection or because the asker doesn't know how to carry out such a personal request, a fundraising plan should consider the right person for the right task, and this can happen quite effectively because fundraising is a process consisting of many steps and components.
7. *Research prospects.* In addition to respecting church members on a par with other donors, other constituent groups should be determined, as well as their interest and proximity to the organization. It's vital to have minimal information about all prospective donors, such as their interest in the project and their possible level of giving so they can be invited to give appropriately. It's also very important to assure prospects and donors about confidentiality, and that the organization will not violate their trust.
8. *Create, use, and communicate a plan.* Planning is a means to determine what must be done, how it will be accomplished, and who will do it. It is the ultimate step in accountability, a major interest of all funders today. By now prospects and donors have been selected and matched with strategies for solicitation. The fundraising campaign has been chosen, the case has been prepared (along with materials that will express the case), board members and other volunteers have been involved in all steps, and the organization's readiness to raise funds, which includes a strong infrastructure such as a way to track donations and thank donors, has been determined. Now it's time to create a plan that includes details on all fundraising program elements, and one that provides evidence of good stewardship on the part of the nonprofit. If the leader—pastor or lay person—is not proficient in planning, please contact PSI for guidance, sample plans, and even personal visits by staff members or professionals contracted by PSI.
9. *Solicit the gift.* After all this preparation, the time has come to ask for the donation. Thorough preparation, which may vary in intensity, time, and detail, ensures the likelihood of success. It also increases the pleasurable aspects of fundraising which, while not easy, yields great satisfaction. Appropriate and timely recognition paves the way for the next step.
10. *Renew the gift.* The best prospect for a donation is the person who has already given. The opportunity to give and give again should be provided to all who are prospects and can be attracted to support an organization's cause. Donor retention means continuing to nurture the relationship, reporting appropriately, thanking and acknowledging the donor and the gift, providing ongoing reports, and keeping the donor engaged in ways that are suitable for him or her.



As can be seen, fundraising is a highly integrated management process and takes time to implement. Time elements may vary; each step in a successful fundraising program may not require the same emphasis for each organization, but no steps can be missed without diminishing the likelihood of favorable results. However, rushing into a fundraising effort without adequate preparation often causes disappointment and lack of results. At times organizations feel that they can skip steps or can “just do it,” but this is not advisable. Again, we need to stress that the timeline of a campaign, which emphasizes much preparation before the campaign is launched, can vary according to the type of organization, what kind of donors and prospects are available, how strong is current giving (including stewardship in a church setting), and how effective is the team in planning and organizing a campaign.

It is a privilege to raise funds for worthy causes because fundraising is a ministry, because it is a way of accomplishing worthy goals, and the money is the price tag for those worthy causes. Those who are willing to be engaged in such activity and do it with some level of success deserve a special honor because they have helped bring about needed and valuable results.

Perhaps a few points of what fundraising is not are appropriate to remember. First, it is not begging, coercing, or giving a guilt trip. It is honestly sharing the excitement and potential of a cause that deserves financial support and inviting others to be part of such an endeavor. If a person working on a campaign, whether the leader (e.g., pastor, school principal, board chair, committee chair), views fundraising with distaste, this attitude will permeate the rest of the team, constituents, members, and potential donors.

Second, the simplistic methods of fundraising used in the past, for the most part, will not work today. Donors are much more savvy and have greater expectations from the organization requesting their funds, want more information, and unrestricted giving on the basis of “trust us, we’ll use the money well,” is a dream of the past. Neither do simple strategies such as dinner and pledge cards raise the sums of money needed for projects and capital campaigns. Yes, small amounts can be raised by a letter-writing campaign or even a bake sale, but these are minimal and certainly do not engender loyalty by the givers.

Third, fundraising must be done ethically and professionally, and a process must be followed. There are, of course, exceptions to the process depending on the campaign or the situation, but in general these exceptions should be carefully undertaken. Today all organizations that succeed in raising funds do so intelligently, understanding what is needed in our times.

Making a case: preparing for the funding request

One of the most important functions of fundraising is how to make a case for funding that is suitable for all prospects and donors identified as potential givers (these are explained in the next section). A case is the compilation of information about the organization, its needs, and its opportunities, which will be presented to the prospective donor through a variety of means, ranging from face-to-face conversation to brochures.

A case tells the listener (prospect or donor) why he or she could or should support the cause. Preparing this document takes considerable time and thought because all the appropriate information must be gathered, agreement on the content must be achieved inside the organization, and the case must be customized for all possible donor markets—individuals or groups.



The preparation of a case statement serves various purposes:

1. Bringing internal agreement on what needs exist and how these can be met.
2. Verifying information so that accuracy and credibility are achieved.
3. Achieving support from the organization's leadership and constituents.
4. Seeing what gaps in information exist.

Case preparation consists of three steps:

1. Gathering all relevant information about the organization, the cause, and the need for which fundraising is to take place;
2. Compiling this information into one accurate, concise, clear document for internal use, which is the case statement; and
3. Developing case expressions for various purposes and types of donors, such as brochures, letters, and personal visits.

A case statement should consist of these parts:

1. Definition of the problem—a description of the problem that exists or what need should be met. Donors cannot and most often will not respond to a simple request that says, "We need money for . . ." They want to know what problem will be solved. However, donors don't give money for the problem; they give money to the next step.
2. The solution—a case statement should be explicit about what will improve, what will be better, what will be different, and what will change when money is given to solve the problem or meet the need.
3. Values—it is equally important to explain the value of working toward a solution for the problem. Fundraising is an exchange of values, and explaining the values answers the question of "Why is this important to solve, or why should this need be met?" In addition, mission statements express values, and this is a good testing point to see if an organization is adhering to its mission.
4. An explanation of what will be done to reach the expected outcomes, who will perform these tasks, when will they be accomplished, and any other detail necessary to understand the case being presented to the donor.

In compiling the information for the case statement, the following documents should be included:

- Mission statement, because this is the underlying philosophy and belief of why the organization exists.
- Goals and objectives of what is to be achieved along with brief descriptions of how these will be achieved.



- Qualifications of those who will carry out the project, program, or campaign to show that they are capable of carrying out the programs.
- A project budget.
- Success stories that verify the organization is capable of carrying out the goals and objectives—in other words, a track record.

Once the internal case statement has been prepared with the input of church leadership, both pastoral and constituent, case expressions can be developed that will address various audiences. One case expression cannot meet all audience needs. Sometimes a brochure or even a flyer is appropriate. For other instances, the case expression is actually the person interfacing with the donor on a one-to-one basis. Materials that express a case can include the following:

- Proposals
- Brochures
- Letters, personalized or for mass mailings
- Phone conversations, or mass phoning
- The many uses of the Internet, e-mail, and texting
- Oral presentations to groups
- One-on-one conversations

The fundamental case statement, which an organization prepares, is the foundation for approaching prospects and donors for a specific purpose. The preparation of the case statement and case expressions will sometimes expose weaknesses in operations, planning, and project or program implementation. Without a strong case statement that is based on facts as well as carefully analyzed needs for funding and human resources, the fund-raiser, whether a pastor, a full-time professional, a volunteer, or a part-time employee, will have a difficult time talking to a prospect or donor about the cause and the need, and bringing the effort to a successful conclusion.

Finding donors: understanding who might or will give

Generosity is not culturally specific, nor is it confined to certain populations or religions. Many people like to and want to give, for a variety of reasons. On the other hand, the single most important reason why people don't give is because they are not asked!

Before you look at the possible donors and prospects for your program, identify some of the key concepts for this step in fundraising.

First, overdependence on one donor, or even a few donors, is risky. The donor might quit giving, move away, change interests, or even die. The best idea is to diversify your donor pool as much as possible, keeping in mind that the church team can also ensure they have enough human and financial resources to steward the donors effectively.



Second, it's vital to take into account all possible donor markets. In theory, any person or organization could or might give to your organization, but you need to determine qualities about the donors that might make them receptive to your funding requests.

Third, acquiring donors requires a mix of human relations skills as well as technical expertise, because such relationships are based on good communication and relationship building. This activity also needs the technical support of record keeping, preparation of materials and reports, and activity tracking. In order to find a diverse donor pool, at first consider all possible donors. At this point, never say, "Oh, I don't think they would give to us." Consider the possibilities. In making a list, include those listed below. This list encompasses all possible donors to churches, schools, and various church organizations such as community services.

Individuals (who give more than 80 percent of all donations in developed countries, such as the U.S., Canada, and Bermuda).

Foundations—local, national, and international. Often a community foundation can be a good source of advice. Foundations usually have specific areas of interest or geographic limitations for giving. PSI can help you with foundation search if you do not have a local resource, or can help you do your own research for this type of funding.

Businesses—local, national, and international. Businesses often give because it's good for business. Businesses are not required to give away their profits but many business leaders recognize that this is good for the community as well as good for attracting customers. Organizations can consider what influence their cause has in the community, what linkages can be developed between their members and the business interests, and how a business can benefit from being philanthropic.

Government agencies for particular projects. As with most donations, giving by a donor to an organization (whether church, school, or community outreach program) or to a specific project is a matter of a contract between the donor and the organization, whether the contract is simply a promise made that the money will go to a specific cause or aspect of a project, or whether it's an extensive written contract. This is certainly true for government funding. If the wording of the contract extracts promises that the organization cannot or does not want to agree to, then the money is declined. Government contracts are often far more interested in outcomes promised by the recipient of funds than in restrictions, although the latter may be expressed sometimes. Because government funds come from citizens, they can also benefit the general population.

Associations, groups of professionals in a certain field, such as insurance agencies or physicians, who may at times, wish to help projects.

In-kind gifts can be a great resource. If a building campaign is underway, supplies can be donated. Or, a piece of land might be offered or professional services, without charge. However, all in-kind gifts must be carefully assessed. You must work within the policies of your local conference when considering either a gift of land or purchase of a property.



Once a list of all possible donors has been compiled—and this should have input from board members, staff, other volunteers, and friends of the organization—it's time to determine which prospects will most likely give. Is the prospect capable of making a donation and, if so, how much? Equally important to consider: is the prospect likely to give? While we appreciate all gifts, including the proverbial widow's mite, we need the large gifts. Asking for the appropriate amount is also important in a funding request, and this evaluation will aid in preparing for such a request. Above all, please avoid overdependence on one source or donation. Ample examples exist of organizations that rely too much on too few donors. Besides, such practices do not build ongoing relationships and involvement with a broader base constituency.

A key element in identifying the best prospects is to determine motivations for giving. While cultural, regional, or religious differences do occur on occasion, most human motivations for giving are surprisingly universal. Some of these are to:

- Make a difference.
- Be involved in something larger than one's self.
- Accomplish more than just one person can do.
- Have a sense of belonging.
- Give back to a cause or type of organization that once helped the donor.
- Fulfill a religious obligation.

Many more motivations have been identified through research. Once motivations have been identified, they are one more element on which to base a relationship and make a case for support.

Find out some information about prospects—what interests they have, who knows them well, what is an appropriate amount to ask, why they would want to be involved, and other information, making sure it is used only in preparing a funding request.

A good database is highly essential and is the beginning of the development and use of such technological support. Even if the congregation and the campaign are small in size, recording of information and donations as well as capability of reporting is necessary. Assistance in determining just what technology is accessible is readily available through PSI.

Selecting and structuring the right campaign or project for fundraising

It's important to determine the right campaign format and structure for a fundraising effort.

There are several campaigns that an organization might consider. The first of these is the annual fund campaign that a school might consider, including church sponsored schools. In a church setting, this is usually considered as systematic giving. Emphasis on consistent giving is beneficial because it develops a generosity habit, informs members about the church and/or organizational plans and challenges, and lays the foundation for other campaigns.



Systematic giving, the equivalent of the annual fund in organizations other than churches, is truly the foundation for giving because other campaigns most often build on this fundraising effort, such as a capital campaign. A planning committee should ask, How strong is the stewardship of this church (or school, or community service organization)? Personal visits to members and constituents is a most effective way, even today with all the myriad of communication means, to develop and ensure giving.

The capital campaign (please see subsequent section which presents more information and detail) usually has a large goal and this campaign is most often used for buildings and renovation, although the model for this campaign can also be used for endowment campaigns. The usual elements necessary for a capital campaign are:

- Clear mission and purpose statement
- Specific goals and objectives
- Commitment to the campaign
- Active congregational leadership
- Board dedication and participation
- An understanding that it takes human and financial resources to raise money
- Committed persons who will work the campaign and take responsibility
- A positive stewardship foundation—church member giving on a regular basis
- Prospect research, identification, and cultivation
- Acknowledgment and recognition
- Communications capability

In order to carry out any campaign, the following structure is necessary, with few exceptions that need to be carefully weighed and considered. Each point in the following list is vital for fundraising success.

- Knowing our possible donors' understanding and acceptance of our mission, goals, and objectives, and using communications to support fundraising
- A clear definition of what the needs are that you are trying to fulfill, and therefore the need for specific funds
- An outreach program for identifying, cultivating, and soliciting prospects and turning them into donors
- Enlisting and wisely using volunteers



- Putting in place the right case for support so that we can attract both new donors and renew the gifts of existing ones
- Efficiently keeping records
- Having appropriate Thank-you and recognition procedures in place
- **Understanding that fundraising consists of the right person asking the right prospect for the right cause, in the right way, at the right time, and for the right amount** (A principle of The Fund Raising School, The Center on Philanthropy, Indiana University)
- Remembering that people give to people with causes

Filling your toolbox—strategies and tools for fundraising

There are many ways to ask—by letter, via the Internet, by phone, by mass mailing, via a proposal, in person, and at events. Which strategy or tool you choose depends on many factors—for example:

- What expertise you have
- How many people you have on your team
- The characteristics of your donors and their preferences for being asked
- How much you can outsource to consultants and others who can serve as temporary help
- What is appropriate for the size of gift you are requesting

Before you determine which strategies are most appropriate for your fundraising program, first consider the tools available, and then decide which ones work best for you. PSI can provide much information on any one of these strategies; this is just an introduction to each tool you might use.

Events

Events are suitable for a variety of reasons. If you want to acquaint others about your organization and what it does, if you want to reach large numbers of people, if you want to have the opportunity to bring together donors as well as members or recipients of your organization’s assistance, if you want to celebrate someone’s achievements or a special day, and if you want to just have an enjoyable time, an event may be appropriate as a fundraising tool. It’s important to remember, however, that events take much time and expend human and financial resources. Often they aren’t the best money-makers because of these expenditures. Therefore, it’s best to have several purposes or goals in mind when planning an event.

Many types of events are possible, ranging from dinners to walks. The important thing to remember is what is most appropriate for your organization and the intended audience. Some events can be carried out with minimal work and expense, while others take months of preparation.



Mail

The use of mail ranges from mass mailing to several hundred or thousand people, to letters sent to segmented groups on your mailing list, to individual or small group letters that are highly personalized. This is still one of the best ways to reach large numbers of prospects who may become donors, and an excellent tool for requesting repeat or upgraded gifts.

The more personalized the letters, the better the return. Through computer capability, programs can be designed that will personalize the letters (e.g., the most appropriate greeting and use of name for each prospect, such as Mr. and Mrs., versus first name use). Caution should be taken that the letters aren't too long, have content that applies both to the heart and the mind, are specific about what is needed and requested, and capture the interest of the reader because it is well written and is readable.

Phone

A common use of mass phoning is the "phonathon." This involves several phones in one room, trained callers, a script, materials for recording the prospect's information and for record keeping, follow-up. The phonathon is an excellent way to make mass requests more personal, and allows for conversation and discussion, including answering questions and addressing concerns. It isn't a technique that can be used frequently or with very large groups because of the manpower and costs involved, but certainly ranks with one of the strategies that should be reserved for ongoing donors, requests to upgrade gifts, and donors who prefer to not be contacted personally.

The phone, of course, can be used to make personal appointments and also for follow-up after a personal visit, as well as a means of keeping in touch with donors.

Variations on the use of the phone continue to increase as technology advances. Some organizations are now sending text messages that are funding appeals. The wise fund-raiser will match advances in technological use to preferences and practices of donors and prospects.

The Internet and social media

A good Web site is highly important. Through this means, donors can learn of the organization on their own time and in their own preferred way of researching an organization and cause. Web sites should also make it possible for donors to give easily.

Without a doubt, the many uses of the Internet should be part of a fundraising program's strategies, and continual changes make this tool an exceptional one, full of opportunities, as well as a challenging tool because of the knowledge and investment of time and money needed to use it wisely and effectively.

Social media strategies increase steadily and changes occur just as rapidly. Please contact PSI for the latest information on this part of use of technology. Books, articles, consulting advice, and other resources are readily available.



The face-to-face request

A personal visit by the right people matched with the prospect or donor is the most effective method of asking for a donation. Most people believe this is what fundraising really is and fear this method for a variety of reasons. However, if the askers are well prepared, committed to the cause, and have made donations themselves, often the fear is reduced or eliminated because then it becomes a conversation with the prospect or donor and is focused on mutual interests.

Preparation is key, and that includes knowledge of the prospect and donor, details about the cause, information on why the prospect might be interested and might give, what mutual benefits can be promised, and what outcomes can be expected if the donor gives.

Usually it's best to go in pairs—someone from the organization and someone who knows the prospect or donor or is in some way linked to that person. The one who knows the prospect best should be the one to make the appointment.

When on the call, remember to have an introductory section to your visit during which you establish rapport and subtly remind the prospect why you're there. You might make reference to previous events or visits, or bring greetings from some personality important to the prospect and the cause, or a reference to common interests. This part is the shortest part of the visit, although, of course, it depends on how well you know the prospect and the personality of the prospect.

Next, you move into a discussion of the project, giving details, answering and asking questions in such a way that you ensure this will be a conversation and not just a monologue, and, in general, sharing the aspects of the project.

Then you summarize, focusing on the features of the project and the mutual benefits, and again ask if there are questions—and then wait an appropriate amount of time to make sure the prospect has a chance to think and focus on what you're saying.

Finally, come to closure—here is where you help the donor focus on the outcome or result of his or her donation. Reiterate what a defined amount of money will accomplish, suggest to the prospect that he or she could make a major difference when giving within that range, and help the donor see emotional as well as rational satisfaction.

Although the length and type of visit are sometimes dictated by culture, be careful to make this a conversation and not a one-sided visit, don't stay too long, focus, and try to adapt to the personality and communication preferences of the prospect.

Persons conducting face-to-face solicitation often fear rejection and therefore are reluctant to make such visits and requests. However, preparation is the key, as is the principle of the right person asking the right prospect. This extends to mutual respect, perhaps similar professional level, social ties, and other common characteristics. Also, a person making a face-to-face solicitation must ascertain if the donor is ready to consider a gift, or even if the campaign is sufficiently in progress to ensure trust in its success. Finally, consider whether a “no” is really a rejection. Perhaps the donor needs more information or time to think about this. Perhaps there is something else going on that has distracted the donor. And, every donor has the right to decline making a gift, if their interests and relationships to the organization are not considered.



The selection and use of your fundraising tools is the most practical part of fundraising, but it very much depends on what you have already done in terms of developing a case and finding possible donors. This is the step where you match your potential donors with the right way in which to make a case.

Planning for Fundraising

There is a saying in folklore, “If you don’t know where you’re going, how you will know if you’ve arrived?” This certainly is true in fundraising. While sometimes we manage to raise funds without much planning, eventually we will find that if we don’t have a clear plan, several results occur. For example:

- Our donors won’t trust us anymore if they don’t see that we clearly know what we’re doing and where we’re headed.
- There will be confusion and lack of confidence in the organization.
- We could be asking the wrong donors for the wrong cause.
- We might suddenly find ourselves against deadlines we hadn’t anticipated.
- In short, we aren’t very credible if we don’t plan.

There are many ways to plan, and also various formats that can be appropriate and comfortable to use. This is also one part of the campaign with which PSI can readily help you in many ways. Please contact us at any step of the way in planning.

Some people don’t like to plan because such a document holds them accountable. Others simply aren’t organized enough or dislike actually putting something on paper (or on the computer) and would rather “just do it.” Still others don’t know how to plan. This chapter will help you to at least take the first step in formulating a good plan you can live with, and live by, and which promises results.

Those who should be involved in the planning include the organization’s board, the campaign committee members, the pastor or pastoral staff, lay members and others who carry out the plan, and advisors or consultants whose help might be needed in the planning. This, of course, represents a large and probably unwieldy group, so the suggestion is that representatives of these groups be included, with plan input and approval accorded to the rest. This group formulates the plan and periodically shares it with a wider group for suggestions and approval. Finally, the board reviews and approves the plan.

Regardless of what format you use for a plan, it should have these components:

- *Mission statement.* A review and clear understanding of your organization’s mission is essential because all other planning components must relate to this.
- *Internal and external assessment of positive and negative factors.* Determining what inhibits or promotes fundraising is vital so that unrealistic expectations aren’t set.



- *Goals and objectives for each program.* This could include programs for which specific amounts are raised, fundraising descriptions such as direct mail, or goals that relate in some way to fundraising, such as board training.
- *Possible donors.* Who might give, how likely are they to give, and how should they be asked?
- *Timeline and assignments.* Who is responsible for what, and when must that be done?
- *Budget and gift-range chart.* The fundraising budget should clearly describe efficiency and effectiveness factors. The gift range chart describes how you will raise the money and is congruent with the “possible donors” step.
- *Monitoring and evaluation.* How will you check on yourself and your department, and to whom will you report?

The benefits of planning are obvious, and these must stand out:

- Improve performance
- Stimulate forward thinking
- Clarify future direction
- Survive—even flourish—with less
- Build teamwork and expertise
- Influence rather than be influenced

Finally, consider how you will stick to the plan, motivate and urge others to do so. Revise the plan as needed, and work with it as part of your daily operations.

Basic steps for church fundraising: A planning and implementation tool

A successful fundraising program in any organization is based on principles that have been proven over time through best practices and verified by research. In summary, these principles state that fundraising is a team effort; investment of resources and time is needed; the need of appropriate personnel; the need of a fundraising plan that reflects the organization; and strategies for fundraising that are appropriate for the organization.

The form that follows should be considered a starting point and is best used in conjunction with the services of PSI personnel who will assist as needed along the way toward developing a successful, mature program.



Area or Function	Current Status	Future Projections
<p>Communications</p>		
<p>1. The church and/or its organizations has a clear mission.</p>		
<p>2. Members or constituents believe they receive adequate information regularly.</p>		
<p>3. The capability to prepare communications materials exists or can be outsourced.</p>		
<p>4. The pastor is predominant in representing the organization appropriately.</p>		
<p>5. Lay personnel take a key role in ensuring good church member as well as all constituent relations.</p>		
<p>Case for Support</p>		
<p>1. Fund-raising goals are clear and substantiated with facts.</p>		
<p>2. There is agreement on fund-raising purposes and goals.</p>		



<p>3. There is broad-based involvement in providing information for making a case for the campaign</p>		
<p>4. Materials that explain and express the case are prepared.</p>		
<p>Organizational Leadership</p>		
<p>1. Top leadership (pastoral and lay) understands fund-raising processes.</p>		
<p>2. The pastor is supportive and involved in fund-raising.</p>		
<p>3. The board is the backbone of the process and involved appropriately.</p>		
<p>Additional Persons Involved</p>		
<p>1. There is adequate personnel support to carry out the goals of the fund-raising plan.</p>		
<p>2. There are personnel needed for record keeping, communications, and other campaign details.</p>		



Board		
1. The board understands the fund-raising process and is committed to taking action.		
2. The board gives to organization (percent of board giving—goal: 100 percent).		
3. The board participates in identifying, cultivating, and soliciting gifts.		
4. The board is willing to be trained.		
Campaign or Building Committee		
1. The committee is representative of church or organizational membership and not dominated by a special-interest group.		
2. The committee is active and participates in fund-raising planning and implementation.		
3. The committee members ethically identify funding prospects.		
4. The members are involved in contacting donors appropriately.		





Budget		
1. Sufficient resources are allocated for fund-raising in the church or organizational budget.		
2. The leadership team (including board) recognizes it takes money to raise money.		
3. There is clear accounting of gifts according to promises made to constituents and donors.		
Funding Prospects		
1. The fund-raising base is the church membership, who are practicing responsible stewardship.		
2. New funding sources are being developed according to capability and plan. If feasible, funding sources are diversified; donors come from all possible sources and types of donors.		
3. Attention is given to getting acquainted with prospects and donors before they are asked.		

<p>Fundraising Strategies</p>		
<p>1. The range of tools available for fund-raising is considered and evaluated. Donors and donor groups are matched with appropriate asking strategies (e.g., face-to-face versus a written proposal or direct mail).</p>		
<p>2. Appropriate selection of tools according to prospects, goals, and internal capability is made.</p>		
<p>Gift Receipting and Acknowledgement and Thanking Donors</p>		
<p>1. Donations are handled immediately and a Thank-you is sent within 24-48 hours.</p>		
<p>2. Thank-yous are personalized when appropriate.</p>		
<p>3. The team (pastor, lay leadership, other members) are involved in the acknowledgment and thanks.</p>		
<p>4. A process of appropriate recognition strategies for various gift levels is in place and active.</p>		
<p>5. The database is kept current and updated as information is received.</p>		





Gift Reporting		
1. Gift history is recorded and tracked.		
2. Care is taken that all donations are used exactly as promised.		
3. Appropriate reports are provided periodically to the leadership and board.		
4. Gift income is appropriately reported to constituents.		



Chapter 5

The Capital Campaign

By Lilya Wagner

This chapter explains the specific process of a fundraising campaign for a building, building renovation, or a similar major project. Each section illustrates a step in the overall process. There may be some repetition of information from other sections of this manual, but this is necessary in order to show the flow of a campaign.

Foundations of a campaign:

- Fundraising is a process—an organized approach to managing human and financial resources.
- Fundraising, if it is successful, is a team and coordinated effort.
- Fundraising requires investment of resources—time, money, commitment, and people.
- Fundraising for churches and their entities is based on stewardship practiced by members and constituents.
- Fundraising requires accountability, good management, organized efforts, clear communication, and excellent constituency service.
- Fundraising takes time. It brings advocates to the team—leadership and other carefully selected persons who are included because of special expertise.
- Fundraising helps to develop loyalty to the cause.
- Fundraising provides involvement by and from influential constituents.
- Fundraising is not begging or selling. It is sharing a message that is important to the organization and the donor.
- Fundraising is a way to help good causes succeed—causes which help people in the way Jesus would.

Fundraising will succeed when . . .

- There is strong leadership at the pastoral and lay levels.
- There is trust in the leadership and its accountability to members.
- There is a supportive infrastructure—enough support individuals and an up-to-date data.
- There is good communication with all constituents and supporters.
- There is buy-in to the mission for which funds are being raised.
- There is a strong stewardship base in the church, or generous giving by constituents.
- There is an understanding that it takes money to raise money, while at the same time there is accountability and attention to efficiency.

Fundraising may not succeed if the following conditions exist:

- Lack of coordination of fundraising efforts along with other church programs.
- Perception that there is no clear mission for the project.
- Risk of alienating donors when the process isn't clear.
- Perception of no-need (the “I give my tithe and offerings, what more do you want?” syndrome).
- Not enough resources invested.
- Neither organized nor focused.

The most important tasks:

- Practice good stewardship.
- Respect the donor's wishes, keep promises, and engage in ethical practice.
- Use the money wisely and in exactly the way promised.
- Report on the use of money.
- Ensure donors are thanked and appropriately acknowledged as well as kept informed.
- Conduct the campaign prayerfully.



Definition of capital campaign

A capital campaign is a periodic, carefully organized, highly structured fundraising program. It uses a team of leaders and church members to raise funds for specific needs to be met in a specific timeframe, with a specific money goal that allows donors to pledge gifts to be paid over a period of years.

Types of campaigns

The traditional campaign (“bricks and mortar”). The funds raised are for new construction, major renovation, and/or major equipment purchases.

Endowment campaign. The funds raised are to create or add to the organization’s “capital” investment fund, from which income is earned to support programs designated by the policies of the governing board or by the donor.

The comprehensive or combined campaign. This fundraising effort brings together all the organization’s needs for buildings, equipment, and endowment for a specified number of years.

The project campaign. Almost any significant area of need, such as current programs, special projects, buildings, cash reserve, or endowment acquisition can be organized and “packaged” using the capital campaign model.

Ask yourself these threshold questions whenever you are considering undertaking a capital campaign:

1. Do I need money?
2. Do I have a convincing case for support, appealing both to the heart and the head?
3. Do I have active and highly visible volunteer leaders?
4. Do I have enough personnel to support a campaign, such as volunteers, someone to handle the database, and managers of the process of fundraising?
5. Do I have good access to funding sources?
6. Do I have (or can I get) a system in place for recording and acknowledging gifts and pledges?
7. What is “the competition” doing? For example, the church school has a renovation campaign while the Community Services group wants to add a program.
8. It costs money to raise money. Am I willing to make the necessary investments?
9. Is there a sense of urgency about the needs?
10. Does my organization have clear priorities?



11. How well have my fundraising efforts worked up until now?
12. Do I have a positive image in the community?
13. Is my organization well known in the community?
14. How well does my organization work from a business perspective?
15. Can I identify five to ten top volunteer leaders?
16. Do I have an idea who my chairperson ought to be? Do I think that person will agree to lead?
17. Can I identify five to ten top prospective donors?
18. Can I identify more prospects than are likely to be donors, which is usually the case?

Characteristics of capital campaigns

- Large money goal
- Feasibility study
- Defined, intensive time period
- Dependent on lead gifts
- Volunteer driven, including church members
- Sequential solicitation, beginning with larger donations and moving toward every member involvement
- Face-to-face solicitation

Policies must be established in order to have responsible handling of funds

- Use of letters of intent and/or pledge cards
- Gift and pledge crediting, recording, and banking
- Restricted gifts and funds: minimum levels; naming opportunities; use of principal and interest
- Appropriate donor recognition and possible naming opportunities
- Payment of campaign expenses, including the cost of the planning study and related preparation expenses, and the calculation of the cost of raising the money
- Publicity guidelines (a comprehensive communication plan should be developed)



Components and value of a feasibility study

A feasibility study is highly advisable in order to determine if the campaign can succeed and the goal can be reached. Usually this is done by an objective person who asks selected constituents questions, and the interviews are conducted both internally and externally. The person conducting the interview will use a standardized form developed by all those who are conducting the interviews. It will cover the areas indicated by the following questions:

1. How does the person being interviewed view the organization, its mission, its goals, its staff, its volunteer leadership, and its finances?
2. Has this person ever supported the organization either financially or as a volunteer?
3. Does the organization tell its story accurately and effectively?
4. Does this person think that the organization can successfully raise large amounts of money within the community?
5. Does this person know of potential donors and the amounts they may be willing to give?
6. Would the person be willing to support the organization either financially or as a volunteer leader during the campaign?
7. Who else would this person recommend to become involved with the leadership of the campaign?
8. What are some suggestions regarding how high the goal should be set, who should head the campaign, and how long it should run?¹
9. What is the relationship between the church and the community, and can this relationship yield results in terms of donors?
10. How can sustainability of our project be achieved? How will we maintain or keep it going?

You need to decide how many interviews must be conducted. This depends on previous fundraising success, existing knowledge of donors and giving in general, size of the membership or number of constituents, size of the fundraising goal, and any environmental circumstances that may be relevant to the campaign (e.g., a rift in the church or economic factors in the community). Equally important is to decide who the right person would be to conduct the interviews. It needs to be someone who is objective, has credibility, is trustworthy, and is not seen as being unduly interested in personal information.

A church may find alternatives to conducting a formal feasibility study because much is known about loyalty to the church and/or its organizations; the capacity to give based on stewardship

¹ Barbara L. Cinconte and Jeanne G. Jacob, *Fundraising Basics: A Complete Guide* (Sudbury, MA: Jones and Bartlett Publishers, 2009), 374.



indicators, and expressed interest that leads to supporting a campaign. However, before a church bypasses a feasibility study, its leaders should contact PSI to discuss what alternatives are possible and what steps can intelligently be taken before breaking this principle.

Also, a test of readiness, found at the end of this chapter, can be adapted to determine if a campaign is feasible.

Internal assessment

- Case (See previous chapter on what it means to create and make a case.)
- Needs (What needs exist for the project or campaign, have these been verified, and how can these needs be met, including needs for conducting the campaign, such as personnel and funds to run a campaign?)
- Goals (programmatic as well as fundraising)
- Commitment (buy-in from members, the board, lay and pastoral leadership, and a desire to truly make this happen)
- Communications (Adequate information sharing and reports that keep everyone up-to-date according to levels of involvement and interest. For example, the building committee needs more detail than the church members who may be peripherally involved.)
- Stewardship (Members are giving regularly, are loyal to reaching budget and other goals, believe in giving to the church, and can have trust in the leadership and how money is handled and used.)
- Management (Responsibilities are shared, there is transparency in church functions including the budget, promises are fulfilled, and the church or organization is managed well and is responsive to all constituents.)
- Leadership (The pastor models the appropriate attitude and action in fundraising campaigns, lay leadership takes on serious and carefully planned roles, and there is both accountability to constituents and members as well as trust.)
- Prospect and donor development (Appropriate information is acquired about potential giving and givers, and their interests and needs for involvement, as well as how to be asked and what to ask for, are considered.)

External assessment—minimally to be considered in the case of a church building, due to the possibility of external support.

- Environment (the local as well as national economy, what other organizations are raising funds, what the church's relationship to its broader community is, what perceived or real problems must be handled in order for the church to gain trust and respect)



- Understanding of the case (how well the church or organization is understood and whether the need for the project or campaign is accepted)
- Goals and constituency (The fundraising goal and what the project or campaign will accomplish need to be clear, understood, and accepted.)
- Markets (an examination of who besides members could give, why, in what way, and for what part of the project or campaign)
- Leadership (their opinion, and also that the leaders accept the campaign and will support it)
- Attainability of giving standards (an examination of whether or not it's possible to reach the goal by seeking donations outside the constituency)
- Public image and understanding (A positive image of the organization seeking funds is vital—people like to be associated with positive causes and organizations.)

Gift-range chart: You will find instructions and a sample chart at the end of this chapter. Please contact PSI for more assistance.

Sample test of readiness: You will find a sample test of readiness at the end of this chapter.

Campaign organization

- Committees need to be established, beginning with the steering committee, often called the building committee. Other committees may be an event planning committee that may include a kick-off event, a committee that determines how donors will be recognized in appropriate ways, a committee that is responsible for handling campaign details such as record keeping and reporting, and others as needed.
- Leadership roles and responsibilities need to be defined, such as the activities expected of the pastor, lay leaders, and the board.
- These committees should include representation of various constituent groups, lay leadership, pastoral staff, and conference representation whenever possible.
- The creation of committees and the assignment of responsibilities can vary, but suggestions for setting up committees can be requested from PSI. Ultimately, the creation of committees spreads out the work, the responsibilities, the influence with donors, members, and constituents, and accountability for the campaign and funds. Plus, it allows for buy-in by many who wish to see the campaign succeed and want to be part of that success.



Recognition is a vital part of a campaign and a major motivator for giving when it is appropriately handled. Consider the following:

Donors need to be thanked, whether they are members or nonmembers. The Bible has many examples of how gratitude is appropriate and a necessary part of good relationships. A formal Thank-you for a donation should be sent within forty-eight hours of receipt of the funds or pledge.

A recognition system can be planned as part of the campaign strategy, and can motivate givers because everyone, with few exceptions, wants to be appreciated. Larger gifts should receive very personalized recognition. Recognition should be appropriate for the type of organization (e.g., school versus a church campaign) as well as the recognition provided (a room named after the donor versus an honor roll of givers on a church wall).

Therefore, levels of giving should have specified recognition that is appropriate for the campaign and the amount given. Policies should be set up as part of campaign planning so that undue promises aren't made. Recognition is appropriate for the campaign and the goal as well as the various levels of giving. There should not be a perception that certain donors are "buying" their way onto the board or into a position of leadership. Recognition can be one of the most enjoyable parts of the campaign strategy and can also be part of developing relationships. Examples of recognition can be provided by PSI.

As a review of campaign elements—here are some reminders

Steps for conducting a capital campaign:

- Internal readiness, testing for readiness
- Preparation, which is the largest amount of time and least understood
- Solicitation of major gifts, proceeding to smaller amounts
- Wrap-up and celebration

Seven building blocks are:

- Planning
- Communication of all aspects of the campaign
- Orchestrated momentum
- Leading, large gifts
- Broad-based involvement
- Prospect and donor management
- Investment of human and financial resources



Mistakes that can derail a campaign:

- No test for readiness
- Blurring of line between faith and presumption
- Believing “God said you must give” still works
- Lack of prospect/donor knowledge
- Wrong case being made to wrong prospects
- No donor benefits
- Unreasonable demands on campaign leaders and workers
- Poor public relations
- Wrong timing
- Wrong asking
- Lack of an organizational team mentality

Other capital campaign considerations

Requests are often made to PSI for the following information:

- How to pay an existing debt on a building, renovation, or project fundraising
- What to do when a campaign is stalled
- How to achieve sustainability of the project, the building, or a program after the campaign
- How much debt should be incurred
- How to maintain the level of giving, or at least the level of enthusiasm for generosity

These are vital questions that show responsible leadership and planning. Please contact PSI for additional information on these topics. PSI may help you by additional consulting, providing printed or Web information resources, referring you to other experts, or even making an on-site visit.

Of course, it's best if these questions are considered in the up-front campaign planning so that problem situations don't occur (although life is never so certain that some of these might not be real situations). For example, economic downturns can slightly derail or totally undo any well-planned campaign. However, PSI and other experts advise that these campaign considerations be dealt with up front and not after the fact. Also, remember to contact your conference office, which may help you with some of these situations, and above all, contact PSI!



Additional resources

Gift-range charts

Gift-range charts (sometimes called gift tables or standards of giving) are statistical representations of patterns of giving in other successful campaigns. They are used in annual as well as capital programs. While the capital campaign gift table formulation is based on the experience of thousands of organizations in the United States, other areas may use them as a reference.

Five basic functions of gift-range charts

1. Planning tools, to identify the ideal pattern that would result in a successful campaign
2. Visual devices to raise the sights of donors and prospects
3. Testing instruments to measure the availability of donors and prospects at specific levels of giving
4. Tools to identify the anticipated gift production of a specific campaign
5. Statistical base for evaluating the actual gift production during and after the campaign
 - Creating gift tables. Experience from diverse campaigns has demonstrated the “rule of thumb” that 80 percent of the gifts will come from 20 percent of the donors. Beginning in the mid-1960s, a gift pattern emerged that continues to be validated in current campaign experience.
 - 50 to 60 percent of the goal from the 10 to 15 largest gifts
 - 35 to 40 percent of the goal from the 100 to 150 largest gifts
 - 15 to 20 percent from all other gifts
 - Additional instructions available from PSI



Gifts Needed to Raise \$1,000,000

Three-year* pledge period

Number of Gifts	Range of Gift	Number of Prospects/ Ratio	Cumulative No. of Prospects	Total for Range	Cumulative Amount	Percent of Total
1	\$150,000	3 (3:1)	3	\$150,000	\$ 150,000	15.0%
1	\$ 75,000	3 (3:1)	6	75,000	225,000	22.5
2	\$ 60,000	6 (3:1)	12	120,000	345,000	34.5
4	\$ 30,000	12 (3:1)	24	120,000	465,000	46.5
8	\$ 15,000	32 (4:1)	56	120,000	585,000	58.5
16	\$ 7,500	64 (4:1)	120	120,000	705,000	70.5
32	\$ 3,000	128 (4:1)	248	96,000	801,000	80.1
64	\$ 1,500	320 (5:1)	568	96,000	897,000	89.7
100	\$ 600	500 (5:1)	1068	60,000	957,000	95.7
Many	<\$ 600	Many	Many	43,000	\$1,000,000	100%

*Note: primary figures in range of gift column are divisible by three.

Used by permission of The Fund Raising School at the Center on Philanthropy at Indiana University.



Readiness Assessment

Use this organization assessment questionnaire when considering a capital campaign. Record your readiness scores on the chart found on page 14. (Please remember that this handbook, because it is designed for churches and their organizations such as schools, refers to all as “organizations.”)

1. **Organization plan:** Does the organization have a written, strategic plan that charts the course for three (ideally five) years, starting with a statement of mission, goals, and objectives, and then moving into specific programs and budgets? Have the board and other segments of the constituency been involved in the development of the plan, and in validating the program and financial needs expressed in it? Have pastoral and lay leaders committed themselves to meeting the financial needs of the plan, which must come through fundraising?
2. **Written statement of case, needs, and goals:** Case is defined as all reasons why anyone should give to the organization. Does such a written statement(s) for fundraising purposes exist? Are members of the board, the pastor, and key leaders able to express the case in exciting terms that communicate their own commitments?
3. **Constituency:** Has the organization defined a constituency beyond those “intimately and naturally” involved with its programs? Has it developed an outreach program to increase the constituency? Has it analyzed the makeup of the members and other constituencies for fundraising purposes?
4. **Giving history:** Does the organization have a high level of involvement by members and other donors in giving to projects, to offerings, and other needs? Have the fundraising efforts been directed to all sources of donations, as described in the previous chapter?
5. **Prospect development plan:** Does the organization know who its potential givers are? Has appropriate research on prospects and donors (particularly at the major gift level) been conducted with necessary information properly recorded and retrievable for use? Is confidentiality assured and trust in leadership in place so that record keeping isn’t questioned?
6. **Efficient record-keeping system:** Is a proper donor and prospect record-keeping system in place that provides storage and retrieval of essential data on the constituency in a timely fashion? Will the system support the acknowledgment of all contributions within forty-eight hours of receipt?
7. **Communications:** Is there a communications plan, soundly conceived and implemented, to involve people in a warm, supportive relationship with the organization and designed to develop acceptance of the organization within the community?



8. **Leadership and board:** Are the pastor, principal, or board chair actively in favor of the campaign? Has the board had an active role in governing the organization: planning, defining, approving, and clarifying policy; overseeing management resources; and generating resources through fundraising? Are board members willing to give and ask others to give? Are the committees active and involved appropriately, such as a building committee or a planning committee?
9. **Potential lead/major gifts:** Does the organization give attention to the critical process of identifying, cultivating, and soliciting prospective major donors for current campaign support as well as special projects?
10. **Is there campaign and fundraising “buy-in”?:** It is axiomatic that causes do not raise money—people with causes raise money. Does the organization have quality of volunteer leadership that will help to raise the money required?



Test for Readiness

		Range of Score	Your Organization's Score
1.	A sound plan for the future	0-10	
2.	A written statement of case needs, goals drawn from this plan	0-10	
3.	An informed constituency	0-10	
4.	Giving history	0-10	
5.	A prospect development plan—a research system	0-10	
6.	An efficient record-keeping system	0-10	
7.	A creative, functioning communications plan	0-10	
8.	Leadership and board involvement	0-10	
9.	Potential lead gift contributors	0-15	
10.	Buy-in by leadership and members	0-20	

Total Score _____

A score below 80 would indicate that the organization is not ready to mount a major campaign. The campaign should be delayed to allow for remedial, planning, or preparation work to support each of the elements with a low score. Although some campaigns will be successful if all readiness indicators aren't present, these exceptions should not constitute a rule.

Adapted from and used by permission of The Fund Raising School at the Center on Philanthropy at Indiana University.



Developing a campaign plan—possible steps to take.

After reading the chapter, you need to develop a process and a plan. The steps outlined below may guide your thinking on how to proceed, remembering how you would use the principles for your own organization, constituents, goal and action plan.

- 1 If you are not able to have a formal feasibility study done, perhaps because of the high costs, please consider a series of serious questions as objectively as possible. Review the test for readiness as well as the feasibility study questions from the “Capital Campaign” chapter. As objectively as possible, evaluate if your church or school is ready for a campaign. If you believe the group is not objective enough, perhaps you can find someone who has expertise in fundraising to spend some time with you, doing an assessment of your current status and readiness to undertake the campaign. You may wish to do a formal feasibility study. If so, please request that PSI recommend a consultant. Also please read the chapter on “Selecting a Consultant” which would be helpful in making the most cost-effective and most suitable decision.
- 2 Develop your internal case statement. In the “Fundraising Fundamentals” chapter is a section on developing the case. This step will help you and your team analyze the values of your project, what you wish to accomplish and why, and additional details. This will lead to an understanding of who could be your donors and how you will present the case to them, customized for individuals and groups.
- 3 Now that you have identified the details of your campaign and assessed your readiness, you can answer the “why” of the campaign as well as the expected results (not just the building but the programs and services). Make a list of all possible donors, as described in the “Fundraising” chapter. Qualify all donors you and your team can think of by the Linkage/Ability/Interest factors (courtesy of The Fund Raising School).
- 4 Based on what you have discovered about possible donors, develop a preliminary gift range chart as described in Successful Fundraising in the “Capital Campaign” chapter. This will be a reality check and lead to a plan as to who can give, at what level, and when that donor or group should be solicited.
- 5 Go back to step #3 above and match the donors/donor groups with the tools you might use. This is a good time to begin assigning work beyond just the core group—the steering committee. It also leads to a campaign plan.
- 6 Put together a plan with the steering committee or the campaign committee (terminology for the main committee which manages the campaign might vary). If in doubt, a sample plan might be provided. But this is your working document, so there isn’t a specific, correct format you must follow. It basically is what works for you as you outline what will be done, when, by whom, with what timelines.



- 7 Now that you have a plan, be sure you have the board working with you (it could be assumed that many members of the steering committee are also on the board) and have their involvement and approval of the plan. It's highly important that the board be vested in the campaign, be willing to work, and make donations at 100% participation.
- 8 Assign committees. These are listed in the "Capital Campaign" chapter but you, of course, can personalize for your plan as needed. This step will spread the work, ensure buy-in, and divide the work among the team members.
- 9 The campaign process begins with personal contact to the larger donors; the top third of the gift range chart. When approximately 50% of the funds are in hand, plan a kick-off event that will get many involved and excited. Follow your timeline and keep reporting frequently, adequately and appropriately to the church body/donors. Remember that the "family," especially the board, needs to give first before you go to other donors.
- 10 Do all of this prayerfully, of course. Recognize changes in church member giving. Members want practical information and involvement, and combine the action steps with prayerful attitudes. Both aspects are vital—work and prayer.
- 11 Feel free to interact with PSI whenever needed. We can't be your conscience, we can't be on hand to lead you, but we can provide feedback, advice, encouragement, and information.





Should You Hire a Fundraising Consultant?

By Lilya Wagner

There are times in the planning or managing of a campaign that you may require the services of a consultant. While Philanthropic Service for Institutions (PSI) can provide many resources and much hands-on assistance, such as in planning, training of boards and volunteers, providing sample materials or a review your own materials, or in creating a database for the campaign, there are some vital steps in a campaign that are beyond the scope of PSI's staff time. So when might you need a consultant?

Hiring a fundraising consultant is a major decision and may have a significant impact on the success of your program. A consultant or consulting firm may provide several types of services, and you will need to determine exactly what your needs are so your money is well spent. Also, this chapter deals mainly with fundraising consultants, although there are management, planning, budgeting, and other factors involved. We are not discussing building or legal consultants or such advice that is related to but not part of a fundraising campaign.

If you're engaging in a capital campaign, you may benefit from an objective evaluation process called the feasibility study, described in the capital campaign chapter, which includes internal and external interviews and results in suggestions of whether or not you can raise the amount of money you desire. While PSI can help you with planning for the campaign, sometimes more hands-on help is needed, such as implementing specific fundraising efforts, coordinating social media or direct mail, or perhaps the creation of a gift range chart.

Other ways that a consultant may be needed are listed below:

- A. Technical expertise, such as development of reports, use of a database, and similar tasks.
- B. Objective analysis of plans and problems, a careful look at what's possible, what might hinder a campaign, and what should go into a plan.
- C. Advice based on experience, which is often accepted when in-house ideas and plans are rejected.
- D. Motivating and training persons involved in fundraising, especially a team of leaders and volunteers.
- E. Strategic planning, both for the organization and the campaign or project.

- F. Evaluating constituent groups, determining who could and should be involved in the campaign, how much they understand and embrace, and who could be donors.

What consultants cannot and should not be expected to accomplish:

- A. Solicit gifts (although they can accompany volunteers and other solicitors).
- B. Ensure that volunteer and organizational leadership will be committed to the fundraising program.
- C. Work on a commission or percentage basis. This is particularly important—it is unethical to hire a consultant on a commission basis.
- D. Build constituency for an organization.

When it is desirable to hire a consultant, first and most importantly, consult with PSI. We keep a list of consultants who have a successful track record of working well and understanding faith-based institutions, particularly Adventist ones.

Who might be a consultant? There are major companies that work with faith-based organizations, there are “solo performers” that are one-person organizations and contract with others as needed, and there are those who position themselves as consultants when actually their experience is limited and credentials are scarce. We cannot urge strongly enough—while consultants are valuable, the services and credentials of consultants vary across the map, literally and figuratively speaking, and if you’re not careful, you could be paying for bad advice or even very little service.

Also, there is little uniformity among consultants and their services, including their fees, and there is no one set of standards for that part of the fundraising profession, which can be applied to all who position themselves as consultants. Therefore, it truly pays to be the knowledgeable and savvy “buyer” of their services. Also, fees vary greatly, so once again, please get advice from PSI.

After consulting with PSI, do the following:

- A. Ask to talk to other organizations for which the consultant has worked.
- B. Request a proposal that would indicate expertise, fees, references, and other important information.
- C. Interview consultants selected from the list of prospects provided by PSI or trusted colleagues.
- D. Check that the consultant is not offering the “ten easy steps to success,” and is adhering to current best practices. Once upon a time, it was possible to raise major capital funds by holding a dinner and saying, “God said to give,” but today we are working with a much more knowledgeable church member and donor, people who are much more aware of philanthropy in North America and how successful campaigns should be conducted, and these quick and easy steps no longer work.



- E. Request a written contract. In doing so, please work with your local conference. Be sure they contain these pieces of information:
1. Specific services and tasks to be performed and fees/costs.
 2. Length of time (including dates) consultant services will be used.
 3. System of approval of plans and materials.
 4. When and how the consultant will be paid.
 5. Ownership of materials.
 6. Contract cancellation provision.

Questions you might ask a consultant are:

About their experience and credentials:

- A. How long have you been in business? What is the longevity of your personnel?
- B. What is your track record, training, and experience?
- C. What is your specialty?
- D. Have you had experience with organizations like ours?
- E. Do you adhere to codes of ethics in your profession?
- F. Do you have a record of successful repeat campaigns?
- G. Provide a statement of your fees as well as a budget for the campaign.

About communication with the consultant or firm and expectations of service:

- A. If we engage your services, how can we address any concerns we may eventually have? If we don't agree with your recommendations, how do we communicate with you?
- B. Do the contractual provisions provide for dissolution of agreement within a reasonable time? Can we renegotiate the contract?
- C. Can you spell out every service you are able to provide?
- D. How do you participate in a campaign? Do you provide an on site campaign director? What are your expectations of our staff?
- E. Describe feasibility studies you carry out. How much do these cost?



About hands-on campaign work:

- A. Will you provide us with a general plan for a campaign? If so, when will we receive it?
- B. What physical space expectations or facility needs do you have?
- C. If the goal is not reached, is part of your fee refundable?
- D. Will you give us a written final report?

About contractual details:

- A. How much do you charge for consultation beyond what is spelled out in the contract?
- B. Is the cost of producing campaign materials built into your total fee, or will we be paying for such materials?
- C. If we cancel or postpone the campaign, what is our financial obligation to you?
- D. Do you provide public relations, communications, and marketing support?

The qualities which the best consultants display are some of the following. (While no one is perfect, these qualities are essential for faith-based institutions.)

- A. They have nonprofit and faith-based organizational experience. It is important that the person you hire has worked extensively for such organizations and isn't someone whose experience is mostly in the for-profit sector.
- B. They have cultural sensitivity. This is important, especially with organizations that are diverse, inclusive, and have staff and boards comprised of people with different ethical and racial backgrounds, skill levels, and ages.
- C. They possess strong strategic and tactical skills. The consultant needs to be highly skilled in helping you assess your needs. She or he then needs to be able to design the specific strategies and tactics that will help solve your issues. The consultant should also possess good listening skills.
- D. He or she needs to spend the early part of his or her time with you listening to your issues and concerns and helping diagnose the problems correctly.
- E. The consultant will be managing change and change is always hard. The ability to manage resistance and to understand the "process of organizational change" is a key ingredient to success. Listening becomes important in this process to determine both where the resistance is coming from and the nature of the resistance.
- F. Looking at the whole but drilling down to the specifics is another valuable characteristic of a successful consultant. It is important to not only look at the big picture but to acknowledge and deal with the specifics.



- G. It goes without saying that a consultant must be honest, both in campaign management as well as financial considerations.
- H. Finally, a good consultant is results oriented. You are spending valuable resources on the consultant and you want to make sure they are not only focused on the process but on the results and the return on investment of the relationship. Excellent consultants are focused on the results and outcomes of their work.

To ensure the best results and working relationship with a consultant, consider the following:

- A. Stress cooperation between the organization and the consultant. Mutual respect and understanding are essential.
- B. Provide opportunities for communication at regular and planned intervals.
- C. Elicit involvement and support from key leaders, including board, volunteers, and administrative personnel.
- D. Outline and agree on expectations before hiring the consultant.
- E. Determine whether the client-consultant relationship has the right “chemistry,” such as rapport, general agreement on ideas and philosophy, expected behaviors, and appearance.







Chapter 7

Legal Aspects of Fundraising

By Karnik Doukmetzian

Sometime ago, a pastor was approached by a “stewardship specialist” who told the pastor about successes he had had with other pastors in his conference in establishing a stewardship and fundraising program for their churches. He told the pastor he could present a sermon on stewardship principles in the morning and do a stewardship seminar in the afternoon. Success, he told the pastor, could be measured by the number of his parishioners who participated in his proposed fundraising program. Having a three-church district, the pastor was more than happy to have such a noteworthy individual present a sermon and seminar in his church. And, since his church was starting to gear up for a capital campaign, fundraising and faithful stewardship were going to play an important part.

The sermon that morning was a wonderful discourse on stewardship principles that any pastor would have been proud to present. During the afternoon seminar, the speaker went on to describe his recently discovered investment program which would help the parishioners with investing their funds and with the tremendous returns on their investments to benefit themselves, but that they could also use to help finance the fundraising requirements for their congregational project. Many enthusiastically signed up for the program and invested their savings not only to help themselves to better returns than were being provided by the bank, but also to give the excess income to the church. The pastor had succeeded in involving his members in fundraising for the capital project without them having to dig too far into their pockets to help.

It was only after the second or third interest payment was missed that questions started to be raised by the congregants who had invested funds into this project. As people started to question, it was soon discovered that their funds had been invested in speculative investments which promised high rates of returns and all their funds had been lost. The “stewardship specialist” was nowhere to be found. In the process of doing more checking, they also discovered that the pastor was promised and had received a higher rate of return on his investment and also a bonus based on their investment. The church members, being justifiably upset, are now looking to the pastor and the conference for some recovery of their lost savings.

This scenario may sound like fiction, but it is not. This has been repeated in numerous congregations in different parts of the world, resulting in the loss of millions of dollars. Christians tend to be trustworthy individuals and with the endorsement of key leaders become very vulnerable to fraudulent investment schemes. Losses such as this could have been avoided had simple steps been taken and church policies been followed. So what lessons could be learned from this unfortunate event?

Guidance has been provided to churches and ministers in policies voted by the World Church in Session. *The Seventh-day Adventist Church Manual* states the following:

General Financial Counsel

Regulation of Soliciting Funds—The following are regulations for soliciting funds:

1. No conference, church, or institution, without special counsel and arrangement, shall plan work requiring solicitation of funds from outside its territory. Any solicitation within its territory shall be in harmony with local, union, division, and General Conference policies. No authority is granted to denominational employees representing special interests in one part of the field to solicit help in any other part of the field or in any other conference without arrangement with and written authorization from conference officers where the fundraising would take place.
2. The following principles protect churches from unauthorized, fraudulent, and undenominational solicitation:
 - a. Pastors and officers shall not grant the privilege of the pulpit to persons for fundraising who have not been recognized or recommended by the conference. (See pp. 116, 117.) No permission shall be granted to solicit funds either publicly or privately without such recognition.
 - b. All funds contributed for any cause in response to appeals shall be passed through regular church channels.
 - c. Conference and church officers shall take such steps as may be necessary to prevent unauthorized or illegal public solicitation ...
3. Interdivision employees visiting their home churches or otherwise communicating with their home bases are asked to solicit funds only for enterprises included in the budget of appropriations, working in cooperation with churches and conferences to raise the funds required to meet the appropriations on which our world mission work depends. All such funds shall be passed through regular channels.

Questionable Methods for Raising Funds—The local church should take a strong stand against questionable methods for raising money. “When money is raised for religious purposes, to what means do many churches resort? To bazaars, suppers, fancy fairs, even to lotteries and like devices. Often the place set apart for God’s worship is desecrated by feasting and drinking, buying, selling, and merrymaking. Respect for the house of God and reverence for His worship are lessened in the minds of the youth. The barriers of self-restraint are weakened. Selfishness, appetite, the love of display, are appealed to, and they strengthen as they are indulged.”—9T 91.¹

¹ *Seventh-day Adventist Church Manual* (Silver Spring: General Conference of Seventh-day Adventists, 2010), 133, 134. Emphasis supplied.



The *Seventh-day Adventist Minister's Handbook* also states that “Pastors should be seen as models of careful and faithful stewardship who promote sound financial management in the church while clearly recognizing that funds given as an act of worship to God should be managed in a way He would approve.”²

In addition to the counsel contained in the *Church Manual and the Minister's Handbook*, the following items need to be considered.

Fundraising for specific projects

Many times individuals approach local church leaders or pastors for permission to present to the local congregation specific projects for which they are raising funds. These projects which may well be legitimate and worthwhile of support need to be carefully vetted, evaluated, and approved by the church board before presentation to the membership. Care should be taken to ensure legitimacy of the organization and a track record in carrying out their mission or stated goals. In addition, any funds solicited should either flow to the specific ministry, if they have their own not-for-profit organization, or through the church. Funds should never be collected or given directly to individuals in their personally capacity.

Tax issues

The law as it relates to not-for-profit organizations is very similar in the three countries which comprise the North American Division, having developed out of the British Common Law legal system. As such, the legal, tax, and accounting principles are generally similar in each country, with the exception of country-specific references such as the 501(c)(3) tax-exempt status discussed below and found only in the United States.

Pastors and church leaders should be careful never to give any kind of tax-related advice correlating the donation being made to the tax deductibility. Donors, especially of large gifts, should be encouraged to seek the advice of their tax counselor, attorney, or professional accountants as to the tax implications for them in making such a gift and the most advantageous way to make this donation based on their particular circumstances. Care should also be exercised in ensuring that any donation is properly receipted and that the funds are directed or used for the purpose for which they were donated. If the church is merely acting as a conduit or if the funds are not to be used or the expenditure controlled by the church, a charitable donation receipt should not be issued.

In the United States, for example, the courts and the Internal Revenue Service have also stated that the test for determining whether a transfer of an asset (cash or goods) was a gift or not is whether it was made out of “detached and disinterested generosity” that is if the gift was made without any expectation of a return benefit to the donor. As such, gifts that have strings attached may be disallowed as charitable donations. In other words, a charitable contribution is a donation or gift to a qualified organization voluntarily made without getting or expecting to get anything in return. Letters of appreciation and acknowledgments are not only appropriate but such acts should be planned for. Special rules also apply to donations of property, stocks, and tangible personal property (goods, cars, furniture, and the like) for valuation (appraisal) and transfer, making the need for

² *Seventh-day Adventist Minister's Handbook* (Silver Spring: Ministerial Association, 2009), 146.



specialized counsel in such instances not only beneficial but necessary. A useful resource is the IRS Publication 1771 entitled *Charitable Contributions-Substantiation and Disclosure Requirements*.³ Churches outside the United States also need to be aware of the specific rules enacted by their respective taxing authorities.⁴

The ability to issue charitable donation receipts comes from recognition by the IRS, or in Canada, the Canada Revenue Authority (CRA), of an organization as a tax-exempt organization, meaning that it is exempt from income tax liability and allowance to receive tax-deductible charitable donations. Organizations apply for and receive what the IRS calls Tax-Exempt Status or 501(c)(3) status after having gone through a rigorous application and review process, which can take upwards of one year to accomplish. Donors are more likely to financially support such organizations because their donations can be tax deductible. Tax-exempt organizations must conduct activities that promote certain recognized functions that fall into five broad categories: religious, charitable, educational, scientific, or literary pursuits. Unless a church is planning to change its activities to other than religious, it is best to stay with the group status. Even if a church is planning to provide charitable activities such as relief to the poor, it can still do so under its religious status. Stringent rules apply as to how a charity is to spend or disburse the funds it receives and also provide an accounting of such.

Within the Seventh-day Adventist Church in the United States, the IRS has issued to the General Conference what is referred to as a “group letter ruling,” allowing all recognized churches and organizations in the United States under the umbrella of the General Conference to use the same single registration, thus negating any need for each organization, local congregation, or newly established congregation to apply for their own status recognition. This recognition allows immediate recognition by the IRS without going through the application process and also eliminates the annual reporting requirements (filing of Form 990), provided that the church is following the procedures established by the conference for keeping books and records detailing financial activities. To protect the church’s group recognition from the IRS, the North American Division Working Policy in section C 47 30 Tax Exemption Status states that any organizations that operate under the 501(c)(3) group exemption held and administered by the General Conference (this includes all churches, schools, conferences, institutions, and organizations in the United States (emphasis added), shall obtain the approval of the North American Division before applying for their own 501(c)(3) tax exemption.

Receipting of donations

The fact that your church or organization is able to receive charitable contributions under the group exemption, or in Canada under the recognition by the CRA, as a tax-exempt organization does not negate the requirement to maintain accurate books of accounting and other records necessary to justify a claim for exemption in the event of an audit. The key piece in the record keeping is the appropriate receipting of donations and the issuance of a charitable donation receipt. Very specific

³ IRS Publication 1771, <http://www.irs.gov/pub/irs-pdf/p1771.pdf>. See also Publication 4221, <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>

⁴ See also publications issued by Canada Revenue Agency, Registering a Charity for Income Tax Purposes CRA Publication T4063E Rev. 08 <http://www.cra-arc.gc.ca/E/pub/tg/t4063/t4063-08e.pdf>. Bermudian law is similar to U.S. and Canadian law and governed by The Bermuda Charities Act 1978. The Seventh-day Adventist Church in Bermuda is registered as a Charity #110 in Bermuda under Bermudian legislation.



requirements have been adopted by the IRS and CRA to substantiate claims for tax deductions and disclosure rules where donations are made partly for a direct donation and part for goods or services received.⁵

Corporate structure

One of the most common questions asked by local churches is whether they need their own legal identity (corporation or established unincorporated association) in order to do fundraising or the solicitation of grants. Sometimes the argument used is that grants can only be obtained by organizations that have their own Federal Tax ID number or an IRS Affirmation or Determination Letter issued to the organization before grants will be considered. This request for confirmation of status before grants are authorized has led some churches or schools to secure their own not-for-profit corporation and registration as a tax-exempt organization. There are many legal, accounting, and insurance issues, which need to be taken into consideration before a move to “autonomous” status is made by a local congregation or school. Consultation with the Conference and experts in finance and law need to be undertaken so that a local church does not endanger its status or find itself without protections found in the group. Permissions must be obtained from the conference, union, and North American Division before separate corporate status is obtained.

It may be that all grant issuing organizations are looking for is proof of the tax-exempt status of the organization requesting the grant. Since recognized churches and schools are officially part of a conference, they are covered by the IRS Group 501(c)(3) Ruling issued to the General Conference or by the Conference recognition by CRA in Canada. If your church or school is requested to provide proof of the IRS Group Ruling status, a letter can be obtained from the General Conference confirming that the church or school is included in the group ruling. This letter can be obtained by writing the General Conference Office of General Counsel at 12501 Old Columbia Pike, Silver Spring, MD 20904, or contacting the office at 301-680-6326.

North American Division Working Policy outlines the rationale behind corporate organization within this division. This applies to organizations and local churches within the North American Division territory. In part, the Working Policy states as follows:

BA 25 05 Incorporating Organizations—It is the general plan not to incorporate or register regular denominational organizations except those involved in the holding of real estate, or for activities that merit such organizational structure, or where required by law. While the local church operates under the legal structure of the local conference, there may be exceptions for certain types of activities at the local church level outside of the regular ecclesiastical needs of conducting the religious activities of the local church that merit the use of a separate legal entity. When such a legal entity is deemed advisable, it shall be formed in conjunction with and by approval of the local conference executive committee, subject to the additional approval called for in BA 25 10.

⁵ See also Publication 1828, <http://www.irs.gov/pub/irs-pdf/p1828.pdf>.



BA 25 10 Authorization—All organizations planning to form legal corporations, limited liability companies, or similar legal entities registered with the government, shall first secure approval from their union executive committee, if applicable, and the North American Division Committee (NADCOM), which shall also determine if the new entity qualifies for denominational status under NAD Working Policy C 47.

Checks and balances have been put in place in the policies of the denomination for organizations, churches, and schools to provide guidance and procedures to be followed by those wishing to establish their own legal organizations. In addition, counsel from a legal, tax, and accounting perspective is available to those wishing to avail themselves of it so that initial mistakes do not cause future problems for individuals or organizations that have embarked down this road.

As leaders of congregations, it is imperative on those entrusted to those roles to be models in honesty, integrity, and ethical behavior. It is the responsibility of leaders to manage the financial affairs of their local congregation and of their personal financial affairs in such a way as to demonstrate to all a sense of integrity which is clear and sincere. Confidence and credibility are two important values that leaders possess and cultivate for building trust in the overall organization of the church. As such, tremendous care needs to be taken to protect personal and organizational reputations from harm. Leaders must always be mindful that the end does not always justify the means. Charities, especially religious organizations, are expected to take the high road and be above reproach, not only for the sake of our members but for those who are observing every action we take to see if our words match our actions.

Conclusion

We have addressed some key issues, but there are other significant matters that you will be facing. For example, acquaint yourself and follow denominational policies concerning property title, mortgages, contracts, loans, or signing of documents, etc. Legal documents or contracts, for example, should always be signed by an authorized conference officer who has authority to bind the organization. In our denomination, local conferences are the legal bodies and thus the local church and church school need to work with the conference administration on these issues before any binding financial or contractual commitments are entered into. Many of these documents will require input and advice from an attorney, churches and church schools should consult with the conference administration before engaging in any legal services by themselves. Often the conference has an attorney with whom they have dealt with and who is familiar with applicable laws and denominational requirements. It is best to use such an attorney to provide counsel and to process the needed documents.





Chapter 8

Stewardship Based Fundraising

By John Mathews

The society in which we live is full of twists and turns. What people once thought was stable and secure is now shaky. There seems to be no part of the economy safe from financial fluctuations. Experts warn that the continued increase of national debt is unsustainable, while law makers argue over plans to fix the problems. The great recession in the U. S. from December 2007–June 2009¹ is called this generation’s Great Depression and is evidenced by the fact that the “housing crash has been larger and faster than the one during the Great Depression,” so states Paul Dales, senior economist at Capital Economics.²

In the midst of this financial insecurity, books such as *The Experience Economy*³ and *Let Them Eat Cake*,⁴ lead to the conclusion that today’s retailers focus on the experience as being more important than the products being sold in the twenty-first century. Some believe society now changes as fast as technology. Organizational structures that have served institutions for decades are not working. There are more not-for-profits set up every year, and in recent years over two hundred churches have gone bankrupt.⁵ The twenty-first century requires that our paradigms and plans be able to change and shift on short notice, perhaps as often as every six months in order to survive. This is the environment congregations face as they consider the financing of building facilities and supporting mission.

How does a local Adventist church finance major building projects in such an uncertain financial environment? Faced with an “experience economy,” how can the church have a successful fundraising experience? Your congregation must have financial support to successfully operate its ministries and maintain facilities. The key to success lies in using principles of fundraising based on stewardship. In a way, conducting fundraising campaigns for such activities seems almost paradoxical, since God is the owner of everything. Some members will be involved in financing specific projects and at the same time some others will not support them. Nevertheless, there are times when the church finds itself involved in fundraising.

¹ msnbc.com staff and news service reports, September 20, 2010. http://www.msnbc.msn.com/id/39269753/ns/business-eye_on_the_economy/t/great-recession-over-research-group-says/. September 28, 2011.

² Forrest Jones, <http://www.moneynews.com/StreetTalk/CNBC-Housing-Crisis-Officially/2011/06/15/id/400131>. September 28, 2011.

³ B. Joseph Pine III and James H. Gilmore, *The Experience Economy* (Boston: Harvard Business School Press, 1999).

⁴ Pamela N. Danziger, *Let Them Eat Cake* (Chicago: Dearborn Trade Publishing, 2005).

⁵ Shelly Banjo. “Since 2008, nearly 200 religious facilities have been foreclosed on by banks, up from eight during the previous two years and virtually none in the decade before that, according to real-estate services firm CoStar Group, Inc. Analysts and bankers say hundreds of additional churches face financial struggles so severe they could face foreclosure or bankruptcy in the near future.”

<http://online.wsj.com/article/SB10001424052748704115404576096151214141820.html>. September 28, 2011.

The church must be guided by spiritual principles that have a Biblical foundation as it provides finances for its projects and ministries. Scripture gives guidelines through examples for fundraising that are rooted in stewardship. Stewardship is an ongoing, day-by-day, spiritual lifestyle experience where we learn that all we have is given to us by God. When we fit all the facets of our lives together, the will of God can be revealed in the Christian life. In the area of money, stewardship is the management of God's earthly possessions. Our first responsibility as stewards is to return our tithe. Then we are invited to give offerings as we are blessed. Our returning of tithe and offerings reflects individual honesty and gratitude. The repetition of these acts demonstrates growth in grace, a deepening of spiritual commitment, and an understanding that financially supporting God's work reflects the relationship we have with God and how we manage money.

What has just been described is the stewardship baseline for financial support of any church that has a program to move God's mission forward. However, such a church program will eventually need additional funds beyond the normal returning of tithe and the giving of offerings. These additional and special funds are often used to buy property, build schools and churches, or remodel existing structures. The best way to bring these projects to reality, I will call, "Christian fundraising." It is a highly specialized, organized method by which the church focuses on providing members and friends with the opportunity to participate financially in supporting the vision of the church for the construction of facilities. Leaders and members needing additional funds must recognize that the Bible states, "But all things must be done properly and in an orderly manner."⁶ A congregation that embarks on a major project or expansion of facilities, regardless of the scope, would be well advised to consider developing a spiritual, efficient, and realistic fundraising plan because "every act of self-sacrifice strengthens the spirit of beneficence in the giver's heart."⁷ God is not the author of financial confusion in building structures to advance His mission. A careful fundraising plan will safeguard the local church against bad decisions and financial disaster, assuring that no reproach will come upon the work of God.

The concepts in this handbook set forth a "how to guide" and presents the best methods for Christian fundraising that will enable congregations to advance the cause of God in an organized and dignified manner. Some projects may seem impossible, but leaders and congregations "are to lay right hold of the work, making those things which appear impossibilities possibilities."⁸ To accomplish this, there must be a plan. Dedication, organization, and generosity enable us to meet financial challenges. God has entrusted us with money to advance heaven's work on earth. Years ago, Ellen G. White wrote this bold statement regarding a building project in Washington, D.C.: "There should be no delay. The cause of God demands your assistance. We ask you, as the Lord's stewards, to put His means into circulation, to provide facilities by which many will have the opportunity of learning what is truth."⁹ There is no better way to invest your money than in the cause of God.

Jesus tells a parable, I call the "tower builder," that clearly shows that successful discipleship will cost and requires one to count the cost of such a decision. What builder "intending to build

⁶ 1 Corinthians 14:40, NASB. Scriptures quoted from NASB are from The New American Standard Bible®, Copyright © 1960, 1962, 1963, 1968, 1971, 1972, 1973, 1975, 1977, 1995 by The Lockman Foundation. Used by permission.

⁷ Ellen G. White, *The Acts of the Apostles* (Mountain View, CA: Pacific Press Pub. Assn., 1911), 341.

⁸ Ellen G. White, *Counsels on Stewardship* (Washington, D.C.: Review and Herald Pub. Assn. 1940), 44.

⁹ Ellen G. White, *Pacific Union Recorder*, August 11, 1904.



a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?”¹⁰ Jesus counted the cost in saying “yes” to His Father’s will in saving humanity. While this parable is referring to the cost of discipleship, we have a pointed illustration by Jesus that is appropriate counsel for congregations. We should count the cost of any project undertaken and to see that there are funds to finish it, “Otherwise, when he has laid a foundation and is not able to finish, all who observe it begin to ridicule him, saying, ‘This man began to build and was not able to finish.’”¹¹

Having a plan to accomplish the task and proceeding to complete the task in an organized manner are important principles of stewardship. A good plan will enhance the credibility of the project with the congregation and careful implementation increases the accountability for those leading the fundraising. When the call is made to financially support the project and be involved in the method of fundraising, remember that credibility and accountability will inspire members to “give as he purposes in his heart, not grudgingly or of necessity; for God loves a cheerful giver.”¹² In the Old Testament, Moses gave a direct appeal for the construction of the sanctuary to the “whole Israelite community” as God commanded that “everyone who was willing [is to bring] an offering.”¹³ This is an example of a general appeal and a willing response. Another illustration happened years later when David said, “I have of mine own proper good, of gold and silver, which I have given to the house of my God, over and above all that I have prepared for the holy house.”¹⁴ Here is an example of leadership giving willingly toward the building of the temple. Neither example shows an impulsive approach. Making urgent calls to raise money is not the best method.¹⁵ The materials for the tabernacle in the wilderness and the temple built by Solomon were obtained by united effort. They had a plan. This handbook presents an organized way by which members and leaders may give to a major project that will bring success.

One of the best examples of securing finances for a major project is recorded in the book of Nehemiah. The story is inspirational and compelling, for it shows the need, vision, dedication, and passion of leadership, workers, and even the king. The following facts reveal what Nehemiah did foundational in rebuilding the walls of Jerusalem. He prayed to the God of heaven concerning the magnitude of the task. His request to the king was designed in the most careful manner so as to win his favor. “Nehemiah did not depend upon uncertainty”¹⁶ and was bold in asking for further assistance from the king. What were the results? “He obtained all that he asked or even desired.”¹⁷ “His prayer had been answered in such a way as to show that the plan was of the Lord.”¹⁸ “Moreover I said unto the king, If it please the king, let letters be given me to the governors beyond the river, that they may convey me over till I come into Judah; And a letter unto Asaph the keeper of the king’s forest, that he may give me timber to make beams for the gates of the palace which appertained to the house, and for the wall of the city, and for the house that I shall enter into.

¹⁰ Luke 14:28, KJV. Scriptures quoted from KJV are from the King James Version of the Bible.

¹¹ Luke 14:29, 30, NASB.

¹² 2 Corinthians 9:7, NKJV. Scriptures quoted from NKJV are from The New King James Version, copyright © 1979, 1980, 1982, Thomas Nelson, Inc., Publishers.

¹³ Exodus 35:4–29, NIV. Scriptures quoted from NIV are from the HOLY BIBLE, NEW INTERNATIONAL VERSION®. Copyright © 1973, 1978, 1984 by International Bible Society. Used by permission of Zondervan Publishing House. All rights reserved.

¹⁴ 1 Chronicles 29:1–20, KJV.

¹⁵ Ellen G. White, Testimonies for the Church (Mountain View, CA: Pacific Press Pub. Assn., 1948) 3:510.

¹⁶ Ellen G. White, Prophets and Kings (Mountain View, CA: Pacific Press Pub. Assn., 1917), 634.

¹⁷ Ellen G. White, Signs of the Times, October 20, 1887.

¹⁸ Ellen G. White, Prophets and Kings (Mountain View, CA: Pacific Press Pub. Assn., 1917), 638.



And the king granted me, according to the good hand of my God upon me.”¹⁹ Imagine what would happen if you presented the project to the Lord in earnest prayer, showing Him the magnitude of the need. He would give leaders the passion to present a clear vision to ask not only members to give but also the community. God would bless beyond what we thought could be done.

These examples are not the only Biblical principles of fundraising that have their foundation in stewardship. There are the examples of Paul asking believers in the New Testament to remember the poor in Judea and believers in Jerusalem.²⁰ Likewise, Jesus was not uncertain or ambiguous when He said, “Where your treasure is, there will your heart be also.”²¹ This profound insight goes to the core of our relationship to God because possessions and wealth can capture the heart. Having our treasure and heart connected reveals a spiritual experience that will result in action. In an “experience economy,” these biblical principles are valuable and will serve as a stewardship foundation for guiding your congregation in understanding how to use sound fundraising techniques as they apply to the local church. If this handbook is followed, the local church will be more successful in having the financial resources to accomplish its God-given task. If these principles are prayerfully and humbly implemented, they will bring success and the blessing of God.

The process of funding your local project is about to begin. There is no magical formula or mathematical equation that will make your wonderful project happen without effort. It will require a lot of hard work on the part of leaders and members. Countless hours will be spent in committees, discussions, prayer, organizing, and then implementing the plan. This handbook is designed to assist you in these areas. The results and success of your project will show what a difference people can make in the lives of others. Ultimately, fundraising is love in action and is the foundation of stewardship, and is really the key to any successful fundraising project or church activity.

¹⁹ Nehemiah 2:7, 8, KJV.

²⁰ Galatians 2:10; Acts 11:29, 30; Romans 15:26.

²¹ Matthew 6:21, KJV.





Chapter 9

Relevant Biblical Passages

By Lilya Wagner

The Scriptures have many relevant passages for those involved in capital campaigns. We share with you a limited selection of passages that will help you focus on the spiritual nature of such campaigns. Fundraising is a spiritual function of the church, and if you study these and other passages, you will be blessed.

The Israelites did as Moses instructed and asked the Egyptians for articles of silver and gold and for clothing. The LORD had made the Egyptians favorably disposed toward the people, and they gave them what they asked for; so they plundered the Egyptians (Exodus 12:35, 36, NIV).

When Hiram king of Tyre heard that Solomon had been anointed king to succeed his father David ... the craftsmen of Solomon and Hiram and the men of Gebal cut and prepared the timber and stone for the building of the temple (1 Kings 5, NIV; see the Bible for entire chapter).

Then King David said to the whole assembly: “My son Solomon, the one whom God has chosen, is young and inexperienced. The task is great, because this palatial structure is not for man but for the LORD God. With all my resources I have provided for the temple of my God—gold for the gold work, silver for the silver, bronze for the bronze, iron for the iron and wood for the wood, as well as onyx for the settings, turquoise, stones of various colors, and all kinds of fine stone and marble—all of these in large quantities. Besides, in my devotion to the temple of my God I now give my personal treasures of gold and silver for the temple of my God, over and above everything I have provided for this holy temple: three thousand talents of gold (gold of Ophir) and seven thousand talents of refined silver, for the overlaying of the walls of the buildings, for the gold work and the silver work, and for all the work to be done by the craftsmen. Now, who is willing to consecrate himself today to the LORD?”

Then the leaders of families, the officers of the tribes of Israel, the commanders of thousands and commanders of hundreds, and the officials in charge of the king’s work gave willingly. They gave toward the work on the temple of God five thousand talents and ten thousand darics of gold, ten thousand talents of silver, eighteen thousand talents of bronze and a hundred thousand talents of iron. Any who had precious stones gave them to the treasury of the temple of the LORD in the custody of Jehiel the Gershonite. The people rejoiced at the willing response of their leaders, for they had given freely and wholeheartedly to the LORD. David the king also rejoiced greatly. . . . “I know, my God, that you test the heart and are pleased with integrity. All these things have I given willingly and with honest intent. And now I have seen with joy how willingly your people who are here have given to you” (1 Chronicles 29:1–17, NIV)

The men of Israel and Judah who lived in the towns of Judah also brought a tithe of their herds and flocks and a tithe of the holy things dedicated to the LORD their God, and they piled them in heaps. They began doing this in the third month and finished in the seventh month. When Hezekiah and his officials came and saw the heaps, they praised the LORD and blessed his people Israel. Hezekiah asked the priests and Levites about the heaps; and Azariah the chief priest, from the family of Zadok, answered, “Since the people began to bring their contributions to the temple of the LORD, we have had enough to eat and plenty to spare, because the LORD has blessed his people, and this great amount is left over” (2 Chronicles 31:6–10, NIV).

In the month of Nisan in the twentieth year of King Artaxerxes ... “We his servants will start rebuilding” (Nehemiah 2, NIV; see the Bible for entire chapter).

Good will come to him who is generous (Psalm 112:5, NIV).

He hath dispersed, he hath given to the poor; his righteousness endureth for ever; his horn shall be exalted with honour (Psalm 112:9, KJV).

Do not hold back anything good from those who are entitled to it when you have the power to do so (Proverbs 3:27, GW).¹

Some people give much but get back even more. Others don’t give what they should and end up poor. Whoever gives to others will get richer; those who help others will themselves be helped (Proverbs 11:24, 25, NCV).²

When you help the poor you are lending to the Lord (Proverbs 19:17, TLB).³

If you give to the poor, your needs will be supplied! But a curse upon those who close their eyes to poverty (Proverbs 28:27, TLB).

“You are cursed with a curse, for you are robbing Me, the whole nation of you! Bring the whole tithe into the storehouse, so that there may be food in My house, and test Me now in this,” says the LORD of hosts, “if I will not open for you the windows of heaven, and pour out for you a blessing until it overflows” (Malachi 3:9, 10, NASB).⁴

“Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moth and rust do not destroy, and where thieves do not break in and steal” (Matthew 6:19, 20, NIV).

¹ Scriptures marked GW are quoted from GOD’S WORD. GOD’S WORD is a copyrighted work of God’s Word to the Nations. Quotations are used by permission. Copyright 1995 by God’s Word to the Nations. All rights reserved.

² Scriptures marked NCV are quoted from *The Holy Bible, New Century Version*, copyright © 1987, 1988, 2001, 2005 by Word Publishing, a division of Thomas Nelson, Inc, Use by permission.

³ Scriptures marked TLB are quoted from Scriptures quoted from TLB are from *The Living Bible*, copyright © 1971 by Tyndale House Publishers, Wheaton, IL. Used by permission.

⁴ Scriptures marked NASB are from the New American Standard Bible. Copyright © 1960, 1962, 1963, 1968, 1971, 1972, 1973, 1975, 1977, 1995 by The Lockman Foundation.



“Give, and you will receive. Your gift will return to you in full—pressed down, shaken together to make room for more, and running over, and poured into your lap. The amount you give will determine the amount you get back” (Luke 6:38, NLT).⁵

“So now, brethren, I commend you to God and to the word of His grace, which is able to build you up and give you an inheritance among all those who are sanctified. I have coveted no one’s silver or gold or apparel. Yes, you yourselves know that these hands have provided for my necessities, and for those who were with me. I have shown you in every way, by laboring like this, that you must support the weak. And remember the words of the Lord Jesus, that He said, ‘It is more blessed to give than to receive.’” (Acts 20:32–35, NKJV).

Since you excel in so many ways—in your faith, your gifted speakers, your knowledge, your enthusiasm, and your love from us—I want you to excel also in this gracious act of giving. I am not commanding you to do this. But I am testing how genuine your love is by comparing it with the eagerness of the other churches (2 Corinthians 8:7, 8, NLT),

Tell them to use their money to do good. They should be rich in good works and should give happily to those in need, always being ready to share with others whatever God has given them. By doing this they will be storing up real treasure for themselves in heaven—it is the only safe investment for eternity! And they will be living a fruitful Christian life down here as well (1 Timothy 6:18, 19, TLB).

The Christian ... is the one who takes care of orphans and widows, and who remains true to the Lord (James 1:27, TLB).

Most of all, love each other as if your life depended on it. Love makes up for practically anything. Be quick to give a meal to the hungry, a bed to the homeless—cheerfully. Be generous with the different things God gave you, passing them around so all get in on it (1 Peter 4:8-10, The Message).⁶

⁵ Scriptures marked NLT are from the Holy Bible. New Living Translation copyright© 1996, 2004, 2007 by Tyndale House Foundation. Used by permission of Tyndale House Publishers Inc., Carol Stream, Illinois 60188. All rights reserved.

⁶ Scripture quotation from *The Message*. Copyright © by Eugene H. Peterson, 1993, 1994, 1995, 1996, 2000, 2001, 2002. Used by permission of NavPress Publishing Group.







Ellen White as Philanthropist

By Michael W. Campbell

Most Seventh-day Adventists view Ellen White as a prolific writer, counselor, and popular speaker. She was all of those things and more, but she also cared deeply for those around her, the church, and for the uplifting of humanity. As such, Mrs. White personifies the principles of philanthropy. The term “philanthropy” comes from the Greek word *philanthropos*, which in turn comes from two words: *philos*, or “love,” in the sense of benefiting or caring for something; and *anthropos*, meaning “humanity” or “humankind.” Thus, a philanthropist is someone who is conscious of the well-being of the human race, typically expressed through charitable aid or donations. In this sense, Ellen White was a model philanthropist. During her lifetime she and her husband showed that they were fully committed to the movement they loved by contributing sacrificially to the Sabbatarian Adventist cause. As early as 1857, Mrs. White noted that some Adventists were too much in love with their own money. Such selfish hoarding both hindered their spiritual growth and stifled the cause of God.¹ Ellen White challenged the church to use the resources entrusted to each to advance the mission and work of the church. She wrote about various aspects of philanthropy—everything from the management of personal finances to encouragement to wealthy members to plan for the disposition of their estate. She also personally solicited funds for projects, and when other sources were not available, she pledged money for them.

The importance of relationships

Philanthropy experts write about the concept of philanthropy as part of a unified cycle that centers on building and maintaining relationships. The “asking” for a gift should not happen until after a series of steps is taken. In her own life, she lived this cyclical process. It wasn’t just about the “asking” for Ellen White—instead, she authentically cultivated friendships with people and remained in touch with many of her well-to-do friends who were able to use their “means” to advance God’s work. As early as 1859, Ellen White wrote her earliest letter of appeal to an Adventist businessman to give more of his money to advance the Advent cause.²

Ellen White’s commitment to maintaining close and personal relationships with people shows her ability to raise money. For example, one of Ellen White’s stalwart financial supporters was Anna Rasmussen, who lived with the Whites in their home in California during the 1870s and then traveled with Mrs. White through the European mission field later on after both had become widows. For many years after their travels, Mrs. White wrote to Anna asking her for money for various ministries and the translation of her books.³

¹ Letter 9, 1857.

² Letter 4, 1859.

³ For biographical information, see Anna M. Rasmussen’s obituary, *Review and Herald*, August 27, 1931; for some examples of their correspondence, see Letters 28, 78, 1909; Letter 58b, 1910).

Another example of Ellen White’s commitment to relationships was the long-standing relationship with the family of Gilbert and Deborah Collins from Dartmouth, Massachusetts.⁴ Their parents, Philip and Nancy Collins, had been Millerites who supported James and Ellen White when the Advent cause was in its infancy.⁵ As a youth, Ellen White wrote a letter of encouragement to Philip and his sister. Later, in 1849, when Philip was deathly ill, his parents invited the Whites to their home and he was miraculously healed.⁶ By the 1890s, Ellen White, while in Australia, felt comfortable enough to write several times to Gilbert Collins to solicit funds for the work in Australia. In 1902, after she learned that he was gravely sick, she wrote to him again about her desire to visit him personally on her next trip. She wrote numerous letters of encouragement. At one point, she felt comfortable enough with the family that she urged them to consider making a will so that “after your life ends, it is your privilege to carry forward His work.”⁷ When a church leader wrote to Ellen White complaining that the Collins family was not willing to donate funds for a new sanitarium in New Bedford, Massachusetts (which later became the Acushnet Sanitarium), she asked the leader to back off. She made it very clear that he was not to pressure Collins into giving if he did not feel free to give to this particular cause.⁸

Another wealthy Adventist with whom Ellen White had a close friendship with was Josephine Gotzian (1855–1935). Originally from Minnesota, she and her husband made a fortune in the shoe industry. During the 1880s, Josephine’s husband was killed in a train wreck and she went to the Battle Creek Sanitarium for treatment. It was while she was there that she invited a young colporteur, E. A. Sutherland, to board at her home. Through this friendship, Mrs. Gotzian became a Seventh-day Adventist. She later moved to California where she lived near the St. Helena Sanitarium and became a close friend and confidant of Ellen White. On several occasions, Ellen White recommended that Mrs. Gotzian provide loans for students. Ellen White also made a personal “ask” for sizable financial gifts to help purchase properties for the Avondale Health Retreat, Paradise Valley Sanitarium, and later the Loma Linda Sanitarium. It appears that Mrs. Gotzian gave whenever Mrs. White asked her for help. After Ellen White’s death, Mrs. Gotzian was one of the largest contributors and led in the fundraising effort to build a hospital in Los Angeles that was named in honor of her close friend, Ellen G. White.⁹

Mission versus specific projects

Ellen White on an ongoing basis reminded church leaders that the work of the Seventh-day Adventist Church was global. At times she found herself frustrated, especially when she lived in Australia during the 1890s, because she felt church leaders had lost a sense of the worldwide scope of the denomination’s mission. She wrote repeatedly about the need for self-denial that should characterize every denominational employee. She feared that those who tried to implement a wage scale in which some church employees were paid significantly higher than others would make “extinct” the “spirit of self-sacrifice” that was “the great heart of the work.”¹⁰

⁴ For the obituaries of Gilbert N. Collins (1836–1905) and Deborah L. Collins (1839–1852), see *Review and Herald*, December 23, 1852; June 29, 1905. For an overview of their lives, see *The Ellen White Encyclopedia*, s.v. “Gilbert N. and Deborah L. Collins” (Hagerstown, MD: Review and Herald Pub. Assn., 2010).

⁵ Ellen G. White, *Spiritual Gifts*, vol. 2, 108, 109.

⁶ See Letter 7, 1849; *Ellen White Encyclopedia*, s.v. “Philip and Nancy Collins.”

⁷ Letter 6, 1902.

⁸ Letter 29, 1905.

⁹ *Ellen G. White Encyclopedia*, s.v. “Josephine Gotzian.”

¹⁰ Letter 20a, 1893, in *Selected Messages*, bk. 2, (Washington, DC: Review and Herald Pub. Assn., 1958), 210–218.



At significant junctures, Ellen White challenged church leaders to look beyond the immediate and see the long-term needs of the worldwide church. These needs were just as important if not more important than their own immediate environs. From the late 1880s up to the end of her life in 1915, Ellen White began to more aggressively appeal for funds for specific projects. Some of the specific things that she made personal appeals to individuals for funds included the new Oakwood Industrial School (now Oakwood University),¹¹ the work in England,¹² the southern work in the United States,¹³ the translation of her books,¹⁴ foreign missions,¹⁵ and upon occasion the construction of specific churches.¹⁶

Ellen White knew that fundraising is not simply asking people for money. It was part of a process that revolved around a relationship with that person. In at least one instance she wrote to an Adventist who was considering make a contribution, pointing out the great need of Adventist missions and what a difference such a gift would make.¹⁷ She was especially careful to make sure she wrote Thank-you letters to people after they made their contribution too.¹⁸ In fact, this type of correspondence accounts for a significant amount of her letter writing during the last three decades of her life. Although she had literary assistants, at times she even took the time to write a handwritten Thank-you letter. One such example was a letter she wrote to Harvey and Emma Gray, church members in California. The Grays had converted at a camp meeting during the 1880s at which she had spoken at and presumably first met this couple. The Grays gave generously to many projects during their lifetime—the Pacific Press, then later Healdsburg College and St. Helena Sanitarium, and then soon after the turn of the century, the newly established Paradise Valley Sanitarium. After one of their contributions, Ellen White sent them a letter of appreciation along with a glowing account of the discovery of water at the Paradise Valley Sanitarium—thus encouraging these wealthy members that the money that they gave was a worthwhile investment.¹⁹

Ellen White frequently was very specific about how the funds would be used. For example, she wrote to a potential donor an appeal for an automobile for the same newly formed sanitarium in southern California to help transport guests from the railroad station to the facility.²⁰

Ellen White always had a soft spot for students. At times she sponsored them through school or at other times gave them employment and thus helping them work their way through school. A number of the physicians at the Health Reform Institute (later the Battle Creek Sanitarium) received their medical education because James and Ellen White helped them financially. She was also very practical in her advice to students. In at least one instance Ellen White counseled a student not to leave for the mission field until he had paid off his education loan.²¹

¹¹ Letter 221, 1904.

¹² Letter 69, 1887.

¹³ Letter 213, 1904.

¹⁴ Letter 110, 1903.

¹⁵ Letter 77, 1894.

¹⁶ Cf. Letter 174, 1909, where Ellen White appealed for funds for the construction of a church in Portland, Oregon; see also Letter 113, 1897, where Ellen White appealed for funds to build a church in Cooranbong, Australia.

¹⁷ Letter 77, 1894.

¹⁸ For some examples of Thank-you letters, see Letter 23, 1900 (to Wesley Hare).

¹⁹ Letter 317, 1904 in *Manuscript Releases*, 14, 218–20; also see *Ellen G. White Encyclopedia*, s.v. “Harvey and Emma Gray.”

²⁰ Letter 118, 1909.

²¹ Letter 112, 1900.



Ellen White not only solicited funds from others, but also personally gave to projects. Perhaps the largest streams of revenue for her personal giving came from the sale of her own books. Toward the end of her life, she dedicated all royalties from the sale of *Christ's Object Lessons* (published in 1900) to benefit Adventist educational institutions; then later *The Ministry of Healing* (published in 1905) to similarly benefit Adventist health institutions. She encouraged church members to raise money by selling her books door-to-door and relieve institutions of debt. During this same period, she worked actively to raise money for possibly the largest fundraising project of her lifetime—funds for the Loma Linda Sanitarium. Ellen White wrote numerous letters to many benefactors to either ask them for donations, or at the very least, she solicited personal loans on her own line of credit to make sure that they were able to meet their scheduled payments and secure the property for the denomination.²²

Money a “delicate subject”

Money frequently can be a delicate subject for many people. During her lifetime, Ellen White dealt with church members who came from a variety of social and economic backgrounds. Some church members were destitute and she at times had to advise people that although they had good intentions that they shouldn't be giving for projects until they had their own finances in order. In one such instance, Ellen White returned the money she received. In the tactfully written letter that accompanied the returned funds, she cautioned them that they had not exercised good judgment since their own family was destitute.²³ There were others who wrote asking Ellen White for divine guidance with regard to their business transactions. One such individual actually asked Ellen White to personally endorse his real estate and mining company. Such an endorsement would not only be financially lucrative but would help him to give more to the Adventist work. He furthermore sought counsel from her about future business dealings that he should make. In reply to his letter, Mrs. White told him that this was not her work to do this.²⁴

Ellen White's personal finances

During James and Ellen White's earliest years, they were destitute. Gradually, through their lifetime, they were able to save up money or build up their net worth. In their early years, Mrs. White was known to keep a stocking behind the back kitchen door where she squirreled away some funds, and occasionally when some financial setback came their way, they were able to make do because of her planning.

Some allege that Ellen White did not follow her own advice to “avoid debt like the plague.” By the time of her death in 1915, she was in debt. But it is important to understand that not only did she encourage people to avoid debt, but that the debt she did incur were not because she exceeded her own living expenses. She borrowed money to expand the work of the Seventh-day Adventist Church (when was the last time someone you knew took out a personal loan for some missionary activity?). Especially during Mrs. White's later years, she borrowed money when the work of the church had reached a critical point and no funds seemed available. She personally borrowed money to fund projects ranging from the translation of her books into new languages to contribute personally to

²² Cf. Letter 303, 1905.

²³ Letter 1, 1865.

²⁴ Letter 192, 1905; see also *Ellen White Encyclopedia*, s.v. “Stonewall Jackson Harris.”



the land for the newly purchased Loma Linda Sanitarium. At the same time, she wrote letters to her major benefactors asking for them to contribute as well. To use modern parlance, she had full “buy in” for a project and made sure she did everything she could personally before soliciting other benefactors.

Mrs. White was generous toward others with her own funds. At one time a person wrote to Ellen White claiming that she owed five dollars. Rather than dispute the claim, she wrote them a letter stating that she had no recollection for the claim she made, but rather than be the cause of a stumbling block, she agreed to pay the money and furthermore invited her to borrow her carriage so that they might attend some upcoming evangelistic meetings.²⁵

Conclusion

Ellen White was a philanthropist who both raised money for and personally contributed significantly in terms of financial resources to the Seventh-day Adventist Church. In many ways, had it not been for her vision for growth, the cultivation of personal relationships, and ultimately her solicitation of funds from wealthy church members, that helped to keep the growing Seventh-day Adventist Church solvent at times, many large institutions and the flow of funds would not exist within the church had it not been for her personal involvement and foresight.

As one of the co-founders of the denomination (along with her husband, James, and Joseph Bates), she was the prophetic voice for a movement that started in New England but spread around the globe. She outlived her husband and Captain Bates, thus ensuring the long-term financial stability of the denomination. One of the interesting things is that Ellen White was both a prophet as well as a pragmatist—at times she received providential insights about financial needs and counsels, but at other times she was not given any specific financial advice from heaven and used her own common sense and financial understanding prowess to give guidance to church leaders. In this sense, Ellen G. White modeled some of the “best practices” as a model philanthropist.

²⁵ Letter 88, 1887.







Signposts Worth Remembering

By Lilya Wagner and Nikolaus Satelmajer

The purpose of this handbook is to provide planning and fundraising guidance for local church-sponsored campaigns and projects. The church may be buying a building, building a new building, making major renovations, developing a church school building project, creating a school scholarship project, or planning similar major projects. In this short chapter, we are taking a different approach. Instead of sharing “how to,” we are listing some cautions. These are similar to highway signposts cautioning the driver about road conditions. Some things you should avoid, others are questions you should ask and some are suggestions worth considering.

Common but unfortunate perceptions to avoid

- “Give me the ten easy steps to make me successful.” (Fundraising is a thoughtful management process and there are no ten easy steps. PSI and this handbook will help you navigate that process in a responsible way.)
- “But we’re different.” (Yes, we have the Lord as our team member, but otherwise, we need to undertake fundraising just like other nonprofits in the NAD. The money doesn’t just come without our managing a well-planned and carefully implemented campaign.)
- “Fundraising is for secular organizations, not us.” (Churches, including Adventist, are part of the fabric of the non-governmental scene in North America and therefore under the same challenges and opportunities as all other service-oriented organizations.)
- “God says to give, so we don’t need to ask.” (Giving to churches has changed, and the Adventist Church is part of that change. Members want to be treated more like donors, to be asked to participate, to know what happens to their money, and to be included in appropriate ways.)
- “That’s fine, but it won’t work here.” (This is a self-defeating mentality. The most successful churches and organizations are those that learn the best principles and practices, then adapt them to their own situations—usually with the help of PSI.)
- “But we’ve always done it this way!” (This is a deadly outlook—what worked yesterday or yesteryear may no longer work today because of changing circumstances, newer and different demands on our organizations and members, and changes in member viewpoints and attitudes.)

- “God will provide.” (This is definitely a positive perception—but it needs to be coupled with responsible hard work. There is a fine line between faith and presumption!)

Ask yourself—If not fundraising, then what?

- If not, what will happen?
- How much better can we do?
- What else do we need to or want to do?
- Do you have contingency plans—the “what-if” scenarios?
- Have you considered all the side benefits of fundraising, e.g., bringing all interested parties to the table, achieving consensus, working toward a common goal?
- If you don’t raise funds, can you keep up in challenging times?

Actions you should avoid

- Excessive debt
- Buying on speculation—the church is not a real estate development organization
- Building without a qualified contractor or a qualified supervisor if members are doing work
- Purchasing without knowing zoning implications
- Signing documents and contracts, which should be signed by conference officer
- Relative/friend conflict, which may occur during construction or in purchasing property
- Fundraising schemes that will hurt members and church
- Purchasing a building without anticipating the actual costs to make it useable
- Building without anticipating maintenance costs
- Starting a project before there is broad support for the project

We have presented some cautions and actions to avoid. While it is not according to our nature to look on the mildly dark side, it’s necessary and desirable to present these in contrast to the positive advice that fills this handbook. Our intent is to give you a roadmap with a realistic view but with a destination that fulfills our service to God and His promises to us.





Debt Payment Fundraising Campaigns

By Lilya Wagner and Jim Greenfield

Sometimes fundraising for debt elimination is necessary since, in the past, some project was undertaken. Perhaps you moved to a new church, only to find there is major debt from the last building campaign. Perhaps not all went as planned, and your renovation of church facilities has not been paid off. Or, your building committee moved forward and the project was begun before enough money had been acquired for the building campaign. Or, you took out a loan for the building and then the economy changed drastically. On the other hand, you may need to enter a new building or renovation project and thus the debt for the previous project needs to be addressed. Whatever the reason for the existing debt, what should you do?

A capital campaign as well as project fundraising can and should be a positive experience for a church, school, or other organization. A well-organized program will bring success. On the other hand, fundraising that focuses on debt payments is more difficult to develop and implement. The outcome should be positive, but getting there is challenging. Realistically, there are no quick and easy answers.

Debt reduction or elimination campaigns are the hardest to manage and complete successfully. In fact, one senior fundraising consultant put it bluntly, “They are a no-win situation.” Nevertheless, existing debts need to be paid. How do you reduce or eliminate an existing debt? The following suggestions will help you launch a debt elimination campaign. Study these suggestions, adapt them as needed, and you will be ready for a successful debt elimination project.

Preparation stage:

- 1) Please read the chapters in *Successful Fundraising* on “Fundraising Fundamentals” and the “Capital Campaign.” These will give you a good foundation for implementing a campaign.
- 2) Create or ensure an active, interested, and working committee is in place. Beware of a campaign becoming just a pastor’s project.
- 3) Re-study the yearly plan. If there is no plan in place, focus on the mission.
- 4) Review past history of fundraising and the campaign itself. Were Seventh-day Adventist policies on borrowing funds followed? Was this borrowing plan discussed with the congregation? Any controversy? Objections? Concerns? What was the plan for debt payment? Sources of funds?

- 5) Conduct a customized feasibility study; understand the issues involved in the campaign. Is the church weary of hearing about debt? Are there opposing factions? Do organizational, management, financial, or relationship issues have to be resolved before a campaign can move forward? Is there a school related to the church? If so, is the school (board faculty, parents, students, alumni) weary of hearing about church debt? Are school members supportive to help resolve the debt?
- 6) Determine what programs are most essential and what services are critical. Trim all spending and maintain what's essential and critical. Recommend changes to the church board.
- 7) Evaluate what progress reports, outcomes, and other reports have been communicated with members and other donors since construction was completed, and during the campaign time.
- 8) Ensure the church board is supportive of undertaking a major debt reduction campaign. Present plans to the board and request input as well as commitment to be involved. Prepare a presentation for the church business meeting, which has final authority. Without a board and business meeting, a campaign's success will be in question.
- 9) Prepare a short, but carefully detailed, written job description for the fundraising committee, including a description of duties and roles for a Chair or Co-Chairs as well as Vice Chairs. Great care must be exercised in selecting the Chair and other leaders.
- 10) Determine if the fundraising should be a line item in your budget or should be a separate campaign. This depends on the size of the debt versus the church budget.
- 11) Make a serious determination of what a realistic goal is, and the potential for reaching it in a reasonable length of time. People get weary with long campaigns that have unreasonable goals.
- 12) These steps should be taken with diligence but not much fanfare. **Hold off making public announcements until plans are in place; then publicize the plans to the church body.** The congregation has been represented during the planning by the church board and the committees, so its voice has been heard.

Campaign planning:

- 1) Draft a new "Case for Giving" around priority needs (capital and program) linked to a master plan.
- 2) Ensure there is a good database in place. If there isn't one that will be appropriate for fundraising records and tracking, contact PSI for suggestions on securing one.
- 3) Invite church members who will serve in the role of volunteers to be part of the planning, identification of donors, and eventually be solicitors as well, at least for the major gifts.



Provide appropriate training and ensure “job descriptions” are in place so volunteers know what is expected of them. If raising funds for a school, the school board, faculty, and staff should also be involved in planning and volunteering.

- 4) Create a major gifts committee, besides the fundraising committee (although there can be membership overlap). Research potential sources as family support (prior donors, members, alumni, school parents if there is a school involved, etc.) as a list of top (the number depends on the size of the church) major gift candidates, each to be seen within the next six months. Please contact PSI if you need assistance in developing committee job descriptions.
- 5) Current and prior donors are your best resource for new gifts, including major gifts. Prepare a list of your top 25 or 50 largest donors. Study their history with the church or school as well as other instances of their philanthropy as part of preparation to meet with each to discuss the campaign within a six-month period. The campaign also is an appropriate time to identify and qualify new prospects as potential donors. In addition to individuals as prospective major gift candidates, research other sources such as church or school vendors and suppliers along with local businesses, service organizations and more. Also look for contacts that will link prospective candidates with current and past church members and current donors to organize personal visits to these new prospects. There may be other, local-area sources of funds but please remember that foundations are highly unlikely to give to debt reduction.
- 6) One fiscal strategy that may appeal to both campaign leaders as well as contributors is to request a gift for an existing program or service in the current operating budget, such as funds for a community service or school project. As these are funded with new contributions, the new gifts will allow the “release” of budgeted funds that can be transferred to the debt retirement account. In this fashion, you have preserved the donor’s request to use their funds for the current program or service while also contributing to the debt reduction campaign. Also, be clear with each donor to explain how their new contribution will help maintain current operating programs as well as help with debt retirement.
- 7) Consider how you might add to your income by other means, such as renting parts of your church building, or collaborating with another institution by providing something that institution needs, such as renting your parking lot or renting classrooms to local night schools or other meeting needs.
- 8) Develop a system to qualify potential donors for personal face-to-face visits. Establish a separate cultivation plan and meeting agenda for each prospective donor.
- 9) Continue to build and train volunteers so they will be comfortable with approaching potential donors, and will be prepared to do so professionally. Please contact PSI for suggestions on what information and training volunteers should receive. We can send materials and samples, and perhaps can come and work with you as well in conducting the training. Never assign more than four prospects to a volunteer. Ensure records are in place and data are entered regularly.
- 10) Outline how gifts will be thanked, recorded, and reported. Thank you notes must be sent immediately.



- 11) Design a recognition program. At times recognition is problematic, when members might object to such practices as being secular. There is much biblical evidence about the appropriateness of gratitude, including in the church setting. Put in place policies that will define recognition. In planning your recognition activities and strategies, please remember that they should be appropriate for the type of campaign, the type of organization (e.g., church versus school), and appropriate for the amount given. PSI can share ideas and suggestions with you. And remember to thank donors; sometimes we forget to treat church members as donors when a campaign is going on.
- 12) On an on-going basis, continue to add to your potential prospect/donor list. Consider all options. Prepare a case to present to these by groups or, if there is potential for a larger gift, personally. Work from the top down—invite major donors to give first, then work on down until smaller gifts are invited. Everyone should have a chance to give, even children. Place these candidates in categories in order of priority to solicit, such as: Group 1: Board members, current best donors, current volunteers, etc. Group 2: Church members, school parents, alumni, past donors, etc. Group 3: Employees, vendors, suppliers, etc. **Important planning point:** It is important that each board member and member of the various committees make a commitment to the fundraising program. You need to be able to tell the congregation that each of them is participating.
- 13) On an on-going basis, consider these potential donors. Work intelligently, not on a “wish” basis but understanding what their link is to the church (or school), why they would give, how much they could give and what the gift could accomplish, and how likely they are to give. Possible donors might be:
- current and past board members (current board members are a “must”)
 - current and past volunteers
 - current and past donors
 - parents and grandparents of current and past students
 - school alumni & family of alumni
 - current and past church members
 - employers of church members
 - school faculty and all employees
 - current and past vendors and suppliers
 - the conference
 - friends of members
 - businesses in the area
 - healthcare organizations, such as an Adventist health system office
 - local community foundation
 - former church members
 - ex-church members



Campaign implementation:

- 1) By now, the plan is in place, having been approved by the board and business meeting. The plan should include the fundraising/campaign process and a timeline (these are the two most egregious errors in conducting campaigns for churches).
- 2) Major donors and prospects have been identified and qualified, cultivation and meeting plans are prepared, and volunteers are trained and assigned to solicit each candidate on a personal basis.
- 3) The pastor is visibly behind the plan and the campaign, and promotes it as well as reports on its progress. When appropriate, the pastor is involved in the funding requests.
- 4) Church members/volunteers are involved on an on-going basis, fulfilling clearly defined roles.
- 5) The annual budget priorities (program and capital) have been described in the master plan and the fundraising plan. Include actual budget amounts that are your fundraising goals.
- 6) New funds raised for current budget priorities can “release” budget funds allocated for this same purpose; these released budget funds can be used to pay down the debt.
- 7) Ask current donors for “something extra” in addition to their annual Church contributions; these “extra” funds can be used to pay down the debt.
- 8) Continue to carefully track donations, thank you letters with receipts to donors, and pledges.
- 9) The pastor should report to the conference president on the progress of the campaign, probably twice a year. He/she should encourage the President to communicate in some form—letter, e-mail, conference newsletter, and other communication means—to the church, offering words of encouragement for their efforts and praising them for their vision of reducing the debt.
- 10) Issue ongoing reports. Avoid over-informing, such as a continual set of red numbers in your bulletin. Be positive about progress.
- 11) Be ready to be flexible and adjust the plan as needed.
- 12) Committees should continue to meet to ensure their part of the campaign is being carried out.
- 13) Get ready to celebrate success!

Remember to contact PSI for additional assistance and information. Our contact information is:
Info@philanthropicservice.com, 301.680.6133, www.philanthropicservice.com







Raising Funds for Special Projects

By Lilya Wagner and Kristin Priest

The best fundraising principles and practices can be adapted to many types of fundraising campaigns. The principles addressed in the chapter on “Fundraising Fundamentals” in *Successful Fundraising* are valid for a variety of fundraising efforts, whether long-term sustainability or a one-time project. However, those who are leading out in fundraising, serving on fundraising committees, or attempting to raise funds for something specific may need a little extra help in how to use the general principles and apply them to a project fundraising campaign.

The advice in this chapter intends to help the reader determine how to do short-term fundraising, have a plan for a specific goal, use the best tools and strategies, and avoid “the bake sale” mentality. Too often people will start by saying, “I heard the ministry across town raised a TON of money hosting a golf tournament. Let’s do a golf tournament, too.” Or, “My alma mater went over goal by doing a phonathon. Let’s do a phonathon!” without taking the necessary planning steps first. While these projects aren’t necessarily doomed to fail, it often leads to a more difficult and drawn out fundraising process, and often these haphazard efforts aren’t successful in reaching the goal.

We encourage you to first read “Fundraising Fundamentals,” then consider the suggestions that follow.

Planning

Consider using the following steps as suggested guidelines, recognizing the details and specific order (as many steps may happen concurrently) can vary for your organization.

- 1 Include key individuals from the beginning. This goes well beyond ensuring you have the pastor’s approval. Make sure all key church or school leadership understand this project and how it will support the overall mission of the organization. Talk to the church treasurer or finance committee chair to determine if any fundraising policies currently exist. Identify and engage the key influencers within your organization’s membership or major potential donors. These individuals are important in the success of this campaign and project and deserve to be involved in the planning process.
- 2 It’s important to ask the question “Why are we doing this?” Or “What objective(s), as they fit our mission, are we trying to accomplish?” The answer to this question should be thoroughly vetted and the conclusions clear and agreed upon by the church board and church in business session prior to the beginning of any fundraising campaign.

- 3 Determine the exact scope and expense of the project. Clearly articulate what it is you wish to acquire or do and why it matters. What about the sustainability of this program? Do you anticipate an ongoing expense and how will that be funded? Equally important is the discussion of what this project will NOT include. Don't allow "project creep" to diminish or distract from the focus of your project or create a fundraising campaign that is unrealistic in view of time, financial or human constraints. Rejecting an additional project does not mean it must be shelved forever. Remember, donors will be more likely to give again after they've had a positive experience giving the first time.
- 4 Establish a framework for your fundraising activities. While it is not necessary to develop a fully operating development office for your project, certain processes will need to be in place before your efforts can begin. Who at the organization is authorized to receive and write receipts for gifts? How will gifts-in-kind be handled? Does the organization have a process in place to ensure gifts are directed specifically to this special project? Once a gift is received, how will you thank your donors? If you plan to accept pledges, who will be responsible to send pledge reminders? These and many other questions will need to be answered. While much of this may already be in place, it is important that you and your fundraising team know the existing policies and procedures to avoid potential confusion, misdirection of funds and donor confusion, or actually neglecting to carry out many infrastructure details and tasks.
- 5 Determine how you will identify your donors. Of course the inner circle, or the "family," must give. This means the church or school board, the members, and the students, who might be involved in several ways. These donor groups are important to activate because if the "family" doesn't give generously, it's inadvisable to ask anyone else. After these groups are involved, consider who else has a link to the project and the organization. This could be places where people work, friends, businesses in the community for whom you are an economic benefit, perhaps even a foundation. Be realistic on why these potential donors would and could give, and avoid wishful thinking.
- 6 As a team, then determine which fundraising tools you will utilize to reach your goal and appropriately invite the donors you identified to give. While examining what's been done in the past and analyzing the successes of similar organizations can be useful, it should only be a part of the overall planning. Evaluate honestly the resources you have available to you. Do you have the money and database to support a letter writing campaign? Do you have a team of volunteers willing to launch an aggressive major gifts outreach? Would this project appeal to a foundation and do you have a volunteer capable of writing a grant proposal? Carefully evaluate each tool available to you as well as the associated expenses, training and time involved. Additionally, don't overlook donor preference. Have your donors expressed a preference for giving through events?
- 7 Establish a formal written fundraising plan and submit it to the pastor or organizational leader. This plan should include all activities related to this project including fundraising, donor cultivation, thanking, awareness-raising, and of course



budget. While there is no ONE correct format each organization should follow, there are a few items each plan should include to guarantee success:

- a First, each plan must be as detailed as possible. It's not enough to just say "send direct mail letter." It must include steps such as securing office stationery, writing drafts and receiving approvals, and date final draft is printed.
 - b Each task must have a name assigned to it. It does not mean this person is solely responsible for accomplishing the entire task, but it does state who is in charge of getting it done.
 - c Each task must have a "Complete By" date. "Ongoing" or "Monthly" won't be nearly as effective as an actual, firm date.
- 8 As part of this process, make sure everyone knows your expectations in advance. Consider writing a brief job description for all committee members. Establish regular meetings. These need not be at definite intervals but frequent communication should occur and occasional face-to-face meetings may be important to ensure accountability.
- 9 Having determined which tools will be utilized and by whom, empower your team by ensuring adequate training or resource materials are available, especially those who may be asked to step outside their comfort zones by taking leadership roles or asking individuals or businesses for large gifts in a face-to-face setting.

Fundraising

For most organizations, utilizing several fundraising tools will produce the best results. Your program might include:

- 1 Major Gift solicitation – often this is the most intimidating and nerve-racking aspect of fundraising; but it can also be the most rewarding. And it's almost always the most effective and least expensive. Think about your current and potential donors. Who within your organization might be interested in this project and why, and who outside of the organization would give and why.
- 2 Writing campaign – whether through e-mails, postcards or traditional approaches, letter-writing campaigns are often popular as ministries tend to have large and accurate databases. While this can be an effective tool, remember the associated cost involved in postage, stationery, printing of additional materials, and labor.
- 3 Events – events, when planned strategically, can be a great fundraising tool. Events can raise awareness, generate excitement for the project, introduce you to new potential donors and provide a showcase opportunity for your campaign. However, if your only (or primary) goal is to raise money, you may want to consider a different tool. Events can be extremely labor and cost intensive and rarely have the kind of return on investment as other approaches. They may be good for creating awareness and encouraging involvement, but keep a realistic perspective. Have a concrete purpose in mind.



- 4 Sales – we are often most comfortable with this approach (giving a tangible item in exchange for a donation). While this has its appeal, there are some drawbacks to consider when contemplating “just selling something.” The greatest challenge is that it does not share the mission of the organization or what you’re trying to accomplish. Cookie dough sales won’t inspire donors with the importance of your project and will create a customer/seller relationship rather than that of an investor in the project, one who has a vested interest. Additionally, like events, it’s rare that selling items will generate large gifts and often they are quite labor intensive.

Again, it will be important for you as a fundraising team to regroup occasionally, evaluate performance against expectations and make modifications when necessary. This fundraising process should not be a long, drawn out effort with no clear timeline. Make sure you are realistic in your timeline, but a sense of some urgency can be motivating not just to potential donors but also to a team of fundraising volunteers. And there should be a clear timeline—when do you expect the project to be finished? Fundraising that stretches on and on is rarely successful. There has to be a clear plan, process, and timeline.

And, finally, remember that cultivation and stewardship should be woven into every part of your fundraising. As gifts are received, immediately implement the donor recognition and thanking policies agreed upon during the planning phase. It is not enough to simply acknowledge a donor once the project is complete. If this campaign lasts more than a few months, consider brief updates to donors who give major amounts.

Follow-up

The campaign is over, you’ve reached your goal and the special project has been fully funded. There are a few additional steps each organization must follow to ensure the complete success of this campaign as well as lay the groundwork for positive donor responses should another project arise.

- 1 Committee assessment – assess your fundraising efforts. What worked? What didn’t? Document detailed suggestions for improvements.
- 2 Donor follow-up – Donors, especially those who give the larger, initial, significant gifts, expect a high degree of accountability for the projects they help fund. It’s not just enough to issue a tax receipt. Make sure donors receive regular reports showing not just what their money was spent on, but also what was accomplished and the good it is doing. This is one of the best ways to ensure your next project will be of interest to them.

For detailed assistance regarding guidance on planning, fundraising strategy selection, and implementation, remember to contact Philanthropic Service for Institutions.





The Work of Boards and Committees

By Alphonse J. Brown, Jr., ACFRE

Today, anyone who has ever served on a nonprofit board recognizes that a member's duties are far more than providing simple oversight. Indeed, one of the board's primary duties is oversight, but successful nonprofit boards are comprised of leaders whose responsibilities include providing strategic direction and support for the mission, building community support, and most importantly, serving as fiduciary agents for the organization. Board members effectively become the ambassadors who are ultimately responsible for the overall wellbeing of the organization.

There are a number of key characteristics common to highly effective nonprofit boards that go beyond the basic responsibilities—whether an academy, hospital, retirement center or organization with another mission. Highly effective boards are:

- Mission focused
- Clear about roles and responsibilities
- Small enough to deliberate effectively
- Fully engaged
- Communication savvy
- Unwavering, and they think, plan and operate strategically
- Mutually respectful for what fellow members bring to the table
- Visionary and plan for the future
- Systematic, strategic and intentional when cultivating and refreshing leadership on the board
- Adamant about providing board and staff development
- Committed to evaluating board and top leadership (CEO, principal, president, etc.) performance annually
- Legally and fiscally accountable

- Data driven and use this information (positive and negative) to continually drive improvement
- Committed to developing sustainable human and financial resources
- 100% sacrificial givers
- Supportive of fundraising

It has been thoroughly documented and discussed why Adventist boards differ from other nonprofit boards. A substantial portion of SDA board members are ex-officio—and not selected according to the traditional nomination processes used by many nonprofits. A member may serve on a number of related SDA boards.

When a member serves on multiple Adventist boards, it may be difficult to decipher which one should receive priority. When it is clear which board has priority, a member may be reluctant to share funding information about his or her primary organization with another. Often, attendance is an issue because of the frequency of meetings or the inaccessible geographic location of the member. Most importantly, many SDA boards do not have an infrastructure in place to provide sustainable sources of funding particularly at the conference, mission, academy or other SDA organizational levels.¹

Members of the Takoma Academy (TA) Board of Trustees recognized these funding challenges –and took steps to address them head-on. In September 2012, the board voted to create a subcommittee dedicated solely to the task of generating critically needed and sustainable funds for the academy. Dubbed the **Foundation Committee**, this is **a working and advisory-only subcommittee** whose sole responsibility is to generate ongoing financial support for the academy. The Board of Trustees remains ultimately responsible for the financial wellbeing of the academy.

In an article entitled, *The Habits of Highly Effective Boards*, the author Beth Gazley suggests that “a high-functioning board may not have all the answers, but it’s willing to invest in learning them.”² This board section examines what the Tacoma Academy has accomplished since the creation of this subcommittee. A prototype of the **TA Foundation Committee Model** has been successfully adopted by several other Adventist organizations. (The TA Foundation Committee Model can serve as a blueprint for strategic fundraising planning with other nonprofit organizations besides academies, as well. Churches engaged in fundraising campaigns may establish a fundraising committee using the principles described in this chapter.)

The Board of Trustees

Nonprofit boards are usually comprised of unpaid volunteers who believe in the mission of an organization and who wish to support it by giving time, talent and treasures. When serving, board members agree to govern the affairs of the organization, executing board related duties in a manner that ensures the public’s trust and that aligns with Adventist’s beliefs. A substantial part

¹Lilya Wagner, CFRE, “Fundraising At Its Best—Principals and Practices”, *Philanthropic Services for Institutions*, Silver Spring, MD, pp. 26 - 31

²Beth Gazley, “The Habits of Highly Effective Boards”, *Association Now*, January/February 2014



of this responsibility also includes ensuring the organization has sufficient resources to carry out its mission. How they choose to fulfill this responsibility can either make or break a nonprofit organization.

Adventists boards—because of the church’s complex infrastructure—frequently find it challenging to see themselves or operate as a fundraising entity. This reluctance may be due to a lack of understanding of the board member’s role, unfamiliarity with the fundraising processes, fear of the unknown, or in some cases, never being asked. Some may feel fundraising is tantamount to begging. Perceptions that a prospective donor will say no may subliminally prevent a board member from taking an active role in fundraising. These issues must be dispelled since board involvement is central to successful nonprofit fundraising.

While not every member of the board will assume a leading position in fundraising, each board member has a responsibility to personally contribute to support the mission of the organization. Frequently, prospective funders ask, “What percentage of your board personally gives to your organization?” If the response is anything less than 100%, this can automatically disqualify an organization from any further grant consideration. How an individual board member elects to participate in the fundraising process is a decision based on each member’s predilection. However, every member should give sacrificially to achieve one-hundred percent board giving each year.

For the first time, Tacoma Academy created a **Board of Trustees Annual Giving Campaign** to ensure 100% giving from the board. Chaired by a fellow member, each board member was personally invited to contribute to this year’s annual giving campaign. She explained the importance of achieving 100% and noted how their giving would serve as an enticement for alumni, friends, staff and others to give. This movement inspired 100% of the TA faculty and staff to give as well.

Board giving can be a powerful testimony for any organization seeking internal and external funds from its members and from others who may not have been predisposed to contribute. Support for the fundraising initiatives of the institution will be substantially bolstered when the leadership leads by contributing financially to the institution. 100% board member giving should be the first step in fulfilling a board member’s responsibility. Board members also should be encouraged to participate and support all of the organization’s fundraising initiatives. In her book, *Nonprofit Boards: Roles, Responsibilities and Performance*, Diane J. Duca lists eight examples of how a board member may contribute to an organization’s fundraising efforts.³ They included:

1. Supplying lists of prospects
2. Arranging appointments with prospects
3. Using their influence to help open doors for the development staff
4. Making follow-up phone calls
5. Hosting social gatherings for donors or prospects
6. Adding personal notes to letters of appeal

³Diane J. Duca, *Nonprofit Boards Roles Responsibilities and Performance*, John Wiley & Sons, Inc., 1996. p. 84



7. Presenting awards to donors
8. Making presentations to prospects

There are numerous other ways board members may contribute to the success of the development program. The key is being aware of the overall fundraising program—and identify one or more initiatives to which a personal commitment of time, treasure and talent can be made.

Director of Development

The majority of Seventh-day Adventist academies, churches and other organizations do not have a dedicated individual who is solely responsible for day-to-day fundraising for the organization. (The exceptions generally, are healthcare institutions, colleges and universities.) Hiring a full-time employee to exclusively conduct fundraising is a major commitment that many nonprofit organizations feel they are unable to make. However, this creates a conundrum! There is a desperate need for external philanthropic funding but there is no one given that responsibility with sufficient time to accomplish optimum results.

Conversely, when expenditures are allocated, many organizations are in crisis mode financially and frequently expect an immediate return on their investment when a professional fundraiser is hired. Nonprofit leaders need to rethink and revise this expectation. Philanthropy is built on relationships; relationships are based on trust and trust is developed over time. Successful fundraising demands the hiring of a skilled professional who can work strategically to position the organization with prospective donors and to build and benefit from relationships developed with its various stakeholders over time.

While the principal, CEO or president of a nonprofit organization is expected to spend a portion of his or her time fundraising, the **director of development** is the one who traditionally oversees and manages the development and fundraising processes on a day-to-day basis. Planning, oversight, implementation and routinely reporting to the chief executive and board are among his or her direct responsibilities. Depending on the level of experience, the director of development also will be responsible for working with senior staff and key volunteers to cultivate, strategize and solicit prospective donors. In general, the scope of responsibilities for the director of development will vary and be determined by the organization's financial position, board involvement and other criteria specific to the particular nonprofit organization.⁴

Takoma Academy hired its first Director of Institutional Advancement in 2013. A highly experienced development professional with years of senior level fundraising experience, he began by immediately identifying and cultivating staff and volunteer relationships that could support TA's development program. He looked at internal systems, external scans, volunteer participation and the sources of existing funding. As a result, systems have been put in place to engage the board; new volunteer leaders have been recruited and trained; a comprehensive strategic fundraising plan has been created and is being implemented resulting in more philanthropic dollars than ever before in the history of the academy.

⁴Poseris, Tony. "What's a Good Director of Development Worth?" Fund-raise.com



Each academy or nonprofit CEO and board must evaluate and decide whether full or part-time funding will be required to employ a development professional. At a minimum, it is essential the board understand that significant external philanthropic support is rarely generated exclusively from volunteer efforts. Raising major philanthropic support usually requires the guidance of professional expertise. The TA fund development program benefited greatly from the hiring of a director of development professional whose sole responsibility is to develop, oversee and implement a comprehensive development program for the institution.

The Foundation Committee

A standing ad hoc or sub-committee of the board is established when the board wishes to parcel out specific functions either to gain more efficiency, to address a specific topic or issue, or to accomplish a task because a smaller group can be more focused and can accomplish tasks with greater efficiency. Volunteers invited to serve on TA's Foundation Committee were selected based on their interest, desire and ability to support the overall fundraising goals of the academy. Individuals invited to serve on this subcommittee include TA Trustees, the principal, alumni and prominent leaders in the business and civic community.

Each invitee was provided a job description outlining the Foundation Committee member's responsibilities. The committee's responsibilities included designing and implementing a comprehensive fundraising program that would generate sustainable philanthropic support for the current academic year and for years to come. Philanthropic Service for Institutions provided the training that allowed the committee to define the fundraising possibilities for the academy.

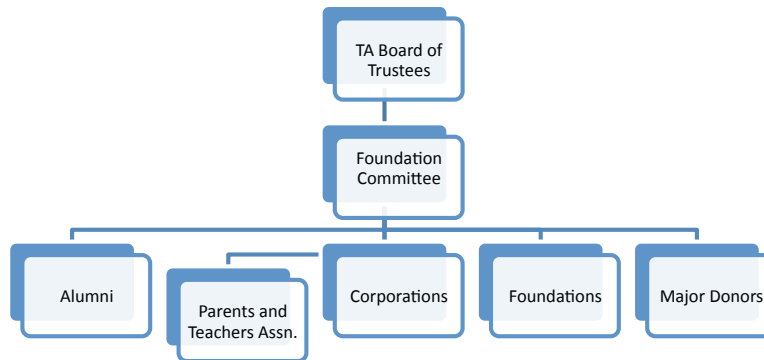
Through a series of highly interactive strategic sessions, the TA Foundation Committee created a customized plan that engaged every facet of the academy including the board, alumni, administration and staff, donors, corporations and the SDA church's various levels of organization. The committee developed the infrastructure and created a comprehensive fundraising strategic plan that was well received and enthusiastically supported by the school's financial director, the TA Finance Committee, and ultimately, the TA Board of Trustees. (A copy of the TA Fundraising Plan for AY 2014-2015 is available from PSI upon request.)

The Foundation Committee's initial deliberations were designed to increase understanding of the principles and practices of fundraising and to gain a full understanding of how nonprofit organizations raise philanthropic funds. Members learned that fundraising is process driven. They subsequently identified the internal and external stakeholders who had, or should have, a vested interest in the mission of the academy—and created the infrastructure to enlist their support.

Stakeholders were grouped into categories and qualified based on their current or future ability to support the academy. After much deliberation, a consensus was reached regarding TA's funding categories and a monetary goal was established for AY 2014-2015. Additionally, by consensus, each category was assigned a specific fundraising goal as a subset of the overall TA fundraising goal for AY 2014-2015. A schematic diagram of the infrastructure created by the Foundation Committee to accomplish the goals is provided below.



Takoma Academy Foundation Committee Model



Members of the Foundation Committee convene monthly to evaluate progress to date—and to develop action steps that will ensure the fundraising goals are met.

Summary

In 2013, donors in the United States contributed more than \$335 billion dollars to charitable organizations—31% to religious organizations and 16% to educational institutions.⁵ The Takoma Academy Board of Trustees made a conscious decision to do the following to better position the school to compete for funds in the philanthropic sector. The TA Foundation Committee model can serve as an example of how to maximize the effectiveness of an academy or other nonprofit board, if the following are done:

- The board understands it has a fiduciary responsibility to ensure funds are available to support the mission of the organization. It takes money to raise money. The board must budget to support the fundraising program.
- The board commits to giving sacrificially and achieves 100% participation.
- The board establishes a standing fundraising subcommittee to plan and lead the fundraising efforts, e.g., the TA Foundation Committee.
- The board is aware of the job descriptions for the fundraising committee and its subcommittee members.
- The board identifies and recommends individuals with exceptional leadership skills to serve on the standing fundraising committee subcommittee.
- The board recognizes and understands that fundraising is process driven and members learn the process.
- The board identifies and assists with the cultivation and solicitation of potential donor prospects.

⁵Lilly Family School of Philanthropy, Giving USA Highlights 2014, Indiana University, Indianapolis, IN.



- The board helps with donor prospect research by screening individual and corporate prospects.
- The board approves a comprehensive fundraising strategic plan.
- The board owns the development plan.
- The board member assists with implementing the plan, when asked.
- The board receives and reviews periodic fundraising updates.
- The board helps with stewardship by thanking specific donors.
- Acknowledge successes and build for the future.







Chapter 15

Accountability, Donor Trust, and Stewardship of Funds and Donors

By Harold Lee

Christian fundraising is a function of Biblical stewardship. Saving faith touches all of life, which is a gift from God. Now, *“Faith is the substance of things hope for; it is the evidence of things not seen,”* (Hebrews 11:1). Biblical stewardship, therefore, plays an important role in the ability for Christian causes to build lifelong relationships with potential donors and attract financial support for specific projects for Church mission.

A general framework is needed for providing guidance to both givers and askers who are seeking a godly perspective on funding for a Christian mission. We are all bound up with one another. Even Christ is accountable—He is God’s steward. It is His stewardship in which by grace we participate in giving and asking, and spending. Paul states, *“it follows that this is how one should regard us, as servants of Christ and stewards of the mysteries of God. Moreover, it is required of stewards that they be found trustworthy”* (1 Corinthians 4:2). It is a duty that many people share in various levels and in various ways. (see 1 Corinthians 3:1-20.)

“Spiritual prosperity is closely bound up with Christian liberality.” – Counsels on Stewardship, p. 49. At the heart of God-pleasing practices of giving and asking for funds is the ability to view the world, man, and human relationships from God’s perspective. This perspective can be presented by answering four basic questions.

Whose money? All resources are God’s. When we respond to a giving opportunity, we are releasing God’s money to supply a need. Fundraisers are responsible for asking people to give, and for challenging potential givers to consider what they might do. In this sense they are stewards of the Lord.

Whose work? God works on the heart and motivates people to give. Prayer and hard work reflect the balance between dependence on God’s blessing and the opportunities for generosity which a fundraiser presents. Keep in mind, faith, prayer, and dependence on God are not substitutes for effort, caution, and reason. When we realize that God works through people, programs, and organizations, our giving, asking and spending practices come into harmony with each other and the causes we represent.

Whose givers? People give for many reasons, including to make a difference, out of compassion, out of a sense of obligation to give back, and more. Today donors realize the inherent power they possess when they hold people and organizations accountable to their promises, programs and activities. This kind of responsibility is not just about keeping donors happy—it’s an ethical duty, it is making sure donors know that you have honored your promised agreement.

Whose fundraisers? Certain people become responsible for seeking money, whether they are professionals or volunteers, lay members of the church or church leaders. Fundraisers are “workers in the vineyard,” who care for the resources God has lent to each of us as caretakers-stewards. Fundraisers cannot sit on their hands when God calls them to move. Fundraisers and other leaders should set the pace. The commitment of the people will usually rise no higher than that of the leadership and the membership.

The Apostle Paul gives a New Testament example of fundraising for the relief of the saints at Jerusalem. In 2 Corinthians 8:20-21 he says, “We want no avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right in the eyes of the Lord, but also, in the eyes of men.” In verses 16-23, Paul reminds the church that God is omniscient and knows our hearts. People, however, usually demand more proof of honesty. Paul provided for this need by sending three people to handle the collection of the gifts, taking care to give credentials concerning the character of each. Fundraisers need to provide proof of their integrity to their donors, as do those in organizations that are receiving the funds and who are in charge of handling the money.

Donors have a responsibility to hold accountable all fundraisers and the organizations they represent. The money people bring to an organization is exchanged for a “relationship,”—a valued personal link with what God is doing in the world through the fundraiser, through the leadership of the organization, its employees, and its constituents.

Trust is highly significant in the relationships between donors and the people they serve. One of the unfortunate realities of the 1990s was that too many leaders, both in for-profit and nonprofit organizations, abused public trust. Stories of inappropriate behavior flooded the news media on a daily basis. Charges and countercharges regarding possible misappropriation of thousands and millions of dollars that were unaccounted for proliferated in the news.

So much distrust, deceit, and destruction caused society and individuals to engage in intensive self and collective examination and reflection in audits and in setting up “watchdog” organizations. In the absence of trust, no organizational structure will be effective. Only when people trust each other can they work effectively regardless of the structure. Trust matters because it affects how we relate to people, and ultimately how people relate to us in giving of their funds.

The ultimate responsibility for trust in any organization rests with its governing board, whether it is the private sector governing board or a nonprofit. Effective governing boards and executive committees must go beyond basic fiduciary oversight and become a reflective community of interpretation, where trustees can and do talk seriously about organizational purposes, effectiveness and efficiency, transparency and accountability.

The points explained above lead to a consideration of ethics. Ethics statements and discussions are concerned with prescribing and describing moral requirements and behaviors. There are acceptable and unacceptable behaviors. People and organizations exist within a code of ethics. Being clear about standards and maintaining them is critical to building a long-term trusting relationship between the people who give, the people who ask for money, and how the money is spent. The integrity of those responsible for fundraising decisions is at stake. Our fundraising methods reflect



not only our character, but also our values. They reflect who we are and what we do. We must value integrity in the way we raise money and honesty in the way we spend money.

Where are the funds spent? Are they being used for the purpose for which they were raised? Are they spent wisely? Also, what is our measure of results? How effective is what we do? What are our standards for transparency and accountability? We must live with our consciences. We must use Bible ethics. As the Apostle Paul said, *“So I (we) strive to keep my (our) conscience clear before God.”* (Acts 24:16).

We must guard against ungodly behavior. All of us—givers and askers are vulnerable.

There are several things that the pastor must do to provide effective leadership for fundraising:

- He or she must take the lead in crafting or reviewing the church’s vision, mission, and values statements to set the tone for the future and inspiring prospective donors to help.
- The pastor must view fundraising as an integral part of the regular giving of tithes and total offerings by the congregation as opposed to an ancillary function.
- The pastor, working with the church officers and the governing board must ensure transparency and accountability for measurable results. Transparency is of utmost importance in building a solid donor relationship based on trust.

Donor relationships are like any other relationship: they require an investment of time and energy. The goal of donor cultivation is to create a lifelong, mutually beneficial relationship between the donor and the church organization. Both receive something valuable out of a maturing relationship. In fundraising the organization receives ongoing, ever-increasing support that fuels the church’s mission and vision and goals. The donor receives multiple benefits, the most important being the chance to express gratitude to God for His love, grace, mercy, and goodness. Other benefits include the joy of knowing that they are helping make the work of God possible and the joy of knowing and supporting the work of the church embodying its mission and ethos. This knowledge and joy of knowing they are making a difference cannot be achieved without the accountability and trust a church should engender.

Stewardship is maintaining something in trust for others. In the church, trustees, pastors, governing boards, staff – those who own or legally represent the owners of the organization – have primary responsibility and accountability for ensuring that the mission continues. This means reaffirming the vision, mission, and values of the organization – and members are called into a cooperative venture to maintain their resources in trust for the good of the community.

The intensifying competition for charitable funds and the erosion of self-regulation have drawn numerous “Caesars” at local, state, and federal levels to begin setting new boundaries. For example, common law trust and fraud doctrines, securities laws, charitable solicitation laws. State ordinances are laws that seek to control charitable abuses and fraud primarily by means of registration and disclosure. Also included in the accountability measures are annual tax returns for tax-exempt organizations, i.e., IRS form 990.



Congress has considered at least a dozen bills to regulate charitable fundraising, primarily because of highly-profiled abuses which were prominently scrutinized and displayed by media – the Revenue Act of 1987; the House Ways and Means Oversight Committee, The Internal Revenue Service has regulations where gifts to charities involve an exchange for goods or services. The IRS, through the Tax Reform Act of 1984, imposed new requirements on donors and tax-exempt organizations where noncash gifts were received. The donor must secure a qualified appraisal and complete additional tax forms in order to make gifts of property to charities of \$5,000 per year, and recipient charities in turn must complete and submit additional tax returns if that property is transferred within two years of receipt.”

The law provides external restraints; ethics furnishes internal guidelines. Perhaps no single word summarizes the ethics of financial integrity better than accountability. Accountability suggests the Biblical concept of stewardship, but it places the emphasis on the important element of giving an account. This implies that there is both a standard by which actions and attitudes may be measured and a time of measuring. Accountability arises whenever one becomes a fiduciar – that is, whenever one receives assets to be managed not for personal benefit, but for the benefit of others. Interesting is the similarity between the legal mandate and the scriptural mandate in determining the standards by which faithful stewardship will be evaluated. The law clearly establishes two legal standards: the law of loyalty and the law of care. The law of loyalty requires the avoidance of all conflicts of interest and personal benefit in the management of entrusted funds. The law of care requires the fiduciary to exercise reasonable and prudent care in managing and administering the entrusted funds.

There are basic elements of effective corporate accountability. Whatever the criteria, they will be of little meaning unless there is a vehicle effectively enforcing those standards. Assuming an effective self-policing mechanism is in place, the following five elements of corporate financial integrity and accountability can be implemented. Beyond self-definition, these include:

- Meaningful disclosure
- Meaningful budget process
- Effective internal controls
- Effective accounting system, and
- Annual audit

With these procedures in place, especially when springing from a solid foundation of personal integrity and when enforced by active self-policing organizations, Christian fundraising should demonstrate meaningful financial accountability.



References:

Biblical Guidelines for Giving and Asking: Money For Ministries. Wesley K. Willmer, Editor. 1989. Article: *Considering A Godly Perspective In Providing Money For Ministries*. Pp. 15-34.

Seeing Through a Donor's Eyes. How to Make a Persuasive Case for Everything. 2009. by Tom Ahern.

Conducting A Successful Fundraising Program. A Comprehensive Guide and Resource. By, Ken E. Dove.

Trust Matters: New Directions in Health Care Leadership, 1998. By Michael H. Annison, and Dan S. Wilford.

Christian Leadership Essentials, David S. Dockery, Editor. 2011. *Development Campaigns, and Building Projects*, by Evans P. Whitaker, pp. 118-127.

Money For Ministries, Wesley K. Willmer, Editor; *Fund Raising Constraints: Law and Ethics*, by George R. Grange II, pp. 159-171.





Transparency and Accountability in Fundraising

By Alphonse J. Brown, Jr.

Long gone are the days when donors simply trust a nonprofit organization to do what it says it is going to do. Today, donors are increasingly demanding evidence that their contributed dollars are having the favorable and intended impact on the mission of the nonprofit—whether a church, hospital, symphony or other nonprofit. Organizations that are open and honest in their communications and that speak frankly about their operations will discover donors will not only trust them more, but will continue to give consistently to their organizations.

Transparency does not necessarily mean providing lengthy information in tremendous detail. While a board member may require a financial statement and supporting documents each time it meets, the average donor might find this information overwhelming and very difficult to comprehend. The secret to being transparent is to provide sufficient information that reflects the overall health, operations and accomplishments of the organization in a manner that can be easily understood by the donor. Transparency is about communicating critical pieces of information to donors that inspire trust and confidence.

Why does or should transparency in fundraising matter? Today, donors want to see the description of your organization's mission in compelling language they can understand. They want donor-friendly explanations of your organization's programs. They want specific, measurable information about your accomplishments. They want to know about your organization's goals and objectives. They want to know how your organization measures and evaluates success.

Donors generally identify emotionally with nonprofits they support. The more information available about the organization's mission, programs, activities and accomplishments, the more opportunities a donor has to connect with the pulse of your nonprofit and understand the difference it is making. Providing this information can bond a donor to your organization by helping align his or her values with those values of your organization.

Perhaps, the most important reason transparency matters in fundraising is that it helps confirm an organization's trustworthiness. When a donor is provided factual information in an unsolicited fashion, it helps affirm why their gifts should go to your organization rather than some other worthy nonprofit. Providing accurate information—particularly as it relates to money raised, fundraising costs, acknowledgements, use of funds, accomplishment achieved, etc.—helps to fortify, in the donor's mind, that his or her money is being used wisely.

Accountability and transparency are inextricably linked. While transparency promotes openness, frankness, honesty and communication, accountability requires compliance and the ability to explain or justify why actions were taken—or not taken. Because of the favored tax status, nonprofit

organizations have an obligation to be answerable for the money it receives from the public. They must explain how the charity functions and how the money is used.

There are a number of ways a nonprofit organization can bolster its accountability and transparency with its stakeholders. A few approaches are listed below.

- Scheduled regular communications with donors to apprise them of accomplishments to date
- Share testimonials of those receiving direct benefit from the donor's contribution
- Accurately account for all gifts received
- Promptly acknowledge all gifts (within 48 hours of receipt)
- Timely file the IRS 990 documents, if required
- Publish an annual report (include breakdown of expenses, programs funded, acknowledge contributors, etc.)
- Post independent audit information, if required
- Develop and adhere to gift and stewardship policies and procedures (internal)
- Use the website to post information about board, staff, contact information, financial and donor appropriate information for public consumption
- Adopt and adhere to the AFP Code of Ethics,
www.afpnet.org/files/ContentDocuments/CodeofEthics.pdf
and the Donor Bill of Rights,
www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf

It has often been suggested that a fundraiser's currency is *transparency and accountability*. Every nonprofit benefits when it engages in practices that promote culpability and heighten donor confidence. When nonprofit organizations strive to become more strategic and effective, their impact and influence will grow – as will the curiosity, praise, criticism, and scrutiny they attract. Essentially, as nonprofits trade isolation for communication, openness and accountability, it will strengthen their ability to attract and keep their valued donors.





Chapter 16

Recruiting, Managing, and Retaining Volunteers

By Mark Lindemann and Dionne A. Rowe

According to the Corporation for National and Community Service, about 64.3 million Americans, or more than a quarter of the adult population volunteer for nonprofit organizations, including churches. Adventist churches, schools, community service organizations and supporting ministries are heavily dependent on volunteer help. However, many volunteers become discouraged if they aren't respected, aren't included or valued in the ways staff members are, are given tasks that aren't suitable for their skills and experience, and in general aren't in the flow of information or activity.

Yet volunteers are the lifeblood of many of the organizations for whom *Successful Fundraising* is written. In order to help Adventist organizations maximize this wonderful resource, we offer these suggestions on recruiting, retaining and managing volunteers. At the end of this chapter is a very important section that addresses the legal issues of volunteer management.

There are many ways to utilize volunteer help. For the purposes of *Successful Fundraising*, we will focus mainly on the fundraising aspect of an organization, although of course volunteers can be extremely helpful in many ways that also support fundraising, such as being advocates for the organization, conducting events, preparing written materials, or simply helping with customer relations and outreach.

Building your volunteer corps:

Step #1.

Identify your volunteer needs. What tasks need to be accomplished? What skills are needed for those tasks? Develop a mini-job description that outlines these items and can be used when moving to the next step.

Step #2.

Identify and invite potential volunteers. They can be church members, parents, friends of members, youth, even non-church members because involvement is often the precursor to membership.

Step #3.

Interview potential volunteers. Ask about their interests, why the person would like to be involved, what assignments and responsibilities have they enjoyed, and what would be fulfilling for the potential volunteer. Allow plenty of time for a volunteer to explore the possibilities and ask questions.

Step #4.

Match the volunteer qualifications, experience, qualities and interests with the jobs and tasks you identified in Step #1. Challenge them with interesting and useful work, ensuring they will see the results of their efforts, will be involved, and will have a voice in the organization and their work.

Step #5.

If there is staff, train the staff, inform them thoroughly of what the volunteer will do, ensure that staff respects and appropriately involves volunteers.

Step #6.

Acknowledge and recognize volunteer work. Even if the entire team is volunteering, the lead person should ensure that the above steps are in place and culminate with appropriate appreciation.

Step #7.

Hang on to the volunteers! Retain their services by good management practices. Whether you are a pastor, a staff member, a teacher, or a volunteer leader, manage volunteers the same as you would use best practices in managing paid staff. Responsibilities should be clear, skills should be matched to the job, provide adequate instruction and support, acknowledge their knowledge and experience, make sure there are mutual expectations, and that there is enough information about the organization in general, whether it is a church or a church related organization such as a school or community service organization.

Motivating volunteers:

What makes a volunteer want to do his or her best for the organization and the assignment? For many it's a commitment to the organization, the desire to help a cause in which one believes. However, there are many other reasons why volunteers become engaged. We can use these motivators to help volunteers work at their maximum potential and usefulness.

The chance to use skills that they have acquired.

The chance to acquire skills which may even lead to a permanent job in some organization.

Belief in the cause.



The opportunity to work in an environment that's different from a regular workplace, but in which the volunteer has much interest.

The chance to gain experience and get better at what they are doing.

The opportunity to gain confidence and respect from others.

Ultimately—to make a difference and accomplish something meaningful.

And let's not forget enjoyment and fun!

Under what conditions do volunteers work best?

When there is a degree of autonomy—the opportunity to not just follow the instructions and guidelines of the task but to also be able to direct their work to some degree.

When there is a clear purpose to what the volunteer is doing, when there is a clear connection to the larger picture or plan, and a clear expectation of outcomes.

When their particular skills and talents are acknowledged and utilized.

When there is enough training and orientation to the task and the organization so that the volunteer feels and is competent, but not so much that the volunteer feels demeaned and gets disinterested.

When they have a chance to give feedback and make recommendations. There should be a job

Volunteers and fundraising:

The range of tasks that a volunteer can do is very broad. First, the volunteers might be involved in the actual planning of a fundraising program, project or campaign. This is especially true if the campaign is for a church. Second, volunteers can serve as committee chairs or members. A carefully-selected group of volunteers can serve as a steering committee for a campaign, working alongside staff (as in a school) and the pastor (in a church campaign). Third, volunteers can help identify, cultivate and solicit donors. Fourth, if a volunteer is hesitant about personal solicitation, he or she can utilize skills and talents that fit the campaign plan; e.g., writing a proposal, working with social media, writing solicitation letters, planning and carrying out an event, saying or writing thank yous, keeping records, serving as an advocate to the community, and many other tasks that fit into the campaign plan.

As in general volunteer management, roles and responsibilities should be clearly outlined, written out, and distributed appropriately. (Sample roles and responsibilities documents can be provided by PSI—please contact us).

Above all, clear mutual expectations should be determined, along with the expectations of accountability, timeliness, appropriate reporting to a committee and chair. It may be necessary to have someone outside of the organization or team do some coaching and training (again, PSI can assist with this activity).



Value of Volunteers

Volunteer involvement can be beneficial to securing funding because this shows buy-in, taking of responsibility, and “family” support for fundraising. Donors often inquire what the organization is doing for itself, and use of volunteers can provide credibility.

In proving the value of volunteers, it’s advisable to track how many volunteers provide what kinds of services and how many hours this involves. This information can be translated into dollar values, particularly if volunteers with certain expertise that would have to be bought are providing their services.

The Legal Aspects of Volunteer Management (from Dionne A. Rowe)

While volunteers may help perform tasks in the workplace like employees, they differ from employees in one very significant way. The U.S. Department of Labor says that a volunteer is “an individual who performs hours of service. . . for civic, charitable or humanitarian reasons, without promise, expectation or receipt of compensation for services rendered.” This means that volunteers help out from the goodness of their heart (or some other reason), but for free. If volunteers are going to receive any money, the organization will then need to determine if that money becomes taxable income to the volunteer and whether that money will transform the volunteer into an employee. Payment may then trigger the need for the organization to comply with federal and state wage and hour laws, and may raise unnecessary and unwanted legal exposure for the organization.

Like employees, volunteers can engage in conduct for which the employer can be found responsible. The legal doctrine is called “respondeat superior” and it means that an employer can be liable for the torts committed by an employee (or volunteer) acting within the scope of his/her employment (or volunteer) duties under certain circumstances. The more responsibility a volunteer has, the greater the potential liability, so an organization needs to be very careful in the selection of volunteers.

A good way to do this is to have a documented process for engaging volunteers that incorporates various components. A volunteer application that is specifically tailored to the position is the most basic necessity. For example, if the organization is recruiting a volunteer to seal envelopes, a detailed application is unnecessary and simple references may be sufficient. However, if the volunteer will work with children, a far more detailed application is needed, and a background check should be a standard practice (also advised when volunteers will be working with the elderly). The volunteer process should also include a volunteer position description that details the expectations of the position as well as the authority that the volunteer will have. It is also a good idea to create a volunteer handbook or manual that contains written policies that apply solely to volunteers. All of the policies, procedures and processes relating to the recruiting and engaging volunteers should always be in writing. Volunteers should also perform work that is separate from and different than the work performed by employees.

Supervision is also significant when working with volunteers. The organization needs to make sure the volunteer has an appropriate level of supervision for their assigned tasks. If performance issues or other negative issues relating to a volunteer’s conduct arise, the organization needs to be aware that the volunteer can and should be terminated, particularly if the volunteer’s behavior puts the organization at risk.



Workplace safety is an issue that impacts volunteers. A volunteer injured in performing their work may be covered by worker's compensation. Coverage if any, will be determined by the law of the state where the organization operates. It is an overall best practice to follow all applicable Occupational Safety and Health Administration ("OSHA") regulations, which exist to try and ensure safe workplaces for everyone. Organizations need to know what guidelines apply, follow them and train volunteers as applicable.

Safety concerns will follow the volunteer even when they leave the organization's premises. If volunteers are going to go out into the community, sending volunteers in pairs can help to keep them safe. Volunteers should also be notified of the potential dangers of their work, if applicable, and if hazards exist, the organization may want to have the volunteer sign a waiver and general release indicating that they understand the risk of their position and that they release the organization from liability for any harm that may result from carrying out their work. If the organization has insurance coverage, there may also be policies that are available specifically to cover volunteers in performance of their duties or in travel they take on behalf of the organization.

If the organization has legal questions about volunteers in the workplace, hiring a lawyer licensed in the jurisdiction where the organization operates is the safest and best route to take.







Donor Relations: Acknowledgment and Recognition

By Michael J. Brown

Donor relations is the process of managing constituent donors to ensure they have high-quality experiences with your organization. The end goal is to create enduring attachments between donors and nonprofit organizations. Generally, this is a cyclical four-step process including:

1. Gift Acceptance
2. Gift Acknowledgement
3. Donor Recognition
4. Gift Impact Reporting

This section is going to focus on the two steps where most nonprofits have the biggest opportunity for improvement: Gift Acknowledgement and Donor Recognition. Gaining a firm grasp on these two steps will provide a significant opportunity to increase donor retention. A common industry rule of thumb is that 60% of first year donors will stop donating without ever having given a second gift to the nonprofit organization that acquired them. With the high cost of acquiring new donors, and the importance of retaining them to ensure the pipeline of supporters remains healthy, anything done to increase retention will reap huge benefits for your organization.

Gift Acceptance

The gift acceptance stage focuses on managing the policies and procedures needed to prepare the organization to systematically accept gifts while assuring they are utilized exactly as donors intend. Having flawlessly completed step one of this process, we are ready to deal with the next step in the process.

Gift Acknowledgement

The second step is to properly acknowledge receipt of the gift in a timely manner, but what is timely? As a best practice, most nonprofit organizations aim to receipt within 48 hours of receiving a gift. A quick example shows why this is so important. Suppose the donor mails a donation on Friday. That means the receiving organization is likely to receive the donation on Monday. Even if holding to best practices, the acknowledgement receipt is mailed on Wednesday. The donor will then receive your acknowledgement of receiving the gift about a week after actually having made the gift.

A further complication is that ministries affiliated with the church are mainly volunteer led. They tend to have few if any paid staff, so a two business day receipting standard may sometimes be less feasible. In either case, receipting should occur within a week of receiving the donation. Remember, your members are likely contributing to other nonprofit organizations outside of your church as well, so they will be accustomed to being thanked within 48 hours of making a donation. Does the same timeframe hold for acknowledging the returning of the tithe or the giving of a liberal offering? Fortunately, the church has the opportunity to issue congregation-wide verbal words of thanks, affirmation, and encouragement during the offertory time period. The church's supporting independent ministries, however, should hold as close to best practices as possible.

The gift acknowledgement step is the first stage in the process during which many nonprofits begin to stumble. One objective of acknowledgment is receipting so that donors know their gift has been received. Another important objective in systematically executing the receipting process is to provide an accurate tax record for the donor, your organization, and the Internal Revenue Service. The receipting process deserves an increased level of focus to ensure that reporting is done in exact accordance with IRS regulations. Not doing so places your donors at risk of IRS penalties and being denied the ability to recognize their contribution as a tax-deductible donation. Any misstep in this area jeopardizes the health and longevity of your relationship with your supporters. At a minimum, be sure to include language like the following:

“Thank you for your generous contribution of \$ _____ to The Happy Seventh-day Adventist Church (EIN# 12-3456789) on July 15, 2014.

The Happy Seventh-day Adventist Church is a nonprofit organization. Your contribution is tax-deductible to the extent allowed by law. No goods or services were provided in exchange for your generous contribution.”

(Please note: Adventist churches are generally not stand alone 501c3 organizations but operate under the higher level's determination letter. Your local conference treasurer can provide proper wording for your receipts.)

Including each element of the above statements has become increasingly important. The IRS retroactively ruled, and the courts upheld, that a Texas couple was disallowed to claim their \$25,000 charitable gift to their church on their tax filing from 2007. The reason was that not all of the required language listed above was on the receipting letter issued by the church. And although the couple did request the revised paperwork from their church, the court unfortunately upheld both the initial IRS ruling plus a retroactive accuracy-related \$1,500 penalty that the IRS assessed the donors in addition to revoking the 2007 deduction initially claimed (White). Also note that for any item(s) a donor valued at \$5,000 or more, the donor must have a third party valuation done prior to the contribution made. Unfortunately, a donor found that out in another painful IRS ruling.

A separate set of work is necessary anytime a donor receives value as a quid-pro-quo for making the donation. In other words, if the cost of an auction ticket includes a dinner provide by the nonprofit, the market value of the dinner must be subtracted from the ticket price when filing taxes. Similarly, if a donor pays \$500 for a vacation package as a fundraiser, the fair market value of the trip must be subtracted from the contributed amount. In such circumstances, include the following wording when receipting:



“Thank you for your generous contribution of \$_____ to The Happy Seventh-day Adventist Church (EIN# 12-3456789) on July 15, 2014. As a token of our appreciation, we have provided you this item: a plated dinner at our annual auction. We estimate the fair market value of this item to be \$30.00.

The Happy Seventh-day Adventist Church is grateful for your support and is a nonprofit organization. Your contribution, less estimated fair market value, is tax-deductible to the extent allowed by law.”

(Please note: Adventist churches are generally not stand alone 501c3 organizations but operate under the higher level's determination letter. Your local conference treasurer can provide proper wording for your receipts.)

In addition to the mandatory IRS verbiage shared above, the gift receipting process may also include additional touches such as emails, phone calls, personal visits, and other personalized written notes. It must, however, include the mandatory IRS language.

Donor Recognition

Although acknowledgement is always a private exchange between the donor and the nonprofit, donor recognition tends to be more public, unless the donor prefers anonymity. From the nonprofit organization's standpoint, the key objective of the recognition phase is to affirm the donor's giving and to encourage prospective donors through the recognition and affirmation of the donor's giving. In recognizing the sacrificial efforts of our donors, we must be cognizant that individuals demonstrate their interest in and loyalty for the organization in different ways. Some people with great means choose to make large single or infrequent gifts. Often, people with lesser means show the same degree of interest and loyalty to the organization by making a series of smaller gifts. Neither the size nor the frequency of the gifts should be the focus of a good donor recognition effort. It is the sacrificial nature of the giver that we seek to recognize. This recognition is often publically celebrated in order to spur on giving in others. Be creative in celebrating and respecting the sacrificial giving of your highly diverse group of supporters.

Recognition comes in a variety of forms. Some of the most common forms of recognition include being listed in: printed newsletters, e-newsletters, pamphlets, brochures, websites, giving trees, and donor walls. Plaques and other personal engraved mementos are also frequently chosen options to commemorate the donation during the acknowledgment step.

Recognition Letters

No matter what additional vehicles are chosen, you will usually include a letter as part of each donor recognition effort. Letters are a highly effective way of sending targeted donor communications. Not only can their production be easily automated, their content can be easily personalized, no matter how large or small the print run may be. Here are several things to consider as you craft your letter:

- Reaffirm the purpose of the gift and the cause being addressed in the body of the letter.



- Include quotations or stories that highlight how the gift impacted people's lives.
- The letter signer should be the staff member with the closest relationship to the donor.
- Recognize online gifts via email and all others by postal mail.

Donor Clubs

Many donors appreciate being recognized as part of a group of fellow believers that loyally supports your organization. Such groups are often called clubs, societies, circles, or by similar sort of name. Dependent upon the culture of the church body, such a framework may or may not be valuable within the context of a capital campaign. From the donor's perspective, the key benefit is that clubs allow donors to feel an affiliation with a broader community of donors that are similarly passionate for a cause. From the nonprofit's perspective, clubs allow the organization to plan and manage the donor communication for a small group of donors that are equally invested in the organization's success. Doing so helps the nonprofit to efficiently manage the donor experience while still allowing for individualized care and attention.

Many people will feel it is a privilege to be invited to join a select group of people whose financial commitment matches their own. Usually, your most committed donors expect and appreciate a deeper level of information about the organization, its mission, its vision, and its outcomes. If an organization is not prepared to consistently offer such deeper donor experiences to its most invested donors, then creating and managing a donor club program will be of little benefit. Nevertheless, there will always be an expectation of increased access to information and an increased sense of organizational engagement with donors that are highly invested in the nonprofit financially. With or without a club program, your organization will still need to meet those donors' expectations and carefully reaffirm each of their investment decisions.

Naming Opportunities

When this form of recognition occurs, it is most frequently found in the context of a capital campaign. The building of or an addition onto an academy is an excellent example. Frequently, the cost of the project is equal to the sum of all individual naming projects combined. For instance, a single building, say a high school building, could be offered as a naming opportunity while fundraising. Naming of a space within a space, such as offering a naming opportunity for a science lab within the high school building, is also a common practice.

Other common naming opportunities are nameplates on outside benches, memorial bricks, social media pages, and the list goes on. When naming opportunities are used in donor recognition, they provide your donors the opportunity to memorialize their sacrificial gift for the long term. It is both a public recognition and the tangible creation of a legacy that heralds the donor's deep connection to the organization and even deeper commitment to the cause.

Due to its relatively permanent nature, this type of recognition program should be very carefully considered. Here are just a few questions to consider:

- Will our naming policy allow only posthumous recognition?



- Will our naming policy disallow naming rights to businesses within certain industries?
- Will our naming policy standardize the wording for each type of opportunity available?
- Will our naming policy require committee review and approval prior to executing rights?
- Does our naming policy make provision for the retention or dissolution of naming rights?
- Does our naming policy clearly specify the mechanics of each naming opportunity?
- Does our naming policy handle naming opportunities for pledged vs. fulfilled donations?
- How does our naming policy ensure rights are proportionate to level of sacrificial gift?
- How does our naming policy handle changes in joint naming when life circumstances change joint names?
- How does our naming policy ensure rights are executed in a visually pleasing, nonintrusive, tasteful way?

These and many more questions need to be addressed within a comprehensive naming policy. Naming opportunities can be as simple or exhaustive as desired. Done tastefully, naming opportunities can be applied to the addition of classrooms, offices, entire floors, dining areas, prayer gardens, gazebos, and so on. The crucial question is whether naming opportunities are right for your organization.

The Spirit of Donor Recognition

Recognition can be a tricky subject. Even as children, we were all taught to say “please” and “thank you.” At first, we simply uttered the words. As we matured, we punctuated our spoken words with smiles, hugs, hand-written notes, small thank you gifts, and so on. The more the relationship matured and strengthened, the more tangibly we often expressed our thanks. The real value of such tangible expressions of thanks is that they are important gestures that signal and reinforce our depth of gratitude and sincere appreciation for the individual we are honoring. The entire process is about meaningfully honoring the giver, not the gift. The same is true in philanthropic endeavors, so the spirit with which we honor individuals is critically important. If everyone involved in your cause does not consistently feel valued and appreciated, your organization has a very important issue that must be addressed. We must fully appreciate that the meaningfulness of our “thank you” is driven by the preference of each individual being thanked. There is no one-size-fits-all solution for recognition because we are honoring the unique sacrifice of an individual person.



Occasionally, some may feel that recognition is unbiblical. To be more precise, they feel that recognizing donors' contribution efforts is unbiblical. Frequently, this misconception is grounded in texts like Matthew 6:1-18. At first glance, it may appear that this text teaches against recognizing peoples' giving. Upon closer inspection, however, we find that the text really admonishes donors not to be driven to give in order to be recognized. The text is dealing with the condition of the heart, not the earnest expression of thanks. Consider that Jesus acknowledged a woman's giving in the story of the widow's mite (Mark 12:41-11 & Luke 21:1-4) and praised her sacrificial giving. Paul openly praised the sacrificial giving of the Macedonian churches, in order to encourage generosity in the Corinthian church (2 Corinthians 8:1-5). The Israelites were spurred to offer willingly, after King David lists his and his leaders' gifts that were brought for the making of the temple (1 Chronicles 29:1-17). Time and time again in scripture, we see people being affirmed, recognized, and encouraged by hearing about the heartfelt generosity of others.

Donor recognition celebrates the generosity of giving hearts. And in the Christian perspective, the ultimate purpose of the recognition is best summed by Jesus words: "Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven" (Matthew 5:16, KJV). Donor recognition is an opportunity, not a right or an obligation. Done well, all efforts turn our eyes to the father of lights, the source of all good and perfect gifts (James 1:17).

White, Richard. "IRS Crackdown on Tax Deductions Puts Focus on Gift Records." *Chronicle of Philanthropy*, 2 Dec. 2012.





Chapter 18

Fundraising Fitness— Achieving Quantitative Results in Fundraising

By Randy Fox

Introduction

In recent years there has been increasing emphasis on quantifying fundraising results, and much of this emphasis has been positive—while not forgetting to balance these results against the qualitative results that cannot be easily measured. Approximately a decade ago the Fundraising Effective Project (FEP) was initiated and was received enthusiastically by the astute professionals in the field. Building on this foundation, PSI began its own version of FEP, as is explained below.

While this tool may not be something all churches and their leadership can implement, many pastors are also involved in other organizations such as educational institutions, as are lay leaders in the church. Understanding the parameters of quantifying fundraising results, while not forgetting the human being who is served by the organization and its fundraising efforts, can be most beneficial for ensuring maximum outcomes. We encourage all leaders, whether church or other nonprofit organizational personnel, to read the exciting explanation below.

Here's Some Really Good News For Adventist Fundraisers

Any size organization raising money can now do a self-assessment, and accurately measure the health of their fundraising program, using the PSI Fundraising Fitness Test.

This new performance tool will benefit every client PSI serves, better than anything else we have offered in the last 25 years. It has been received with equal enthusiasm by seasoned fundraisers in charge of large healthcare development programs, and by one- person-shop upstarts.

Fundraising Fitness Test Overview

The Fundraising Fitness Test is an amazingly simple, but extraordinarily powerful Excel based assessment tool, that uses performance analytics, to measure the impact of donor engagement and improvement initiatives.

Using just 3 standard data points (Exhibit A) and a series of macros, programmed with complex algorithms, it quickly produces easy-to-read reports (Exhibits B, C, D & E) measuring donor loyalty, net growth (calculated by subtracting losses from gains for donors and dollars), which compare two, three, and six years side by side on one page.

Professional fundraisers unanimously agree that the reports provide actionable information. The results are divided into 5 giving ranges and 5 donor categories: new, recaptured, upgraded,

downgraded and lapsed, which reveals how well each fundraising program is really doing. To improve fundraising productivity, make small incremental adjustments and re-run the Fundraising Fitness Test again each month to track your progress.

Five Reasons You Should Begin Using It Now

Donor Retention has been poor nationwide for years, and its dropping! According to the 2014 Fundraising Effectiveness Survey, 57 of 100 repeat donors were lost, 105 new donors were lost for every 100 gained, and \$96 dollars were lost for every 100 gained. An attrition rate of 60%, left unchecked, will shrink a donor base of 1,000 to just 10 donors within 5 years! Even if you happen to be raising more money than last year, it's not good enough to look just at gross donations, because losses of donors and dollars frequently erase gains.

Finally, Useful Fundraising Performance Reports – Easy as 1-2-3

Thanks to Bill Levis, a brilliant longtime friend of Dr. Lilya Wagner since the late 1980's, who used his computer programming skills and extensive research about the intricacies and dynamics of fundraising and philanthropy to approach the fundraising effectiveness problem from an entirely new angle, PSI now has a far more practical way to analyze development program performance.

The Fundraising Fitness Test works like magic! All you do is export the Donor Identification number, the Date the gift was received, and Amount of the gift. Then Copy and Paste 3 fields into the first worksheet, and activate the macros which automatically create all the reports for you.

How to Use the 80/20 Rule to Your Favor by Working Smarter

The Fundraising Fitness Test measures YOUR potential against YOUR past and YOUR current reality, rather than relying on assumed comps. It exposes what needs fixing, so you can focus your finite resources of time and money, where you'll get the highest ROI.

Dr. Adrian Sargeant, one of the Top 10 most-influential people in fundraising, says, "A 10% improvement in retention, can double the lifetime value of your donor database!"

The Fundraising Fitness Test can help you improve both donor retention and acquisition. The reports clearly illustrate that development initiatives cannot be sustained financially without major gifts, no matter how many small donors you have. Success requires spending time identifying, and building relationships with major gift prospects—and then asking, and thanking them for major gifts.

Use the Growth-in-Giving calculator to project realistic goals which are based upon YOUR relationships with YOUR donors, and their giving history to YOUR nonprofit, and with economic challenges that may be unique to YOUR region. Then run the reports monthly (ideally) or quarterly (at a minimum) to track the impact of incremental adjustments to solicitation activities, and use your progress to justify increasing your fundraising budget to help increase institutional fundraising capacity!

Numerous studies prove that significantly more money can be raised by hiring more seasoned full-time development professionals, actively pursuing prospects, so having adequate staff to solicit



prospects and improve retention rates, is one of the wisest investments any nonprofit could possibly make. Unfortunately, many organizations persist in focusing on efficiency rather than effectiveness.

Ten Advantages of a Spreadsheet Based Tool

It is Easy, Free, Fast & Informative, so it will have a significant impact--if used regularly (just like exercise)—hence the name Fitness Test!

It uses software already installed on the majority of computers, and most people already have some experience using spreadsheets.

It's easier and more helpful than complex donor software queries.

And, the program and data files can be emailed, so we can assist anyone, anywhere there is an internet connection, with running the reports and interpreting the results (Exhibits F & G).

Proof of Improvement Is in the Net Gain

In 2012, under Bill Levis's direction, PSI conducted a very successful pilot project that involved customizing the Fundraising Fitness Test for a client. The very next year they raised a whopping \$270,000 more dollars than ever before (net, not gross)—mainly because it was easy to use! They analyzed subsets of development program data and fine-tuned their strategy monthly to maximize effectiveness.

The incredible results of PSI's very first test case proved that the Fundraising Fitness Test has the capacity to help Adventist institutions increase philanthropic support, by improving donor and dollar gain/loss ratios, better than any other resource we know of.

Kristin Priest, former associate director at PSI, was thrilled that the reports finally enabled Adventist institutions to truly compare apples with apples, for the first time in PSI's history, because it uses standardized data.

She says, "The Fundraising Fitness Test provides deeper insight into the health of development programs better than anything else I have used, which helps me gauge the institutional capacity to raise more money, so I can provide actionable advice."

Michael Brown, who replaced Kristin, is also knowledgeable on how to utilize this new PSI resource to improve fundraising performance. PSI now requires academies participating in the MAP program to submit gift-transaction data (on a confidential basis), to establish a baseline that can be extracted annually to track growth, and also to illustrate to NAD that their financial investment, provided through PSI, was a wise investment.

The Adventist Church Is Still a Leader in Philanthropic Initiatives

The Fundraising Fitness Test is also impressing and impacting professional fundraisers outside the Adventist Church. Following its introduction in a professional trade journal, it was downloaded 800 times in just 90 days! The YMCA is now following PSI's lead.



Many Leaders in the nonprofit sector believe this brilliantly simple approach to analytics, has the potential to completely change how performance data are generated and used.

Even Seasoned Fundraisers Are Surprised by What They Learn

The Fundraising Fitness Test exposes the truth in ways that cannot be ignored (like standing on a scale) about the root problem—things even expert fundraisers are sometimes unaware of. Two Examples are: a consultant in charge of National nonprofit campaign was stunned when he realized it was “hemorrhaging money;” A seasoned development officer who trains fundraisers how to improve their development programs, was shocked to discover that 1,200 donors had been lost under her direction!

Using the Fundraising Fitness Test regularly will dramatically reduce the chances that your nonprofit will suffer three common causes why major gift programs frequently lose significant revenue from one-time mid-level donors who do not repeat or upgrade their gifts: One-time mid-level donors are neglected because the development staff are so busy with 80 percent of donors who provide barely 20 percent of the financial support, not subtracting losses from gain, and lumping all fundraising efforts together.

Small Steps Can Bring Positive Lasting Change to Your Efforts

Once you see hard data that clearly illustrates no advancement program can be sustained just by gifts in the \$250 and under range, regardless of how many donors you may have, it becomes easier to focus on the much smaller (and more manageable) number of your donor base that provides more than 80% of your support.

The first step is focus on improving donor retention, because it takes dramatically less time and money to retain an existing donor than it does to gain a new donor. But, it is interesting to note that as important as donor retention is, new donor acquisition is the key distinguishing characteristic of the 500 fastest growing nonprofits. So you must do both to succeed.

Strive to inspire your prospects go give sacrificially with visionary projects, rather than making the common mistake of relying on the obvious need (lack of money). And remember to thank them often, and communicate the difference their support is making.

How Do I Obtain the Fundraising Fitness Test

You can obtain the Fundraising Fitness Test by visiting PSI’s website philanthropicservice.com, click the staff tab, and send an email to Randy Fox.

While you are on PSI’s website be sure to watch the podcast of a webinar on the Fundraising Fitness Test to see screen shots and a 20 minute step-by step demo of how it works. There are also many other resources on our website.

What if I Need Help Generating My Reports

PSI uses GoToMeeting to train clients on how to use the Fundraising Fitness Test, or you can just email your gift-transaction data to Randy, and he can run the reports and email them back to you.



GIFT-TRAN DATA

Account ID #	Gift Date	Gift Amount
9012sm	12/4/2012	\$8,266.25
9020186	12/4/2012	\$100.00
9032102374	12/4/2012	\$36.00
9032117067	12/4/2012	\$25.00
9032291151	12/4/2012	\$200.00
9032550473	12/4/2012	\$100.00
9032555217	12/4/2012	\$25.00
9032570158	12/4/2012	\$25.00
9032576338	12/4/2012	\$20.00
9032980-wsh	12/4/2012	\$5,000.00
9040014910	12/4/2012	\$1,000.00
9040030254	12/4/2012	\$1,000.00
90404407	12/4/2012	\$200.00
90404428sm	12/4/2012	\$25.00
90406910sm	12/4/2012	\$25.00
90408123	12/4/2012	\$25.00
90408193	12/4/2012	\$10.00
90410212	12/4/2012	\$20.00
90410450	12/4/2012	\$25.00
90410463	12/4/2012	\$25.00
90411038	12/4/2012	\$20.00
9041445	12/4/2012	\$15.00
9042351	12/4/2012	\$50.00
9042699	12/4/2012	\$1,000.00
9043045	12/4/2012	\$50.00
9049023680	12/4/2012	\$40.00
911003298	12/4/2012	\$10.00
911004035	12/4/2012	\$10,000.00
911006432	12/4/2012	\$25.00
911006521	12/4/2012	\$10.00
911007225	12/4/2012	\$2,000.00
911008170	12/4/2012	\$50.00
911010353	12/4/2012	\$139.00
911012580	12/4/2012	\$100.00
911014163	12/4/2012	\$2.00
911015041	12/4/2012	\$500.00
911015531	12/4/2012	\$100.00
911016105	12/4/2012	\$50.00
911020740	12/4/2012	\$10.00
911021155	12/4/2012	\$200.00
911024386	12/4/2012	\$5,000.00
911024386	12/4/2012	\$2,500.00
911024386	12/4/2012	\$2,500.00
911024488	12/4/2012	\$20.00
911024913	12/4/2012	\$25.00
911025656	12/4/2012	\$50.00
911027254	12/4/2012	\$25.00
911027276	12/4/2012	\$100.00



Exhibit B

Top Actionable Indicators

Fundraising Fitness Test

1/28/2015

See "All Indicators" worksheet for details and formulas by "Ind. No."

1 <-- Year-end month

Fundraising Performance Indicators

Year2: 2012

Using Gift Transaction Data By Giving Level/Range

Year1: 2011

Ind No.	Fundraising Performance Indicator	Giving Level/Range					
		All Donors	Under \$100	\$100-\$249	\$250-\$999	\$1,000-\$4,999	\$5,000 & Up
Donor retention rate							
1	New donor retention rate	32%	19%	41%	72%	77%	50%
2	Repeat donor retention rate	75%	55%	73%	85%	90%	79%
3	Overall donor retention rate	59%	33%	63%	83%	88%	73%
Donor acquisition rate							
6a	New donor acquisition rate	40%	77%	31%	12%	5%	3%
6b	Repeat donor re-acquisition rate	11%	14%	13%	5%	8%	10%
6	Overall donor acquisition rate	51%	90%	43%	17%	12%	13%
Donor gains, losses & net							
5	Donor gains	1,287	809	343	115	16	4
7	Donor losses	1024	597	293	111	15	8
9a	Net gain in donors	263	212	50	4	1	(4)
12	Net gain in donors (%)	20%	26%	15%	3%	6%	-100%
Number of donors							
13	Overall donors retained	1,483	297	500	549	115	22
16	Percent of Year2 donors by range	100%	40%	30%	24%	5%	1%
Amount of gifts							
18	Percent of Year2 gift\$ by range	100%	5%	14%	32%	23%	26%
19	Average gift size in Year2	\$ 266	\$ 35	\$ 121	\$ 354	\$ 1,307	\$ 7,330
Dollar gains, losses & net							
20	Dollar gains	\$ 312,277	\$ 29,916	\$ 51,142	\$ 82,117	\$ 48,409	\$ 100,693
22	Dollar losses	\$ 392,850	\$ 22,500	\$ 44,308	\$ 58,453	\$ 36,218	\$ 231,371
27	Net gain in dollars (%)	-26%	25%	13%	29%	25%	-130%
Growth in giving (GiG)							
39	Overall rate of growth in gifts	-10%	23%	7%	11%	8%	-41%
Growth in donors							
43	Overall rate of growth in donors	10%	24%	6%	1%	1%	-13%
Distribution of Year2 donors & gifts:							
50	Upgraded donors in Year2 %	21%	9%	19%	39%	42%	42%
What Year1 donors did in Year2							
Repeat donors:							
58	Year1 donors that upgraded %	23%	11%	20%	40%	42%	37%
Lapsed donors (attrition):							
66	New Year1 donors that lapsed %	25%	49%	19%	4%	2%	10%
68	Repeat Year1 donors that lapsed %	16%	17%	18%	13%	9%	17%



6 Year Trends

1/28/2015

Fundraising Fitness Test

Fundraising Income Summary

Using Mail, eMail and Website Gift Transaction Data By Giving Level/Range

1	<-- Year-end month
Year2:	2012
Year1:	2011

Fundraising Performance Indicator	2007	2008	2009	2010	2011	2012 YTD
36 Total gifts in Year1	\$ 265,119	\$ 376,712	\$ 412,741	\$ 581,172	\$ 667,898	\$ 818,249
37 Total gifts in Year2	\$ 376,712	\$ 412,741	\$ 581,172	\$ 667,898	\$ 818,249	\$ 737,676
40 Total donors in Year1	1,019	1,164	1,510	1,833	2,268	2,507
41 Total donors in Year2	1,164	1,510	1,833	2,268	2,507	2,770
78c Number of gifts in Year2	4,861	6,159	7,615	9,045	10,313	10,946
78d Average frequency in Year2	4.18	4.08	4.15	3.99	4.11	3.95
78e Average amount in Year2	\$ 77.50	\$ 67.01	\$ 76.32	\$ 73.84	\$ 79.34	\$ 67.39
72 Monthly donors in Year2 ****	306	386	464	541	608	629
75 Monthly-donor gifts in Year2	\$ 120,406	\$ 180,111	\$ 204,006	\$ 232,065	\$ 354,993	\$ 352,864
new Net change in monthly donors*	n/a	126%	120%	117%	112%	103%
5a New donors in Year2	536	738	877	931	905	1,012
5b Reactivated donors in Year2	77	172	131	223	254	275
2a Repeat donors in Year2	551	600	825	1,114	1,348	1,483
58a Upgraded in Year2	260	279	332	492	641	582
60a Same in Year2	133	172	211	273	293	299
62a Downgraded in Year2	158	149	282	349	414	602
7 Lapsed donors	468	564	685	719	920	1,024
7a New in Year1	298	372	482	519	605	619
7b Repeat in Year1	170	192	203	200	315	405
6a Acquisition rate**	53%	63%	58%	51%	40%	40%
6b Reactivation rate**	8%	15%	9%	12%	11%	11%
64 Repeat rate**	54%	52%	55%	61%	59%	59%
58 Upgraded**	26%	24%	22%	27%	28%	23%
60 Same**	13%	15%	14%	15%	13%	12%
62 Downgraded**	16%	13%	19%	19%	18%	24%
70 Attrition rate**	46%	48%	45%	39%	41%	41%
66 New**	29%	32%	32%	28%	27%	25%
68 Repeat**	17%	16%	13%	11%	14%	16%
43 Net change in total donors	14%	30%	21%	24%	11%	10%



1/28/2015

Fundraising Fitness Test

<-- Year-end month

This year:

3-Year "Growth in Giving" Analysis* by Gift Range

3-Year Cumulative Growth in Giving Category	----- Gift Range -----					
	All Donors	Donors Under \$100	\$100 to \$249	\$250 to \$999	\$1,000 to \$4,999	Donors \$5,000 & Up
Donors of record	38%	48%	34%	21%	12%	14%
Donors participating	22%	40%	19%	8%	4%	-10%
Gross revenue	10%	42%	24%	35%	25%	-23%
Average gift size	-10%	1%	5%	25%	21%	-14%



1/28/2015

Fundraising Fitness Test

Overall 3-Year "Growth in Giving" Analysis*

1	<-- Year-end month
This year:	2012
Last year:	2011
2 years ago:	2010

	<u>2 Years ago</u>	<u>Last year</u>	<u>Rate of Growth Last year</u>	<u>This year</u>	<u>Rate of Growth This year</u>	<u>Rate of 3-Year cum Growth</u>
1 Donors of record (end of year)	5,005	5,910	18%	6,922	17%	38%
2 Donors participating	2,268	2,507	11%	2,770	10%	22%
3 Percent participation (2/1)	45%	42%	-6%	40%	-6%	-12%
4 Gross revenue	\$ 667,898	\$ 818,249	23%	\$ 737,676	-10%	10%
5 Average gift size (4/2)	\$ 294	\$ 326	11%	266	-18%	-10%







Alternative Revenue Sources— Beyond Donor Contributions

By Michael J. Brown

Sustainability is a key concern for most charitable organizations. Often nonprofits experience declining charitable contributions, especially when the economy is unstable. Like for-profit businesses, nonprofit organizations are searching for ways to diversify the income needed to continuously fund their missions. That is why researching alternative sources of revenue is an increasingly important nonprofit strategy. For local churches, and their affiliated nonprofit organizations, individual contributions comprise the single largest category of donations received. However, it is worth investigating the variety of ways that churches and their local ministries can consider growing alternative sources of revenue. Here we will consider three important sources:

- In-Kind Gifts
- Earned-Income
- Cause Marketing Sponsorships

In-Kind-Gifts

Although in-kind gifts are not actually money, we are considering them an alternative revenue source because they act like money. Generally, donations are classified as being either liquid assets or illiquid assets. Liquid assets are easily convertible to cash, which of course, tends to be the most versatile and easily used assets nonprofits receive. Illiquid assets are those that can be used as is, or through more involved management they can eventually be converted to cash. In-kind gifts are not cash, cash equivalents like stocks and bonds, or other securities. In-kind gifts can come in a multitude of forms. An individual may donate things like: computers, food, pro-bono services, cars, boats, houses, or land. Businesses may choose to donate things like: office supplies, office space, office equipment, or even staff time. In either case, it is almost always the donor that puts a value on the contribution for tax purposes.

Why are in-kind gifts so important? The primary reason is that they free cash to be used for situations in which only cash is accepted, such as making purchases or paying bills. Another reason they are so important is that they give people and businesses that may currently be unable to provide additional support through financial gifts, an opportunity to still show their support for your organization in a tangible way. In-kind gifts provide potential donors additional avenues for participating in giving to your organization. They make getting to “yes” easier for both the donor and the nonprofit.

The first step in the process is to take inventory of the non-cash needs, the illiquid assets your organization is planning to purchase to achieve its mission. These products and services may support the organization's day-to-day operational needs. They may also be products and services needed to support on-going program needs like meeting space to conduct health and wellness classes or food items needed to serve the homeless as a community service outreach. The products and services may also help fill periodic special project needs. Backpacks filled with school supplies for a neighborhood back-to-school outreach program provide a perfect example. Another example may be volunteers needed for a tutoring program to support a local school your church may have adopted. It is prudent to place an individual or committee in charge of systematically reviewing and updating the list on an ongoing basis.

The next step in the process is to ask your network of friends and family whether they know of any businesses, from individual entrepreneurs to large corporations, that may have an interest in supporting the cause through in-kind gifts. To affectively engage your network, you will need to ensure that the gift needs are well understood and remain top-of-mind for your entire organizational leadership, closest supporters, and membership at large. The broader the net cast, the more likely your efforts will reap success. Even better is if someone in your network has a personal connection with the prospective donor. They may be friends. They may be employees. They may be business industry contacts. Having someone who has a personal relationship with the prospective donor allows people in your network to lend their credibility to the organization and soften the process of asking for a donation.

Also remember that research librarians, especially in the main branches of public libraries, can be an excellent source to help get you started in searching for possible corporate donors and sponsors. Local public libraries and university libraries often have multiple directories of corporate giving in their reference sections. These resources are extremely helpful in that they profile corporate organizations, often listing the type of cause or causes they support through corporate giving, identify regional restrictions, list contact information, and so on. Research librarians can also point you toward fee-based online databases, like the Foundation Center's Foundation Directory Online, which are selectively offered for free for public use within main branch public libraries. Librarians are usually willing to show you how to access such databases and may be able to assist you in doing a limited amount of simple queries. Understanding the corporate profile of corporate donors and grantors can help your organization understand how your in-kind needs align with the prospective donors' business needs. Remember, corporate philanthropy is a socially responsible business decision, not simply an emotional appeal. That means you must know and be able to clearly articulate the business reasons, the set of benefits, that each prospective donor organization will receive by supporting your specific cause, project, or event.

Having completed the above, you are now in the position to make the ask. Ideally you will have your network contact with you if the ask is done in person or by phone. If the ask must be done by mail or email, you will want your contact to have touched base with their contact within the prospective donor organization. The least salient option, although better than not asking at all, is to do a cold ask—meaning one in which there is no pre-established personal relationship or personal referral available. In the latter case, both you and your cause will likely need to cross a higher credibility bar because your organization is likely an unknown quantity. That is why growing and tapping into your network is the efficient and effective option for cultivating in-kind gifts.



Finally, you will need to carefully coordinate the logistics of how the gifts should be acquired, who the main point-of-contact is, and the preferred means of communication throughout the gifting process. And as with any other form of donation or partnership, you must also ensure that you thank and recognize the donor. By law, recipients of in-kind donations must record the good faith estimate of the market value of any goods or services provided, if applicable, in exchange for the donated item, the value of which has been determined by the donor (usually verified by credible sources). A typical thank-you note for in-kind donations would read like this:

“Thank you for your contribution of a (description of item) that (organization’s name) received on March 15, 2007. No goods or services were provided in exchange for your contribution.”

The Happy Seventh-day Adventist Church is a nonprofit organization. Your contribution is tax-deductible to the extent allowed by law.

(Please note: Adventist churches are generally not stand alone 501c3 organizations but operate under the higher level’s determination letter. Your local conference treasurer can provide proper wording for your receipts.)

In-kind-gifts can be an open door to future additional in-kind gifts and even future cash contributions, so effective follow up, thanks, and recognition are critical. Even if there isn’t a good match between your prospective donor’s philanthropic interests and actually making an in-kind-gift to support your cause today, remember that people may move to other organizations. It may be helpful for you to have established a mutually beneficial relationship. Continuing to cultivate the relationship, even after a “no,” may very well be the key that opens the door to future gifts.

For more information on the topic of recognition, see the Thanks & Recognition chapter in this volume.

Earned Income

Another important category of alternative revenue is earned income. Many times, nonprofits carry a higher than necessary level of risk by limiting their income to a single source of revenue. In order to more easily survive periodic or seasonal downturns in contributions, many organizations are exploring non-philanthropic income sources such as fees for service and product sales. Note, however, that doing so is not a panacea to economic sustainability for the nonprofit organization. In fact, it could even become a distraction to your core mission and core competency. Earned income, when the process of generating it actually strengthens the mission, can be a powerful buffer against economic uncertainty. It does, however, take the nonprofit into the foreign territory of the for-profit, commercial business sector.

Earned income can be as simple as a bake sale or proceeds of a health food store. It can also be as complex as creating a social enterprise—a commercial business venture whose proceeds are plowed back into the nonprofit organization to do social good. The creation of a day care is a good example of the latter. Because of the risk of moving off mission, and due to the hard facts that 80% of new businesses fail with the first 5 years of operation, it is highly recommended that churches and their affiliated ministries focus on earned income opportunities that strongly align with their current



mission focus. So increasing the use of the church building by renting space during periods of nonuse is a common earned income approach that can be adopted by churches and church schools. The sale of purchased and hand-made products is also a very viable, easily implementable, low risk means of diversifying revenue sources by increasing earned income. Using your existing physical plant to begin providing grant-funded community services is also a means of increasing earned income. Activities like launching a new vegetarian restaurant, whether in rented space or on sight, however are highly risky ventures for nonprofit organizations.

Taxation is another area of consideration. Nonprofit organizations often have multiple sources of revenue that usually includes some mix of:

- 1) Charitable contributions including in-kind gifts.
- 2) Program revenue from products or services rendered in pursuit of the nonprofit mission.
- 3) Government grants from federal, state, or municipal sources.
- 4) Private grants from foundations and corporations.
- 5) Investment income from savings accounts, simple securities, and endowments.

Unlike for-profit businesses, nonprofit organizations are generally exempt from federal and state income taxes. The exception occurs when the income is earned from business activity deemed to be “unrelated” to the mission of the nonprofit organization. When each nonprofit was established, each set out its purpose in its Articles of Incorporation. The nonprofit’s organizing documents specifically outline the types of business activity that the nonprofit was requesting tax exemption status for. Once the state awarded the nonprofit charity status, the nonprofit filed for federal income tax exemption status for all activity related to its nonprofit mission. Doing so does not mean that public charities cannot earn income outside of its not-for-profit purpose. It does, however, mean that such unrelated business income is taxed at standard corporate rates. The unrelated business income must be appropriately declared on the nonprofit’s tax returns filed with both the state and federal government each fiscal year.

It is also important to note that when receipting donors, products and services received for unrelated business activity are not charitable contributions. They actually represent purchases and therefore are NOT tax deductible. Since the purchases are not charitable donations, those purchases are NOT tax deductible. Moreover, the nonprofit must charge sales tax on these items at the time the products or services were purchased. Unrelated business income is for-profit income and is treated the same as it would be if it had been generated by any other for-profit, commercial business. This principle of equal treatment ensures that nonprofits organizations are not unfairly given tax advantage over commercial businesses when engaging in for-profit business. That is why it is so important to clearly understand what types of activities the Internal Revenue Service (IRS) considers related business activity versus unrelated business activity. Tax on the latter is commonly termed Unrelated Business Income Tax (UBIT).



It should be noted that capital income is usually not subject to Unrelated Business Income Tax (UBIT). For instance, suppose a church or academy established an endowment fund. Doing so would allow individuals and businesses to contribute to a fund in which some pre-determined percentage of the principal would continuously be saved. Income from the interest on the principal would be used for some pre-determined operations or program services purpose. The interest income from endowment funds are usually not subject to UBIT, but you should always consult your accountant.

Related business income is very common for certain types of ministries. Academies and universities charge tuition. Hospitals charge for healthcare services. Almost every organization has an opportunity to develop mission income streams. It is only prudent to do so, however, if doing so enhances the attainment of your mission.

Determining related versus unrelated business income can be very tricky. See IRS publication 598, “Tax on Unrelated Business Income of Exempt Organizations,” for more details. Most importantly, seek the advice of a certified public account or tax attorney as you consider adopting these revenue streams.

Cause-Related Marketing

Cause-related marketing (CRM) is the final area of alternative revenue sources that will be briefly discussed. It is a collaborative agreement between a nonprofit organization and a for-profit business to increase the visibility of the for-profit brand among nonprofit constituents and supporters. The nonprofit receives a negotiated mix of product and or financial contributions in return for the nonprofit’s prominently promoting and advertising the cause-driven relationship to the nonprofit’s constituents, supporters, and community at large. The goal of the nonprofit is to position itself within the community as a socially responsible, good corporate citizen. There is a definite value exchange relationship with clear quid pro quo benefits for both the nonprofit and the for-profit business.

Depending on the nature of the relationship, the nonprofit may encourage its clients, community, and the general public to purchase or utilize the businesses goods and services. As with in-kind gifts, the relationship is not solely philanthropic. It is the result of calculated, strategic business intent. Although CRM relationships can and do take on many forms, most can generally be classified as one of three broad types of relationships:

- 1) Event or Program Sponsorships
- 2) Affinity Program Referral Payments
- 3) Profit Sharing of Product Proceeds

Event or Program Sponsorship is the most prevalent type of CRM initiative. These are most often event-driven, one-time or limited-time partnerships. The nonprofit organization commits to prominently displaying the sponsors’ logos during promotion, execution, and post-event celebrations. The lead sponsor receives the greatest logo placement and verbal mentions, with other sponsors receiving advertising proportionate with the pre-defined benefits levels tiered at different



support levels. Some common sponsorship events include walk-a-thons, bike-a-thons, annual golf tournaments, and annual benefit auctions. These are most often heavily promoted through social media campaigns that are executed in conjunction with other online and offline integrated marketing campaigns. These social media campaigns often involve a mix of “like” campaigns, link sharing campaigns, and vote-based viral campaigns.

Affinity Programs are payments based solely on the number of people either viewing the for-profit brands advertisements and or completing the purchase of products, most often through online websites with product listings, although offline partnerships are possible. Quite often the nonprofit acts as a sales agent on either a temporary or longer-term basis. As is common with event sponsorships, peer-to-peer fundraising is a common component of these campaigns.

Profit Sharing is the least frequent type of CRM effort of those discussed. Occasionally, the sponsor will pledge to commit a proportion of its traditional product sales to a certain nonprofit partner. Increasingly, profit sharing programs are executed as part of a shopper loyalty program that donates a small percentage of proceeds to one of several, pre-approved nonprofit organizations from a list of eligible nonprofits that the shopper can choose from. A good example of this kind of CRM relationship is grocery store programs. Shoppers associated with certain schools are able to donate their loyalty points or a small percentage of their total purchases to participating schools through a pre-existing grocery store loyalty program. In very rare cases, retailers may commit to sharing a small percentage of its profits from the sale of its normal, or some specially created product, to one very fortunate nonprofit organization.

As you can see, there are several options for developing alternative revenue sources to help cushion the nonprofit from vacillating economic conditions. For most churches and their associated nonprofit ministries, however, they tend to be small but important amounts in proportion to the organizations source of total revenues. Individual charitable contributions continue to represent the lion’s share of nonprofit donations.





Chapter 20

Fundraising *Doesn't* Cause People to Stop Giving Their Tithe and Offerings

by Nikolaus Satelmajer

Are you reluctant to begin a major fundraising project because you are afraid that tithe and offerings will be reduced? Pastors and church leaders all too often express such fear. Is it a realistic fear? There is no evidence to support the supposition that tithe will be reduced and that offerings will go down, yet because the fear exists among some, it needs to be examined. On the other hand, if a building program (or any major renovation or similar project) is not properly planned the giving of tithe and offerings may indeed go down. In this article we will share principles that will enable you to implement a major project without experiencing a downturn in tithe and offerings.

Seek input

The congregation needs to be part of the planning for any major project. If there is a genuine need for a new building or similar project, they need to be heard and be involved in deciding that the project it is worth doing. If they are involved, they will realize that a capital project is in *addition* to the regular operation of the church.

Be realistic

Do not allow unchecked enthusiasm to drive a capital project. You need to be realistic about fundraising by asking appropriate questions. For example, is the goal within the reach of the congregation or will the congregation become discouraged because the goal is unrealistic? If the project is unrealistic the congregation may indeed become discouraged and *all* giving—regular and fundraising--could be affected. Discuss the fundraising concept with major supporters of previous projects and listen to their input.

Stewardship

The church needs to have a healthy stewardship atmosphere *before* it enters fundraising. Stewardship education is not a “quick fix” solution for financial problems or something that a church does because it wants to start major fundraising. Quality stewardship education can create a long-lasting positive atmosphere in the congregation.

Organize

A fundraising campaign needs to be properly organized. A properly organized campaign is well planned and it has a defined beginning and ending. At the start of the campaign, the members need to have a clear understanding of the project goals and what will signal the end of the campaign. The goal of a campaign is not to raise “as much as possible,” but rather to raise the funds needed for a specific project. The congregation or constituency needs to experience the joy of successfully completing a project.

Communicate

Some projects fail even though the congregation wants the project. If the project is realistic and is well organized, the church will have a positive view of stewardship. Why do some projects fail? Because of a lack of communication. Just because the members of the various committees overseeing the project know what is happening, do not assume that all church members do. Avoid communicating only when more funds are needed or more volunteers are needed to work on a project. Communicate on an ongoing basis and also communicate through various ways. Modern technology has changed the way we communicate, but don't assume that high tech communication is the only effective way. Some people like to hear updates from project leaders. Others like to read about the progress and others like to be invited to actually see what is happening. If you want to be effective in your communication, use various channels and not just those you favor.

Thank them

We plan, implement and receive funds for projects, but it's easy to forget to thank the members for their support. Keep in mind that church projects are successful because members *choose* to participate. Likewise the church should *choose* to thank the project supporters. A person who invests in a business hopes to be rewarded by getting a good return on the investment. A musician, who practices extensively, hopes to be rewarded by giving an outstanding performance. Acquiring knowledge and getting good grades reward a student who studies diligently. How is a church member rewarded for supporting a project? By experiencing the satisfaction of participating in something that is important to the church and receiving thanks from the church. Surely, the church can do that much.

If a church member understands the importance of a project, that individual will support it without decreasing the returning of tithe and giving of offerings. The steps outlined will help to create a partnership that will bless both the congregation and the individual member.





Chapter 21

Grant Proposal Writing for Adventist Organizations

By Lilya Wagner

Introduction to Preparing Successful Grant Proposals

(Sections of this material used by permission of The Fund Raising School)

A proposal is a document that speaks on behalf of its author, answers all questions it might generate, and persuades the reader to the author's point of view - all in the author's absence. A proposal is prepared and written in a series of steps. Some may be more important than others, but none can be ignored.

It's important to give this process the right name—please note that proposal writers submit proposals and receive grants. Funding sources give (or do not give) grants. Proposal writers do not ***write grants***, although this incorrect terminology is widely used in the fundraising field.

Funds are granted for innovative purposes including seed money for pilot programs, capital improvement, and challenge or matching funds. The most difficult funds to secure are for debt payment and general operating purposes. Endowments are almost never funded.

The types of organizations that make awards are federal agencies or government at any level; community, private (or family), and corporate foundations; and private corporations. At times proposals are written for individuals as well, mostly when a large sum of money is involved.

Federal agencies give grants for society's needs and demands. Private or family foundations give grants for projects that are consistent with the interests of the founder or person responsible for making the funds available. The desires of the family or individual who is responsible for accumulating the money are what drive funding decisions. Community foundations represent resources of a large number of donors and, therefore, are motivated by what these donors think is good for the community. A corporate foundation's giving is based on the company mission. Corporations are concerned about profit and give in ways that ultimately promote marketing of their products or services. In submitting a proposal to any funder, motivations for making awards must be understood.

Funding agencies exist to give away money. Each wants to fund the best ideas and make wise investments. Each is looking for applicants that will propose exciting, innovative, and feasible ideas. In this competitive atmosphere, the wise proposal writer will see the process as seeking a partner rather than just someone who will pay the bill. Therefore the psychology of

writing proposals is important. Funding agencies need you in order to be successful in their goals. Although they may have varying motivations in giving funds, they do want people to come forward with the best requests. There is money to be given away. What the grantors need are good reasons for making awards.

Funding is idea-dependent. To receive a grant, you must be able to put your idea into a package that successfully markets the idea. An idea is an abstraction. It must be converted into a tangible format. Through the activities of this course you will learn how to transform an idea into an explicit, imaginative request that leaves no question unanswered.

A proposal must be competitive to have the benefit of a full review. Unfortunately, many proposals are so poorly written they aren't even eligible for submission. If proposals are rejected it's often because they lack clearly stated objectives; the budget doesn't match the narrative; the needs don't match the interest areas of the funding source; and guidelines are often not followed. Most importantly, proposal writers fail to put themselves into the mind-set of the proposal reviewer and, therefore, write only from their organization's viewpoint and expectations. Of course, sometimes there just isn't enough money to grant, given how many proposals most grantors get.

Successful proposal writing involves a series of interdependent steps.

1. Locate and use funding source directories and identify funding sources.
2. Be careful to fully understand the policies of the submitting organization and the funding source and follow these to the letter.
3. Develop an idea from abstraction to a well-articulated written presentation requesting financial support.
4. Organize and write a competitive proposal eligible for submission.
5. Develop a budget consistent with proposal objectives.
6. Process a grant request through the submitting organization to the funding source.
7. Respond to the demands of the proposal review process.

Please Note: You will need to adapt the basic principles to your particular circumstances and needs.

Locating, Understanding, and Approaching the Funding Source

Before a search for funding is initiated, be sure you know what you're looking for. Don't start by listing all your organization's needs and then see what's available. Define the highest priority of your organization that cannot be met by the existing or projected internal budget. Then search for a funder that is interested in the same priority.

If one is not careful, a haphazard approach to locating a funding source can be a colossal waste of time. But help is available. Philanthropic Service for Institutions can help you by conducting research or suggest avenues for your own research efforts.



- I. Selected resources, reference books, and directories.
 - A. *The Foundation Center*.
 - B. Annual reports usually found online.
 - C. IRS Form 990-PF, filed annually.
 - D. Articles from newspapers and magazines.
 - E. Individuals such as colleagues, volunteers, donors, and board members.
- II. In researching a possible funding source, determine the following:
 - A. Commitment to your funding needs as demonstrated by previous funding.
 - B. Geographic limitations.
 - C. Range of award size.
 - D. Types of organizations to which grants are made.
 - E. Special population groups supported by awards.
 - F. Award restrictions.
 - G. Availability of matching grants or cost-sharing awards.
 - H. Matching or cost-sharing requirements.
 - I. Application deadlines and procedures.
 - J. Possibility of personal or telephone contact.
 - K. Availability of annual reports.

III. The Initial Approach. **Remember:** the most important thing to determine at this stage is the degree to which a funder may be interested in your idea or need. The focus should be upon assessing the funder's interest, and not upon whether it will respond by making an award.

If the funder is interested in your idea, a personal contact will help you resolve some of the problems you may encounter during proposal preparation. Therefore, a personal contact is important for success. This should be established at the inquiry stage.

- A. Personal meeting. This method is preferable. Establish a first-person acquaintance with a key staff member of the grantor so you can seek good advice initially and during the proposal writing process.



1. Request an appointment with a senior staff member in the early stages of project planning.
 2. Confirm appointment on official letterhead but do not elaborate on project or mention amount of request.
 3. Accompany confirmation with a brief summary of your need and intended objectives.
 4. At the meeting, concentrate on project need, objectives, and ways to attain them. Do not use this meeting for brainstorming about ideas for proposals. This should have been finalized before you arrived.
 5. Avoid making the budget an issue unless the funder raises the subject. But be prepared to discuss the budget in detail if the issue is raised.
 6. Determine if the funder is the best one to receive your proposal.
 7. Keep funder material on file for reference, even if not immediately usable.
- B. Telephone contact.
1. When calling a funder, be clear about what you have in mind and what your questions are. Ask to speak with “the person in charge” of the program area of interest to you. Ask for the person by name if it is known.
 2. Make the call yourself.
- C. Letter of inquiry (if personal meeting is not possible).
1. Prepare letter on official letterhead.
 2. Address letter to a specific person, avoiding consequences of a “dear sir or madam” letter. It’s worth a phone call to determine the name of the appropriate person.
 3. Limit letter to one page.
 4. Include the following:
 - a. Title of proposed project.
 - b. Brief reference to project objectives (outcomes).
 - c. Request for response to the enclosed project summary.
 - d. Statement informing the reader that you will follow up by telephone on a given date, approximately ten to fourteen days following estimated receipt date of letter.



IV. Writing a project summary.

- A. A project summary is **not** a proposal. However, it can serve well as a basic document that can readily be expanded into a proposal as the application process evolves.
- B. Summary should be no more than two pages in length. One page would be preferable (of course this depends on the length of the proposal and the complexity of the request).
- C. Emphasize the objective(s) of the project, not the rationale for why the funder should fund the request.
- D. Use an outline or modified outline form.
- E. Include the following:
 - 1. Project title: descriptive but brief.
 - 2. Project duration: inclusive dates between which money needs to be available.
 - 3. Introduction and statement of problem: brief paragraph.
 - 4. Objectives: itemized permanent project outcomes (not project activities).
 - 5. Proposed solution: should be obvious that the solution will produce the objectives. Brief narrative, clearly defining methods to be used.
 - 6. Staff: if project involves key people or specialists beyond the person responsible for the request, basic relevant qualifications should be presented.
 - 7. Rationale: defend the idea; emphasize appropriateness of time, location, staff, facilities, etc.
 - 8. Budget: realistic estimate. Detailed budget not necessary at this point.
- F. Enclose with letter of inquiry.

Suggestions for Foundation Contact by Joel Orosz, Formerly of The Kellogg Foundation

- 1. Foundations are looking for a new approach, or a new twist, at least.
- 2. The applicant has expertise in the area, but also has something to learn and knows where to get help.
- 3. The applicant is determined to do the project, no matter what.
- 4. Homework has been done, both about the field and the foundation's funding priorities.



5. They are doing it with the people they are helping, not to them.
6. They are going to improve human well-being.
7. They will invest their own money in the project.
8. They have come up with a comprehensive approach to the problem. Complex problems are not solved by simplistic programs.
9. They work collaboratively with anyone who can help.
10. They are willing to have an impartial evaluator assess their work.
11. They will continue the program after funding ceases.
12. The program has the potential for broader impact.

Proposal Content

An articulate, well-organized, and succinct presentation is an effective means of bringing one person to another person's point of view. In proposal writing, this must be accomplished through the written page. What is written must stand on its own. Assume that questions cannot be answered by the proposal writer after the proposal is submitted. This is the way it usually works.

Some funding agencies provide well-defined guidelines. The proposal writer must follow them explicitly. Sometimes, however, no specific guidelines are available. The following can serve as a guide for preparing the content of any proposal, even when following a prescribed format.

The following items may be used as a content guide for proposal preparation:

Cover Sheet (face page)

Abstract or Executive Summary

Table of Contents

Introduction

Problem or Need Statement

Objectives (outcomes or products)

Proposed Solution/Method/Procedure

Impact of Grant

Rationale

Staff



Facilities

Evaluation

Budget and Budget Narrative

Future Funding

Description of Organization

Appendices

Many concepts and ideas that are underlying points of this model are applicable to federal forms as well.

Not all items need to be included in a proposal; some are optional. However, all proposals should have a statement of need, objectives (stated as outcomes), proposed solution (or method to be used to produce the objectives), evaluation, and budget.

- I. Cover sheet (or face page).
 - A. Data page; primary function is for the funder to determine basic information about the applicant organization and the request. Content and format are important.
 - B. Should contain the following information:
 1. Name of funding source.
 2. Project title.
 3. Project director's name and title.
 4. Project duration.
 5. Inclusive dates of project activity.
 6. Total project cost.
 7. Amount requested.
 8. Applicant organization's mailing address and telephone number.
 9. Name, title, and address of person to whom checks should be sent.
 10. Signature of person legally authorized to make contractual commitments on behalf of the applicant organization.



II. Abstract or executive summary.

- A. Prepare this last. It will be much easier to do following the preparation of the entire proposal.
- B. Usually should be 1/2 page or less in length.
- C. Include overview of the entire project, including proposed objectives or outcomes.
- D. Begin page with project title as centered heading.
- E. Be succinct.
- F. Present total dollar amount requested and project duration dates in an itemized form below the last paragraph.
- G. Write this summary so you could use it as a basis for preparing a press release at the time you get your award; however, don't include staff names at this time.

Sample Abstracts:

For some adults living in Indiana today, hearing the words, "All Aboard!" brings back memories of train rides to exciting destinations. By creating new train memories for the children in the Indianapolis inner city, who rarely have the opportunity to see modern day trains operate, the Reuben Wells exhibit will trigger the imagination and curiosity about the role trains played in Indiana history.

The exhibit will allow visitors to "experience" the sounds and sights of the great steam engine in motion through a multi-media system. The actual Reuben Wells engine will be juxtaposed with a miniature replica of the engine in a realistic environment. Children can push buttons, crawl into spaces and view the exhibit from a platform. By using the sights, sounds and even the feel of traveling the rails, the exhibit encourages a deeper exploration into the connection between trains and local history.

.....

According to the National Coalition Against Domestic Violence (NCADV), over fifty percent of all women will experience physical violence in an intimate relationship and for twenty-four to thirty percent of these women, the battering will be regular and on-going. Coburn Place is a transitional housing unit for domestic violence survivors and their children. We help women become self-sufficient, confident individuals, and we also help their children reach their optimum potential. Our goal is to help stop the vicious cycle that often occurs in domestic violence situations. In order to provide adequate services for our growing numbers of clients, we will hire an additional case manager to supplement the existing two managers, and will also hire a coordinator for volunteers.

.....



Children sometimes need to be encouraged to identify and talk about their own feelings. “Kids on the Block” (KOB) problem-solving skit helps children understand the steps in weighing alternatives and making appropriate choices. This program is endorsed by the National Mental Health Association and is a set of internationally renowned educational puppets designed to teach children about emotions.

The muppet-style puppets are used in skits designed for children from pre-school to the fourth grade. In addition to the story line, each skit involves interaction with the audience and a follow-up period of questions and answers. The KOB puppets are able to perform three different skits on the topics of emotions, problem-solving, and counsel-seeking.

Adding two more staff members to handle the increased load of school presentations, scheduling, and evaluating will enable us to place this unique program into the Hendricks County school systems. Already there are numerous requests, but there is no staff available to meet these requests.

.....

III. Table of contents.

- A. Limit to one page or less.
- B. List major sections of narrative; include subsections if it would be helpful. But keep it simple, uncluttered, and easy to use.
- C. Only necessary if the proposal is more than two or three pages in length.

IV. Introduction.

- A. Introduces the need addressed by the remainder of the proposal. Must be attention-getting.
- B. Try to limit to 1/2 page or less.
- C. This becomes the first page of the proposal narrative.
- D. Should be omitted entirely if the problem statement has a powerful attention-getting first paragraph that serves the same purposes.

Sample Introduction:

According to the National Coalition Against Domestic Violence, NCADV, over fifty percent of all women will experience physical violence in an intimate relationship and for twenty-four to thirty percent of those women, the battering will be regular and ongoing. Many women do not leave violent relationships because they are not employed outside the home and they may lack access to cash or bank accounts. Women also may face a decline in living standards for themselves and their children, according to the NCADV.

.....



V. Statement of the problem (need statement).

- A. Definition of the condition or situation you want to change.
- B. Relate needs to people.
- C. Prove that the problem really exists by giving quantitative evidence, if possible.
- D. Provide a lucid analysis, leaving no doubt in the reviewer’s mind that a real problem truly exists. Motivate the reader to read further.
- E. Provide documentation to help build the case. If it does not provide significant help, don’t include it. Some data may be referenced in the appendices unless it is essential for the reviewer to have it immediately available without searching for it.

Sample Needs Statements:

The Near Eastside of Indianapolis is an at-risk community. There exists great need for human services and community programs. For example, 43% of adults in the community have less than a high school education, 36% of households live below poverty and 36% of the population consists of single mothers. We can blame poor living standards of the near Eastside of Indianapolis on slumlords, a poor educational system or high rates of drug abuse. However, as Christians we cannot stand by and do nothing.

The Southside Maranatha Church is serving the near Eastside Community through a food pantry and soup kitchen, an after school program, an Alcoholics Anonymous group, a legal ministry, a youth job program and a new Friday night teen ministry program. The outreach programs of the church continue to grow and expand and the church facility has been able to keep up in all aspects except accessibility.

The lack of accessible facilities in the basement of the church has compromised the inclusive nature of the programs and services provided. Currently the basement is only accessible by a winding stairway. This causes problems for our food pantry recipients who are elderly, disabled or have small children in strollers. Nearly all recipients find it difficult to carry two bags of groceries up the stairway. We estimate that we are unable to serve 5 to 10 individuals per month due to inaccessibility. Recently a child in the after school program injured her ankle and had to be carried down the stairs in order to participate in the program. Also, the restrooms are not wheelchair accessible. All residents in our community need to have access to the church’s programs by means of a ramp from the street curb to the basement.

.....

VI. Objectives.

- A. Itemized definition of what an award will produce.
- B. Avoid confusing objectives with the administrative activity to be produced by the money. Objectives are what you will have left after the money is spent.



- C. Introduce with this kind of statement: “As a result of this award, the following objectives will have been attained,” followed by an itemized list of specific projected results or products.
- D. Present in a numbered list, double-spacing between items.
- E. Keep statements of objectives brief.
- F. The number of objectives for a given project will vary from one to several, possibly even four or five. Normally, any number greater than five should be reviewed carefully for possible consolidation of objectives (or the use of sub-objectives) or even redefinition of the project itself.
- G. Since definitions of “objectives and goals” vary, determine how grantors use these terms and use them accordingly. Nevertheless, always state your intended result as a product, not an activity, regardless of what a funder may want you to call it.

Sample Objectives:

Community Outreach Services: Substance Abuse Division

As a result of this grant, the following objectives will have been achieved:

- A minimum of 1,500 culturally sensitive substance abuse pamphlets, brochures, and information cards will be distributed.
- 100% of those who seek intervention and treatment services will be assessed; based on assessment, those who seek intervention services will be referred or offered treatment.
- 85% of the clients in treatment will be able to identify seven stresses that trigger the desire to use mind altering substances, and they will gain knowledge of finding alternatives to using drugs.
- 100% of the clients in treatment will be offered an alternative support system such as being assigned to a volunteer mentor.

.....

VII. Proposed solution, method, or procedure.

- A. Probably the longest section. State what you’re going to do during the life of the award. Usually a summary of the things (materials, people, activities, time, etc.) to be bought with the money.
- B. This section should prove the feasibility of the project within the available time frame.
- C. Relate activities and time. Include a timeline if appropriate.
- D. Present in an easily understood step-by-step chronological sequence.



- E. Discreet use of professionally prepared diagrams, charts, graphs, etc., is recommended.
- F. Clearly present this section so no questions remain as to the relationship between the need/problem and the outcome(s)/objective(s) to be produced.
- G. This section should convince the reviewer that the amount requested for such things as personnel, activities, time, facilities, etc., provide the best possible conditions for solving the existing problem or eliminating the previously defined need.

VIII. Impact of grant.

- A. Describe what peripheral effect the funding will have (e.g., what can other organizations learn from your project).
- B. Indicate what additional population groups may benefit because of what is accomplished by the grant.
- C. Describe the benefit of the outcomes in terms of future projects, research possibilities, expanded programs, and similar results.

IX. Rationale.

- A. May be less structured than rest of proposal.
- B. Presents an argument that addresses the following questions.
 - 1. Why is it important to get this done?
 - 2. Why is your organization in the best position to do it?
 - 3. How is your organization qualified?
 - 4. What would be the financial cost of not doing this project and the cost of not doing it now?
 - 5. What are the costs (other than financial) of not getting this done?
- D. Describe how the proposed solution is logical and deserving of financial support.
- E. Anticipate questions and address pertinent issues that have not been addressed elsewhere in the proposal but that may arise when the proposal is reviewed.
- F. Pretend that you are facing a review panel; demonstrate awareness of the questions that might be asked.



X. Staff.

- A. Senior staff should be identified, with primary emphasis upon the person who will be supervising the expenditure of funds and/or the person who will be responsible for supervising the activities the award will generate.
- B. Introduce people most responsible for making the project succeed. State name, title, qualifications, and area of project responsibility. Relate to their responsibilities as presented in the proposed solution/method/procedure section.
- C. If resumes are included, they should be presented in an appendix and summarized in a brief paragraph within the proposal narrative. Some agencies may provide/require vitae forms. Extensive resumes are not appropriate.

XI. Facilities.

- A. Indicate how the available facilities will support the implementation of the project. If they are not entirely suitable, justify the modifications required and include the cost in the budget if such costs are allowable by the funder.
- B. Point out assets and advantages, such as accessibility, specialized equipment, library materials, computer capabilities, etc.
- C. Relate facilities and specialized equipment to specific aspects of the project.
- D. Assure reviewer the best possible physical facilities and supporting equipment are to be used in conducting the project, whether they are available now or will be made available by this award, by your organization, or by a third party.

XI. Evaluation.

- A. Be prepared to prove that the projected objectives/outcomes were actually produced.
- B. Define a plan.
- C. Be explicit, demonstrating relationships among needs, objectives, and products. Be prepared to establish a relationship with the budget if requested by the funder.
- D. Include description of intended evaluation techniques; state if special testing instruments will be developed and by whom.
- E. Aim for quantitative rather than qualitative data, if possible.
- F. Funder should be invited to observe the project in action or to attend some concluding event if one is planned.
- G. Anticipate time needed for evaluation and the need to use budgeted funds for cost of evaluation.



H. Since this is often one of the most poorly presented sections of a proposal, a carefully presented plan has the potential for making a proposal far more attractive than one without such a plan. It could be the difference between success and failure. Professional help may be necessary and should be used without hesitation.

XII. Budget and budget narrative.

- A. A budget is the assignment of a dollar value to an idea.
- B. A good reviewer will often read the budget first. (Assume that a proposal may not be reviewed in the sequence you write and present it.)
- C. Present this in as clear and precise a format as possible.
- D. Divide the budget into large categories with subcategories where necessary.
- E. Round off dollar value to the nearest whole dollar or nearest high or low dollar (or ten dollars or hundred dollars, depending on the size of the project). Be consistent. Do not use decimal points anywhere in the budget presentation.
- F. Anticipate the need for an “audit trail” for every penny spent.
- G. Never pad a budget. Make good, reasonable, and defensible estimates.
- H. Include all real project costs. Do not request funds for “contingency purposes” that suggests a lack of ability to prepare precise budgets. Most agencies will not provide funds for “contingency” purposes, anyway.
- I. Remember to include personnel fringe benefits in the salaries/wages section. Never request funds for overtime pay since it’s cheaper to buy additional part-time hourly help. Agencies will insist on this and so should your organization.
- J. Always request what you need, not what you “think you can get.”
- K. Explain each item that isn’t obvious. That is, how did you arrive at the dollar amount requested?
- L. This is not the place to justify the need for the dollar request. That should be addressed in the proposal narrative.
- M. By showing or explaining the derivation of each item that might not be immediately obvious, no question will remain as to what the number means and why it was included.
- N. Identify each budget item to be explained by relating it to a line identification on the budget page. All budget lines need not be explained.
- O. Be certain that the budget, budget explanation, project activities, and objectives (outcomes) can be readily related and compared.



- P. Include direct and indirect (administrative) costs. Although some funding agencies will not pay for indirect costs, you should represent them in the budget and demonstrate that they are real project costs regardless of who pays for them.
- Q. Conclude consecutive page numbering of proposal with the last page of the budget explanation.

XIII. Future funding.

- A. Indicate how the project will be continued after the life of the grant.
- B. Provide evidence that you are planning for funding that does not include a repeat request to the foundation.

XIV. Description of organization.

- A. Assume reviewer has never heard of your organization. State what it is, where it is, and why it exists. Can include the following: brief history, mission statement, specific strengths, administrative structure, previous grant income (if appropriate), relationship to community and/or other organizations, etc.
- B. Describe strength of administrative unit within the organization that will be responsible for administering the activities that will produce the objectives of the award.
- C. Limit to one page, if possible.

XV. Appendices.

- A. Use as a place to locate information you want reviewers to be able to access but that will not distract them while reading the narrative.
- B. Include only information that reinforces the basic arguments contained in the narrative.
- C. Reference to appended materials should be parenthetically and appropriately made in the narrative.
- D. Each appendix should begin with a page serving as a title page (with the title of the appendix appearing in the center of the page).
- E. Identify each appendix alphabetically in the top right hand corner of the title page of each appendix.
- F. A new page numbering sequence should start with the first page following the title page of each appendix.
- G. List the designations and titles of appendices in the table of contents.



Writing Style and Format

You have done your research and found the right match between your organization's needs and a funder. You have gathered the necessary information and determined whether or not specific organizational guidelines are required.

Now you are ready to write. Whether you are following general guidelines, filling in forms requested by a funder, or creating your own format, the following principles will assist you both in preparing your proposal for submission.

- I. Making a fit between the problem and the proposal.
 - A. Don't promise too much or propose too little.
 - B. Design your proposal so that the argument you are making fits into the time frame and the resources needed to deliver results.
- II. Watch for statements that raise unanswered questions.
 - A. Try to assess what can be assumed from what you have written. The pre-submission proposal review process is highly useful for this step.
 - B. Answer all questions your proposal may generate, both stated and unstated. The more questions that are left unanswered, the less likely it is that the proposal will be funded.
 - C. Try to anticipate the concerns of the reviewer and address them directly. Allow no possibility for frustration or desire for more or better organized information.
 - D. An easily read proposal without unnecessary verbiage will contribute to a positive impression of the submitting organization.
- III. Demonstrate competency and success.
 - A. Make certain that personnel required to produce the objectives are competent to do so, and prove it through brief descriptions of individuals involved.
 - B. If there is a deficiency in personnel, ensure that this will be resolved by the time the project begins. Request money to pay for staff supplements that are justifiable.
 - C. Supplement staff through a variety of ways, such as hiring a consultant, hiring people part-time or for the duration of the project, or setting up an advisory board.
 - D. List names, titles, and affiliations of people who will serve as advisors and consultants. This can serve as an implied endorsement of the application. Be certain that each person agrees to serve before including her/him.



- E. Make sure the qualifications of the project director are clearly stated as well as implied. The project director must be perceived as a qualified administrator, a thoughtful and responsible person who is concerned about the project, and a believer in the potential for success and objectives described in the proposal.
- F. Use positive statements interspersed with a reasonable amount of verbal enthusiasm for attaining objectives.
- G. Enthusiasm should be genuine and focused on the project and solving the problem and not focused on getting the money.

IV. Appearance of the written page.

- A. Make sure you have followed all guidelines and directions.
- B. Have an error-free proposal, organizationally, grammatically, and typographically. Don't blame errors on a secretary; it's the organization's leader whose name is on the proposal and who gets the blame.
- C. Make the proposal easy to read with brief descriptive headings, use of italics, and short sentences and paragraphs.

V. Personnel involved.

- A. The person who understands the procedures, policies, and objectives of the funder, the submitting organization, and the project should write the proposal.
 - 1. Avoid turning over the proposal writing process to a volunteer or a specialist. An on-site expert should write it. However, it may be appropriate or necessary to have a second person "polish up" the final draft.
 - 2. However, don't hesitate to have a professional service make the charts and graphs.
- B. The proposal should appear to have been written and coordinated by a single person, even if it wasn't. Often a proposal prepared by a committee looks and sounds as if it was. The effect is negative and will give the impression that the project might also be administered in a disjointed fashion.
- C. A team is inevitably involved in the production of a proposal, since the coordinator/writer cannot possibly know all the information needed and required.
- D. A planning, information sharing, discussion and review process is helpful because it prevents the writer of the proposal from functioning in isolation and generating a project that has little congruency with the vision and desires of his/her colleagues. Also, this process allows for "buy-in" by members of the team and organization.



VI. General suggestions for writing the proposal.

- A. Follow the guidelines EXACTLY. What the funder asks for is what the funder wants.
- B. Be consistent in using subheadings, spacing, and punctuation.
- C. Use an appropriate length; but this will vary with guidelines provided and size of request.
 - 1. Funding sources prefer short proposals and occasionally something as simple as a letter of request.
 - 2. If a proposal omits information, it's too short. If it is repetitive, it's too long.
 - 3. Make it long enough to communicate your message clearly but not produce stupor.
 - 4. There is no apparent correlation between the size of the grant application and the likelihood that it will be funded.
- D. Be creative and positive. Do not dwell unnecessarily on the problem. State your idea clearly and with excitement. Request; don't beg or grovel.
- E. Be specific and factual. Avoid unsupported assumptions, vague rhetoric, and emotional terms.
- F. Don't use bureaucratic jargon. Select your language carefully. Assess the preferences of the funder. This can be accomplished if there is communication between the organization and funder prior to the preparation of the proposal.
- G. Make sure the pages are clean, have generous white space, and give the appearance of being well organized.
- H. Double check for typos.
- I. Use italics, bolding, underlining and other possibilities for emphasis, but do so with discretion.
- J. Avoid type that is too small.
- K. Avoid being pompous and stuffy. In fact, give some consideration to writing a proposal in the first person. Use this style of writing only if it's a style with which you are comfortable and seems to fit the desires of the funder.
- L. Number every page consecutively at the bottom center of the page.
- M. Use short sentences and paragraphs.
- N. Use positive, not conditional, language.



1. Say “can,” not “could;” “will,” not “would.”
 2. Say “Upon receipt of funds, the following will be implemented . . .” Excise the phrase “If this proposal is funded . . .” from the entire proposal.
 3. Eliminate casual statements such as “We could do this . . .” or “It is anticipated that . . .”
 4. Conditional statements imply insecurity and lack of confidence.
- O. Use graphs, charts, diagrams, and lists to reduce the need for excessive narrative; reviewers like to understand the content quickly. Never use color. It typically is not reproducible on the standard duplicating machine.
- P. The proposal should be single spaced on standard 8 1/2 x 11 inch high quality paper. One or 1 1/2 inch margins should be used. Double space between paragraphs. Use double spaced narrative only if directed by the funder. Use one side of a sheet only unless directed otherwise.
- Q. Each section of the proposal narrative should immediately follow the preceding one; don’t waste paper or add bulk to your proposal by using a new sheet of paper to begin each section at the top of a page. However, the face page, abstract and table of contents should each be on an individual page.
- R. Do not use anything glitzy or fancy in packaging the proposal, not even a binder. Use a single staple in the upper left hand corner or a binder clip.
- S. Proofread carefully. Then proofread again and have others help you.
- T. Send one copy of the proposal on which has been affixed the “original” inked signature of the authorizing official of your organization. Send additional copies of the original in the amount requested. These may be machine produced duplicates of the originally signed proposal.

VII. Internal review of the proposal.

- A. Arrange for a review of your proposal within your own organization while the proposal is in draft form.
1. The more people to whom you can expose your proposal before submission, the better.
 2. Allow several weeks for this process; the time spent on this step will be well rewarded.
 3. Have someone read it who knows little or nothing about your project or organization, but who has some appreciation for the kinds of issues involved.
- B. Try to simulate a review procedure such as your proposal will face at the funder. Consider the variables of the external review process.



VIII. Submitting the proposal.

A. Cover letter.

1. The cover letter is not essential but can add a personal touch to the submission. It is simply a letter of transmittal acknowledging any help you may have received from the potential sponsor during the preparation of the proposal as well as the opportunity to submit the proposal. Keep it short.
2. The letter may be prepared and signed by anyone in the submitting organization, but preferably by the one most personally acquainted with funder.

B. Signature authorization. The proposal is signed by the person who has been authorized to make legally binding commitments on behalf of the applicant or organization.

C. Deadlines.

1. Determine whether the announced deadline is a receipt date or post mark deadline.
 - a. If it is a post mark deadline, prepare a piece of paper that reads, "This package, addressed as follows, was post marked as indicated below," and request that a postal employee stamp it. This will provide you with evidence of when the proposal was sent in the event of a question later on.
 - b. If the deadline is a receipt date, make sure you send the proposal in ample time to allow for mailing delays. Generally one week in advance is best.
2. Applications submitted even a few minutes late may not be accepted. Timely submission is a testimony to your organization's administrative efficiency.
3. Receipt of your proposal by the funder can be validated by including a stamped, self-addressed postcard with the proposal that states, "Please return this postcard upon receipt of this proposal."

E. Enclosures and bindings.

1. Avoid including brochures, photographs, and other materials that have not been requested. While they may represent your organization and its need well, they are generally not appreciated because they can be a nuisance (they are hard to duplicate for readers, often aren't standard size, and cannot be secured easily within the proposal. These kinds of enclosures often merely restate information that is already in or should be in the proposal).
2. Binders are not necessary and may even prejudice the reviewers and funder against your proposal as it may indicate a lack of cost consciousness. Follow the rules for proposal format and staple the proposal in the upper left hand corner.



F. Multiple submissions.

1. It is appropriate to send the same proposal to two different agencies if you let each know you have done so.
2. Funding is idea-dependent and agencies exist for investing in good ideas. You might establish a competitive atmosphere by submitting the proposal to more than one funder. If the funder feels it is a good idea it will want a piece of the action. Funding agencies want to make wise investments. They may even consider co-sponsoring your grant, so why not give them the opportunity?

Proposal Evaluation

The following questions guide the evaluation of proposal content. Please respond to the questions, and also comment on the section itself (e.g., was the section strong or weak, how could it be improved, what did you like about it, did it meet the criteria for that component of the proposal?).

Proposal section	Questions and comments
Cover page	Is the information complete? Does it have a representative appearance?
Abstract or Executive Summary	Does it answer the essential questions about the proposal, such as purpose and objectives? Does it make you want to read the entire proposal? If so, why? If not, why not?
Table of contents	Is it present and easy to use? Is it complete? Does the proposal actually need it?
Introduction	Does it make you want to read further? Does it introduce the need statement? Is it too long or too short?
Problem or need	Is it precise? Is there evidence that the problem or need is present and urgent? Is it convincing, motivating, understandable? Is it substantiated and therefore credible?
Objectives	Is there an introduction to the objectives which ties this section to the previous one? Are they measurable? Are they reasonable? Do they clearly tie to the problem or need section?
Solution or method	Is it related to the problem/need and the objectives? Are the solutions or methods realistic and achievable? Is the explanation clear and logical?



Staff	<p>Is this section needed?</p> <p>If so, is staff credibility shown?</p> <p>Is this section too long?</p>
Facilities	<p>Is this section needed?</p> <p>Is the description of the facilities clear?</p> <p>Is the relationship to the project and solution clear?</p>
Evaluation	<p>Are evaluation methods adequate, related to the objectives, appropriate?</p> <p>Is enough evaluation of objectives promised?</p> <p>Is it objective and unbiased?</p>
Budget	<p>Is it clear, concise and unambiguous?</p> <p>Is it detailed enough?</p> <p>Are there any incongruencies or problems you can see?</p> <p>Is it realistic?</p> <p>Does it show other funding sources?</p>
Budget narrative	<p>Is there sufficient explanation?</p> <p>Is the relationship of the narrative to the budget clear?</p> <p>Does it answer questions that numbers by themselves might raise?</p>
Organization description	<p>Is it clear and concise?</p> <p>Does it introduce a credible, exciting, worthwhile organization?</p> <p>Is it needed?</p>
Appendices	<p>Are the vital appendices included?</p> <p>Is there material that is irrelevant and doesn't support the request?</p> <p>Are the appendices clearly marked or titled?</p>
General considerations	<p>Is the proposal readable?</p> <p>Is the length appropriate for the request?</p> <p>Does it show commitment?</p> <p>Is the need valid?</p> <p>Is the project realistic?</p> <p>Are there any unanswered questions?</p> <p>Are the personnel qualified and prepared to handle the proposed project?</p>
Other comments	
Recommendation	



Post-Submission Concerns

Whether or not your proposal is funded, there are certain steps you need to take after you hear from the funder.

- I. Steps to take when proposal is funded. **CAUTION:** If the funder proposes to give you less than you requested, don't respond by saying, "We'll do the same project with that amount." This leaves the impression that your budget was excessive. If you accept a reduced amount, reduce the scope of the project accordingly. If necessary, be brave enough to turn down awards; don't take less money to do what needs to be done if it reflects negatively on your integrity.
 - A. Send letter of appreciation immediately, signed by person whose signature was on the face page.
 - B. Send news releases, if appropriate, and forward copies to the funder.
 - C. Inform all key project staff and other interested persons of the award.
 - D. Follow acceptance terms determined by the funder; if any deviation from these is necessary, confer with the funder.
 - E. Send interim evaluations and project activity updates even if not requested.
 - F. Spend the funds **exactly** as specified by the grant conditions.
- II. Steps to take if the proposal is rejected.
 - A. Ask the funder for an explanation of the denial if this is appropriate. Some funders will send a letter explaining why the proposal was denied, others do not wish to be contacted about this.
 - B. Determine why proposal was rejected. If circumstances allow, request advice on how to improve the proposal for possible resubmission.
 - C. Consider revision and reapplication.
 - D. Consider revising, rewriting, and adapting the proposal for submission elsewhere.
 - E. Be gracious about a rejection; don't let a brittle ego get between the funder and the organization.
- III. Reasons why some proposals are rejected.
 - A. Proposal wasn't documented properly or accurately.
 - B. Project didn't seem significant or interesting.
 - C. Proposal didn't indicate that prospective client groups were involved in planning and determining project objectives.



- D. Proposal was poorly written, poorly organized, and hard to understand.
 - E. Proposal objectives were inconsistent with the mission of the funding source.
 - F. Budget was unreasonable and request was not within funder funding limits.
 - G. Funder was not convinced that the proposed project staff could carry out what was proposed.
 - H. Project wasn't focused and was too ambitious in scope.
 - I. Guidelines weren't followed.
 - J. Evaluation procedures weren't spelled out or were inadequate.
 - K. Not enough evidence was provided to show that the project would sustain itself after the grant termination date (if what was proposed was to be an ongoing activity).
 - L. Budget was not clearly presented.
 - M. Proposal included too much description of the problem and not enough detail regarding how and on what the funds would be spent.
- IV. Reporting procedure and further contact with the funder.
- A. Send reports as requested. If such information isn't sought by the funder, send reports anyway using discretion in timing and content.
 - B. Invite the contact person and/or others from the funder to visit the project site.
 - C. Remember that keeping a funder informed is a good step in preparing for the next award.

Miscellaneous Hints for Proposal Writing

1. Be familiar with your organization's mission and its unique culture. Research and discover what your organization really means to constituent groups.
2. Determine if there are possible relationships between your organization and the funder. Use these as sources of information. Don't go around the foundation personnel; they will resent it.
3. Call others who have been funded by the foundation.
4. Don't let the law of averages labor for you. The "mass mailing" approach does not work. Do your homework thoroughly and be sure it shows. Do not blanket funders with your proposal.



5. When planning or talking in person with the foundation personnel, be specific in asking questions. Don't brainstorm or ask questions answered in guidelines or the annual report.
6. Multiple submissions are all right, but be sure the prospect knows you are asking elsewhere.
7. A good proposal always answers the 5 W's. It should be highly readable, well-organized, persuasive, substantive. It should answer essential questions, be confident in tone, be positive, and show results.
8. Proposal guidelines vary. Some funders tell you just what they want and in the order they want it. Some do not tell you much. If that is the case, use standard recommended format.
9. No one format, formula or style guarantees success. Use what is most acceptable and what works for your organization and request. Be consistent in wording and format.
10. Length varies. Small family foundations and corporations prefer short letters of request. Large foundations like the five-to-ten page proposals. If a proposal omits information it's too short; if it is repetitive it is too long.
11. Proofread and proofread again. Do a final run-through or have someone knowledgeable do it, to catch the errors.
12. Be creative and positive, not problem oriented. Focus on your idea.
13. Be specific; don't send a shopping list of ideas or things you'd like to do.
14. Be factual; avoid generalities, unsupported assumptions, and emotional terms. Avoid vague rhetoric.
15. Present just enough evidence to support the request and no more.
16. Make it brief—just long enough to clearly communicate your message, but not produce stupor.
17. Show why the funder should believe in you. Give evidence of past success in your work.
18. Don't use bureaucratese or jargon. Use lay language.
19. Be respectful. And, respect yourself. Don't grovel or beg. Be an applicant, not a supplicant.
20. Give evidence of future support.
21. Send an original. Don't send copies unless requested.



22. Be as direct as possible. Some experts advocate using “you” and “we” and not the formal, third-person writing used in many grant requests.
23. Submit a finished proposal, not a draft to be reviewed.
24. Present the proposal without a binder.
25. Be sure the amount requested is clear and easy to find.
26. Don’t ask for retroactive funding.
27. Make detailed budgets and substantiate them.
28. Have the person most familiar with the project write the proposal and someone unfamiliar with the project read it.
29. Give details on who will do what.
30. Show you (the persons involved with requesting the grant) know your field.
31. Don’t attach a brittle ego to the proposal. Don’t get between the donor and the organization.
32. Picture yourself as a foundation officer, having to wade through a stack of proposals.

Possible Problems in Proposal Preparation and Submission

1. Amount requested is not clear and easy to find.
2. Narrative is repetitive.
3. Failure to conform to grantor’s guidelines.
4. Using “Dear Sir/Madam.”
5. Using “Your” foundation instead of naming it.
6. Distorting organization’s objectives to fit perceived priorities of grant makers.
7. Too much time spent describing the problem and not enough describing solutions.
8. Being pessimistic. No foundation wants to board a “sinking ship.”
9. Not being clear on the time frame.
10. Not checking budget arithmetic.
11. Too much irrelevant material in body or appendices.
12. Unrealistic funding requests.



13. Making foundation only source of request for funding.
14. Going over heads of staff to board members to have an “in” or to reverse a negative decision.
15. Failure to report progress on funded grant.
16. Prepackaged proposals written by non-staff.
17. Not being gracious about a rejection.

Cutting to the Chase: Writing in the Online Age—Diane Gedeon-Martin (used by permission of the author)

The new world of online applications, along with the need to grab people’s attention immediately, has forced fundraisers and grant seekers to write tighter and leaner proposals that get directly to the point.

In the case of online grant applications, short and to the point aren’t just preferred, they’re essential. The biggest change between paper and online applications is the amount of space and text charities have to work with, according to Gedeon-Martin.

In the past, a funder using a paper grant application typically would have allowed a charity two pages to write a needs statement. Many online funders are now limiting needs statements to 2,000 characters, or about 500 words. (To put this in perspective, this article is 704 words.) The same is true of program descriptions. Previously, charities might have had up to three pages to discuss the services they would offer. Now they have perhaps 2,000 characters, plus an additional 1,000 to state their objective and goals.

“The components of the application are still the same,” Gedeon-Martin says. “Charities just have a lot less text to work with, and that can be problematic if they aren’t used to writing in a certain way. Grant applications now have to remove the fluff and get to the bare bones, and that’s true of almost any communication that’s directed toward a funder or donor these days.”

Corporations and Government Leading the Way

So far, online applications are predominantly found in the corporate sector. About 80 percent of online grant applications are found through corporate granting processes. While most corporate online applications are similar to traditional submissions, some are now requesting details about the publicity and recognition they will receive. “That’s a new requirement and is forcing grant writers to develop publicity plants, something that most haven’t done before,” says Gedeon-Martin.

At the same time, online grant applications are popular with the federal government as well. More than 75 percent of U.S. federal government grant applications are now online, according to Gedeon-Martin.



She expects community and private foundations to follow along in the future, although at a much slower pace. “It’s a question of technology and control,” Gedeon-Martin says. “Only about 10 percent of all U.S. funders, including corporations, have websites, and many of them want to retain control over who applies. This way they know they’ll be receiving good applications from organizations that meet basic criteria. They don’t necessarily want to open up an online site and let anyone start submitting applications.”

Many funders now require a letter of intent from organizations to begin the granting process. If the letter of intent is well received, then applicants might be given a password to go to the funder’s website and submit an online application.

“It’s a new world of grant seeking, with organization feeling their way and doing their own thing,” Gedeon-Martin explains. “Fundraisers are going to have to adjust both their processes and their writing to make sure they’re taking full advantage of granting opportunities.”



Sample Proposal 1

JEFFREY P. JONES FAMILY FOUNDATION (sample based on an existing foundation, anonymized).

GRANT GUIDELINES

The Jeffrey P. Jones Family Foundation is a private family foundation established in Alaska by Jeffrey P. Jones to continue the family tradition of commitment to enhancing the quality of life of the Windham communities through grants to qualified charitable organizations. The Foundation will also consider other communities and international humanitarian organizations such as CARE which meet the Guidelines.

In carrying out its mission, the Foundation considers a wide range of proposals within the following areas: cultural arts, education and healthcare issues. The Foundation encourages collaborative efforts and integrated, comprehensive proposals.

FUNDING POLICIES

Grants are made only to non-profit charitable organizations which are tax exempt under Section 501c3 the Internal Revenue Code. Generally, grants are limited to projects that benefit State of Alaska. Occasionally, projects that benefit other states may be considered. The Foundation has set-aside \$15,000.00 yearly for each of Jeffrey P. Jones's daughters, Elizabeth Jones, Jacqueline Smith and Carolyn Adams, to support special projects of interest.

The Foundation prefers to support proposals for new initiatives, special projects, and expansion of current programs.

The Foundation does not consider support for annual campaigns or endowments. Grants are not made to Individuals.

Grants from the Foundation are usually awarded for one year only. For projects in those areas in which the Foundation has a special interest, requests for multi-year and general operation support may be considered.

Only one grant application may be submitted in any twelve-month period. Organizations receiving grants are required to complete an evaluation report within three months after receipt of the funds.

REVIEW PROCESS

The Board of Trustees meets semiannually to consider grant requests. Application must be received by November and April to be acted upon at the following meeting.

Applicants are welcome and applicants are encouraged to discuss their proposal with the Foundation's staff either by telephone or in person. Upon receipt of the completed proposal, staff may request additional information or schedule a site visit. Members of the Board of Trustees prefer not to be contacted directly.



APPLICATION PROCEDURES

To apply, submit one (1) set of the following items. Please do not staple material or place them in a bound notebook.

Applicants may also apply online and to follow with a hard copy.

1. Grant Application form completed, dated and signed by the chief Executive Officer or Chairman of the board of the organization.
2. Proposal of not more than three pages which includes (In this order):

Organizational Information:

Brief statement of organization's history.

Brief description of the organization's goals and population the organization benefits.

Brief description of current programs, activities, accomplishments.

How this organization works with others providing similar services and how it is unique.

Project Information:

Project Summary (include whether this is a new project, enhanced project, or ongoing project).

Description of issues to be addressed and target population to benefit from this project.

Project's goals and objectives.

Project's activities and timetable. Bridge Family Center - Independent Living Programs

Anticipated outcomes and results.

Brief description of key individuals involved in project and their qualifications (no resumes).

Plans for evaluating the success of this project.

Long-term funding strategies beyond this grant period, if applicable.

Project Budget including both anticipated sources of income and projected expenditures.



Attachments:

Organization Operating Budget for the current fiscal year including income (sources and amounts) and expenditures.

Board of Directors list with affiliations or occupations.

Financials Statement audited if available, for the most recent complete fiscal year.

Copy of IRS 501c3 Determination Letter.

Optional materials may be submitted but are not required.

3. Eligibility

Federally recognized, under Section 501(c) (3) of the Internal Revenue Code, organizations and most charitable, educational and civic institutions serving the public.

In general, municipalities are a lower priority for discretionary grants, although special projects and programs facilitated by nonprofit organizations working within municipalities are considered.

In some cases, with the Jeffrey P. Jones Family Foundation's prior approval, organizations that do not have a tax exempt letter may submit a proposal under a sponsoring tax-exempt organization that will assume expenditure responsibility for the duration of the project.

4. Limitations

In general, no grants will be awarded to individuals; religious institutions (unless the program benefits the community at large); endowments; capital campaigns; fundraising events; political or lobbying activities; budget expenses or deficits; retroaction funding, building or renovation projects.

Lower-priority proposals are those requesting routine expenses for established programs, although in some cases they may be considered at the discretion of the committee, particularly for essential services to those in need.

Funding for salary (but not fringe or agency overhead) may be considered for the person(s) directly facilitating the submitted project, typically for contracted specialists and persons hired specifically for a submitted project.

Funding for equipment or products may be considered, on a limited basis, when the equipment or product is a significant factor in the outcome of a program or project that meets the Foundation's grant making goals.

Funding commitments are made on a yearly basis. Generally, in order to allow the Foundation to provide support to the broad community, requests for multi-year



funding will not be considered, although organizations may reapply for funding annually. Some requests, particularly ones that do not provide essential services to those with significant needs, may be a lower priority after two or more years of continuing funding.

5. Application and Grant Determination Process

Proposals must be received or postmarked on or before the due date, in fairness to all applicants.

Applications are reviewed for eligibility: The required narrative format is used and the proposal does not exceed the 3-page limit. Applications include the Foundation's cover sheet and provide the requested attachments or explain missing components. Applications from organizations that have an outstanding report due on a prior year's grant will not be considered. All required forms and information may be downloaded from our website at www.jeffreypJones.org

Following the initial review, Board of Trustees independently evaluate eligible proposals. The Board then may meet several times to jointly review and discuss proposals before making final determinations.

Letters of Award and a Terms & Conditions Agreement will be mailed to qualifying organizations approximately 3 months after the application due date.

Please call the Jeffrey P. Jones Family Foundation, preferably well before the due date when time is more flexible, to discuss any questions related to your request. Please first thoroughly review the information provided on our website.

The Jeffrey P. Jones Foundation is pleased to consider your grant request and thanks you for your interest in the foundation.

FOUNDATION INFORMATION

Contact: Director: Jennifer M. Jones • 000.555.000- • E-mail: jennifer@jeffreypJonesxxx.org

Website: www.jeffreypJones.org



SAMPLE COVER LETTER:

Ms. Carolyn Jones
The Jeffrey P. Jones Family Foundation
P.O. Box 291
Windswept, Alaska 00123

Dear Mrs. Jones:

It has been a pleasure speaking with you regarding our submission of a grant request to the Jeffrey P. Jones Family Foundation. On behalf of our Board of Directors, I submit this request for \$25,000 to support the purchase of a seven-passenger mini-van for us to use for our three Independent Living Programs (ILPs) based in Manchester. Enclosed please find our completed cover sheet, narrative, and required attachments.

Founded in 1969, the Bridge Family Center has grown from a drop-in youth counseling center to a comprehensive regional family service agency. Our mission is to foster the courage and strength in children and families to meet life's challenges and build fulfilling lives. The Bridge serves more than 8,000 young people and families annually through four program areas: Youth and Family Services, Residential Services, Family Resource Centers, and Community Services.

We operate three ILPs east of the Mankiller River that serve young adults who age out of the foster care system. Our Community Based Life Skills Program (CBLs) serves young adults ages 15 to 21 who reside with a foster family. The Community Housing Assistance Program (CHAP) provides four independent living apartments throughout the community for young adults 18 to 21 years of age. Lastly, the Moving On Project (MOP) serves young men ages 16 to 21 living in four apartments within a staff-supervised single building. All of these young adults were placed into foster care by the Department of Children and Families (DCF) when they were children for a number of reasons, such as abuse, neglect, uncontrollable behavior, or dependence. Before they leave the foster care system or age out, they need to develop the skills they need to become successful, independent adults. Combined, our three ILPs serve approximately 65 young adults annually. The average length of stay of young adults in the ILPs is between 12 and 18 months.

We need to purchase a third mini-van to transport participants from the ILPs to conduct weekly grocery shopping, job interviews, jobs, educational classes to complete high school, attend community college, or pursue a vocation, physician visits, recreational activities, and important meetings. Both CLS and MOP have mini-vans to support their programs that are in constant use. Most of the young adults in the ILPs secure employment outside of the area bus line and require transportation to and from their jobs. This new mini-van will support all three ILPs.

Thank you for considering our proposal. We welcome the opportunity to work with the Jeffrey P. Jones Family Foundation in helping these young people overcome their hardships so that they may have lives full of promise.

Sincerely,

Martha L. Majors, CFRE

Director of Development

Enclosures: (if needed or requested by the foundation)



Sample Proposal 2

Weatherman Auto Dealers Association Charitable Foundation Fund Proposal

NOTE: THIS PROPOSAL RECEIVED \$35,000 IN FUNDING

Weatherman Auto Dealers Association Charitable Foundation Fund
c/o Mr. Mark Weatherman
(Address)

Dear Mr. Weatherman:

The Archie Mills Foundation submits this request for funds from the Weatherman Auto Dealers Association Charitable Foundation Fund. Our enclosed proposal addresses the need to launch a new and innovative health initiative entitled Project Impact for students in grades seven through 12 attending Weatherman and Lowland Park schools. This request for \$35,000 will help us to implement the program during the 2000-2001 school year.

Since 1974, the Archie Mills Foundation has worked to help children and adolescents living in Weatherman, Hamville and Lowland Park succeed academically as well as socially. Archie Mills, the Foundation's namesake, grew up in Lowland Park at a time when neighbors looked upon each other as extended families. The former professional football player has been trying to give back to the community that cared about its young people. Today the programs and services of the Foundation work to meet the educational, social, physical, and emotional needs of disadvantaged children and their families.

Succeeding in life can be a challenge for any child living anywhere in the country. For children living in Weatherman and Lowland Park, the challenge is even greater. The opportunities for negative distractions abound. Gangs, violence in schools, drugs, and other influences can cause any child living in the community to become delinquent. Parents face similar challenges. The harshness of the streets provides little advantages for school age children to succeed academically as well as socially and physically. Instead of having positive life experiences, these at-risk children often learn bad and harmful lessons from others their age. The Archie Mills Foundation wants to deter the development of at-risk behaviors among teens to help them and their families lead healthy and productive lives.

The purpose of Project Impact is to provide youth with the resources to examine their lives and learn to distinguish between healthy or unhealthy choices. Most of the children that attend our programs have one thing in common: a need for direction. They are hungry for learning. Now is the time to educate them on making positive, life-impacting decisions. Through Project Impact, the Foundation wants to ensure that as young people grow older they carry with them a positive outlook on life, self-confidence, high self-esteem, and a strong sense of self-worth that filters into the household and to the younger siblings.

In January of this year, the Foundation received a \$30,000 grant from the Jewish Fund to test a pilot of Project Impact through the end of the 1999-2000 school year. Already the program is working with 17 students on a weekly basis to help them understand about their health – both



physical and emotional well-being – while helping them learn and explore potential careers in the health field. The impact this program is making on students is phenomenal. Already students attending the program can not wait until the next week to return to learn more. This fall, the program will work to make the same type of impact on a greater number of students. Little by little, the number of children reached by the program – by the students participating in the program as well as their siblings and family members – will increase helping to create healthy children with lives full of choices.

No other organization in the area is providing such an informational and fun program to get students to learn how to take care of themselves and overcome negative attitudes and influences. Without such a program, these children will be lost to the negative influences that permeate our community.

We look forward to hearing from you about our proposal. Thank you for considering this important request to help predominately minority, disadvantaged children become productive citizens.

Sincerely,

Eleanor D. Smith
Executive Director

Enclosures



Archie Mills Foundation Project Impact Proposal

Organization Description

The Archie Mills Foundation is a nonprofit organization located in Lowland Park, Michigan working to help children succeed in life. Founded in 1974 by the former pro-football player Archie Mills as the Archie Mills Football Clinic, the organization has grown to incorporate education, recreation, and team sports as a catalyst for developing social skills, responsibility, character, and knowledge. Raised in Lowland Park himself as a child, Mr. McKenzie saw the plight of his community and the lack of opportunities for children living in the city. In 1983, the organization incorporated and began to expand its roster of programs to include co-ed activities. Today, the Archie Mills Foundation stands for the vision of the former athlete who wanted to give back to his community.

The mission of the Archie Mills Foundation is “to prepare young people for the future.” The organization promotes self-esteem, self-confidence, and builds character by emphasizing academic excellence, athletic accomplishment, and civic responsibility. To accomplish its mission, the Foundation developed a strategic plan in 1997. This plan is the blueprint for all that the Foundation does now and in the future. The goals of the plan include maintaining athletic clinics, adding a physical fitness element to academic programming, providing tutorial services, relocating the administrative offices, improving both internal and external communications, and increasing fund raising efforts.

The programs of the Foundation include popular sports clinics that have grown to include co-ed basketball, track and field, and golf. Now in its fifteenth year, the Foundation celebrates the efforts of its participants at an annual Commitment to Character Banquet. Today, every child residing in the city can participate in the free activities offered by the Foundation including:

- Weekend Tutorial Program.
- “Great Adventures” after-school tutorial and cultural program.
- Mentoring with employees from the investment firm of Salomon Smith Barney.
- Summer Enrichment academic program.
- Sports Clinics such as football, basketball, golf, tennis, and track and field.

Since 1993, over 11,500 students and parents enriched their lives through the Foundation programs. The success of the programs is due in part to partnerships with business, academia, government, volunteers, and charitable support given by every sector of the donor community. It was because of the strong bonds with the community that the Foundation was able to develop a partnership with the Ford Motor Company, the City of Lowland Park and the Lowland Park School District to recruit 2,700 volunteers to improve the comprehensive learning environment for local students. Participants of the programs offered by the Foundation listen to presentations by community leaders such as Michigan State Senator John Smith and take field trips to Greenfield Village, Youtheater, Weatherman Institute of Arts, and college and professional sports events to enhance the everyday excitement of achievement. Volunteers are at the core of the organization and help to



implement several of the programs. These people include neighborhood residents as well as current and former professional athletes who combine motivational coaching with training in physical skills.

As the children receive, they also learn to give. In 1997, over 80 students, parents, volunteers and staff marched in the annual Lowland Park Michigan Week Parade. Their hand-built float celebrating the 25th anniversary of the first All Pro Football Clinic took first place, just one of many championship moments made possible by the Foundation for children and parents who have seldom savored such personal triumph.

On behalf of the children and their parents, Archie Mills received the prestigious American Century Award presented by the Washington Times Foundation on February 2, 2000. In December 1999, the Foundation received the Leonard Smith Award for Organizational Excellence. Three years earlier, the

Foundation received the President's Award from the Minority Technology Council of Michigan. In 1995, the Sporting Goods Manufacturers Association honored the Foundation with its Heroes Award.

An 18 member Board of Directors, all of whom are outstanding area professionals, business executives, judges, college professors, community leaders, athletes, and other positive role models with a deep commitment to youth guides the Archie Mills Foundation. All Board members serve in a governance capacity and are active in securing needed funds, volunteers and public relations for the agency. There is also a 27 member Advisory Board of Directors that includes retired University of Michigan football coach Bo Schembechler, former pro-basketball player and successful minority businessman Dave Bing, pro-football player for the Weatherman Lions Barry Sanders, and the Mayor of Lowland Park Linsey Porter. An executive director and a staff of three full-time and three part-time employees oversee daily operations of the organization.

The Foundation is a private nonprofit organization that qualifies under IRC Section 501(c)(3) and relies on funding from many sources. The organization's annual budget of \$393,925 originates mostly from government and foundation grants, private contributions, and fundraising activities. The Foundation is an independent agency that does not receive funding from the United Way.

Need Statement

As with all young teens, students from the low-income areas of Weatherman and Lowland Park are curious about their world. For some of these students, their curiosity will turn into activities that can lead to dangerous, life-threatening consequences. It has been the experience of the Archie Mills Foundation that children living in these distressed, low-income urban areas are growing up with negative outlooks that could cause them to resort to substance abuse and destructive behaviors. Community outreach and school prevention programs do not provide young people with the tools they need to succeed beyond the life they know now. These children need to learn how to take care of themselves, make the right decisions, and become role models for their younger siblings. Parents and grandparent caregivers often do not have knowledge or resources to help these children. It is up to the community to see that these children and their family members receive this type of education that can help them succeed.



Like so many things in Weatherman and Lowland Park, poverty abounds. The poverty rate is also high for these communities with Weatherman at 32 percent and Lowland Park at 42.2 percent.¹ In these communities minorities represent the majority: Weatherman with 78.5 minorities and Lowland Park with 82 percent minorities.² Known as the seventh largest metropolitan area in the United States, these cities are better known for what they lack than for what they have. One in three residents is unemployed;³ among the employed are many in marginal jobs with few, if any, benefits. Of adults age 25 years and older, 22.5 percent in Weatherman and 41.7 percent in Lowland Park do not have a high school diploma.⁴ These figures correlate with those collected by the State of Michigan Department of Community Health showing that one-third of African Americans age 25 years and older living in the state have not earned a high school diploma.⁵ The high crime and high school dropout rates are overshadowed only by the fact that 67.6 percent of its children live in single-parent homes, the second highest percentage in the nation.⁶ The high school graduation rate for these communities is also low with only 60 percent of Weatherman and 54 percent of Lowland Park students actually receiving a diploma.⁷

Being young and living in poverty in these two urban areas leaves teens with little hope for success in life and school. Students often get discouraged and fall into depression, while others learn to cope using artificial mechanisms. Students with low self-esteem grasp at whatever friendly hand they receive, even if it is from the wrong influences. In low-income communities, there is a higher incidence of obesity, poor diet habits, lack of exercise, no leisure-time physical activity, and sedentary lifestyles.⁸ Food becomes a friend and they associate a full-stomach with success. Their diet often consists of food filled with high-saturated fat and refined sugars. A diet of high fats can lead to obesity and high serum cholesterol level. According to a 1995 State of Michigan report, 38.3 percent of African Americans living in the state are overweight.⁹ Juvenile diabetes is a serious health factor of low-income, minority children and teens. If they are not affected by diabetes, their consistently bad eating habits will lead to severe obesity that will in turn lead to heart disease. Hypertension or high blood pressure is a major contributor to cardiovascular disease.¹⁰ As well, cigarette smoking among minority teens continues to be prevalent regardless of the number of stop smoking messages they receive through a variety of sources. The 1995 report quoted earlier states that 29.2 percent of African Americans age 18 years and older reported smoking during the survey year.¹¹ Cigarette smoking is responsible for more than one in six deaths in the United States.¹² It accounts for 21 percent of coronary heart disease deaths, 87 percent of lung cancer deaths, and 30 percent of all cancer deaths.¹³ Then there is the availability of alcohol and drugs. These substances introduce other health risks – lung cancer and liver disease.

¹ Bureau of Census, US Department of Commerce, 1990.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ "Health Facts: African Americans in Michigan," Color me Healthy, Office of Minority Health, State of Michigan Department of Community Health. <http://www.mdch.state.mi.us/pha/omh/aa.htm>.

⁶ Bureau of Census, US Department of Commerce, 1990.

⁷ Michigan Department of Education. gopher://gopher.mde.state.mi.us/00/reports

⁸ Community Health Assessment. (Omaha, NE: Professional Research Consultants, Inc.) 1995. Page 42.

⁹ "Health Facts: African Americans in Michigan," Color me Healthy, Office of Minority Health, State of Michigan Department of Community Health. <http://www.mdch.state.mi.us/pha/omh/aa.htm>.

¹⁰ Ibid.

¹¹ Ibid.

¹² Community Health Assessment. (Omaha, NE: Professional Research Consultants, Inc.) 1995. Page 49.

¹³ Ibid.



While many of these health conditions and behaviors are preventable, it takes more to get low-income people to take care of themselves; it takes someone from the community to connect with them and help them understand the consequences of not taking care of themselves. Getting access to the health care system can be difficult for these underserved populations. In order to receive care, they access health care through the hospital emergency room. When parents use the hospital emergency room for primary care services, they pass that behavior onto their children who think that is the only way they will receive care. By taking preventive health care habits to the younger generations in their neighborhoods, they may be more likely to change their approach to accessing the health care system than older adults who have lived with the traditional health care model, only utilize the health care system only when something is wrong. There needs to be an effort to bring the prevention message to these young people while they are in school. Changing the habits of young people to have a greater impact in the end in terms of cost containment.

During the teen years, children are most vulnerable to peer pressure. Research shows that children living in predominately low-income, urban neighborhoods are at greater risk for substance abuse, communicable disease, homicide, and suicide.¹⁴ As well, children from poor families are more likely to be plagued with learning problems caused by inadequate nutrition, lack of proper medical care, and insecure environments. According to a special report published by the Michigan Association of School Boards, “Children who begin life in poverty are already disadvantaged when they enter kindergarten.”¹⁵

Confused teens often seek nurturing and acceptance from their peers and older siblings and turn to life-threatening alternatives. The schools often do not have the staff or resources to provide programs that effectively deter young teens from partaking in such activities. Because their parents do not have time and often lack resources to teach them about sexual relations, teens often do not understand how sexual relations can lead to unwanted pregnancy, STDs, and AIDS. All they know is that someone is paying attention to them and it feels good for the moment. Then there is the use of illegal drugs and alcohol. “Just Say No” is a phrase that does not mean much to students desperate to ease their pain. Their parents do not care what they do, why should they. In fact, many of their parents are substance abusers themselves. In the middle and high schools of Weatherman and Lowland Park all a student has to do is ask their friend if they know a dealer and within hours they can get their fix. All of this takes money to obtain, so the desperate students steal to feed their habit. Little do they know that they have fallen into the same trap as many of their older siblings, relatives, and parents.

The Archie Mills Foundation wants to break this cycle of self-destruction and it needs to reach teens before they become desperate to seek relief from their stressors. In conjunction with its Weekend Tutorial Program and mentoring program, the Foundation will implement Project Impact to begin to set low-income teens on the path to success and a life of healthy choices.

¹⁴ Ibid.

¹⁵ Michigan Department of Education. gopher://gopher.mde.state.mi.us/oo/reports



Program Description

Project Impact is a structured program that will encourage students to use their language skills, science lessons, and mathematics problem solving to convey ideas learned throughout the program. Started in March 2000 as a pilot program funded by the Jewish Fund, Project Impact continues to show positive results in helping teens make healthy choices. Project Impact helps students obtain balance in their lives that they can in turn share with their younger siblings, family members, and friends. Through full implementation of Project Impact, the Foundation proposes to bridge the gap between other drug prevention programs by empowering teens to take a keen interest in their health. Each month during the school year, teens will receive the answers to questions on the subjects they want to know about now. Overall, Project Impact addresses the need to provide students with knowledge and experience to empower them to take care of themselves both physically and mentally. It will also help students learn to achieve in school and consider future careers in the expanding health care field.

Program Goal and Objectives

The goal of Project Impact is to empower at-risk students with positive alternatives to substance abuse and related self-destructive behaviors through community education and prevention information. The result will be young people educated about proper health and personal care that will make a lasting effect on the entire community. Through this program, the Archie Mills Foundation will work to achieve the following process objectives:

- Recruit 30 to participate in Project Impact during the 2000-2001 school year.
- Receive a signed commitment from participating students to be alcohol and drug free.
- Reach potentially 400 family members, siblings, relatives, neighbors, and others through the information obtained by the participating student.
- Establish an advisory group comprised of teachers, educators, and curriculum administrators from a cross-section of schools.
- Help students to improve their academic skill levels by providing a program curriculum that engages students through creative thinking, decision making, and problem solving.
- Motivate students to learn about themselves as human beings and contributing members of society.
- Enrich students' perspectives of themselves, their family, and others through real life experiences.
- Increase self-esteem of participants through education, encouragement, and the use of role models or mentors.
- Develop healthy attitudes toward nutrition and exercise.



- Reduce ignorance about health by providing factual health prevention information from reliable and credible sources.
- Improve the quality of life and possible life span of teens and their family members.
- Promote the value of teamwork to accomplish a goal.
- Explore possible careers in the health care field.
- Reduce isolation of students by actively involving them in the exploration of their own health.
- Foster closer ties between the Archie Mills Foundation, health care partners, and schools through cooperative programming.

Project Impact is a new program tested as a pilot program by the Foundation from January to June 2000. No other group in the Weatherman area or in the country conducts such a comprehensive program. The measurable outcomes for this program are as follows:

- 80 percent of teens participating in the program will comprehend the difference between healthy and unhealthy life choices.
- 85 percent of parents of teens participating in the program will comprehend the difference between healthy and unhealthy life choices.
- 60 percent of teens participating in the program will integrate healthy life choices into everyday situations.
- 70 percent of teens and their parents participating in the program will learn about proper nutrition.
- 90 percent of teens participating in the program will gain insight into the societal influences leading to drug abuse and violence.
- 75 percent of teens participating in the program will improve their school attendance.
- 90 percent of teens participating in the program will learn to protect themselves from STDs including HIV/AIDS.
- 25 percent of students participating in the program will pursue careers in the health field.
- 80 percent of participating students will remain in the program at the end of the school year.
- 50 percent of students participating in the program will be accompanied by their parents or caregiver to the Saturday field trips and special events.
- 80 percent of students participating in the program will express interest in becoming student assistants for the following school year.



Activities

The Foundation will recruit approximately 30 seventh through twelfth grade students from existing programs to participate. The program will require parental permission and involvement. The program will coincide with the Weekend Tutorial Program that operates Saturdays 9 a.m. to noon for 40-weeks during the school year and the mentoring program that meets three hours every month. During the school year, there will be two sessions: September through January and February through June. The students enrolled in the program will attend both sessions.

There are different themes each month with assignments for each week of the program. Themes tested in the pilot program included nutrition, physical and emotional wellness, personal safety, and first aid. Every Saturday, the students learn in a classroom environment about the particular theme. To enhance each experience, the program includes guest speakers from area health care and human service agencies to talk more about the selected subject matter. They are required to study about the subject matter to prepare to ask questions of the monthly guest speaker and produce written and oral reports. All activities culminate with special Saturday field trips. For example, the field trip for the theme of nutrition is a visit to the local grocery store to learn about healthy food choices, how to shop wisely and read labels. The speaker for the nutrition theme is a dietician from the Weatherman Medical Center that discusses the food pyramid and basic food groups, proportion size, and variety of foods in a healthy diet. Parents and caregivers are encouraged to be present for most of the classroom sessions, help their teens with their homework, and accompany them on the field trips.

The Foundation collaborated with a number of area health care and human service agencies to ensure the success of the pilot program. These partners include the Weatherman Medical Center, Planned Parenthood, Royal Nursing Center, American Red Cross, and Shar House rehabilitation facility. The partners have agreed to continue to be a part of Project Impact for the upcoming school year. Please see attached letters of support from these partners.

The results of the pilot program are still being collected. This phase of the program will confirm: 1) recruitment and enrollment procedures, 2) that teens are indeed interested in the program, 3) the activities are age and grade appropriate, and 4) that the participants retained some of the information learned. Following the prototype trial, the Foundation will conduct an open house to solicit feedback and provide an opportunity for further dialog regarding Project Impact. Targeted participants for this event will include parents and caregivers, teachers and educators from allied schools, and other community members. The team will assess this trial through both written and verbal feedback from the children, teachers, and Foundation staff. From meetings with local educators during the planning phase of the program, the team received input regarding the program structure, curriculum components, and consistency of classroom lessons. Throughout the entire planning process, the team consulted with local health educators to confirm the appropriateness of the lessons and skill levels for the age group.

Project Impact is a new and creative way to get teens and their families to learn how to make healthy lifestyle choices. The program staff wants to ensure that what the teen learns through this program they take home to share the benefits of knowledge with their family members. Besides making an impact on the student, the program can ultimately reach on average four persons in each household, a total of 400 people over the course of a year.



Incorporated into each monthly theme are opportunities for teens to learn about careers in the health care field. They will meet with staff at area hospitals including physicians, nurses, lab technicians, social workers, nurse's aides, and others. Students are provided with information regarding the level of education required for the particular position, possible career tracks, and earning potential. College students enrolled in undergraduate medical-related programs at the University of Weatherman Mercy and Marygrove College volunteer their time as assistants to help students with their assignments and accompany them on the field trips. By the end of the program and with assistance from their assigned mentor advisors, students then research, prepare and report to the group about their choice of health care career.

The educational coordinator of the Archie Mills Foundation leads a team responsible for developing the lesson plans and activities for the program. The team members include: the executive director for the Foundation, the Project Impact coordinator, a representative from the Lowland Park High School Teen Health Clinic, and health instructors from the medical community. Please refer to the attached job descriptions for the Project Impact coordinator. The new coordinator has the responsibility of coordinating meetings, developing class agendas, facilitating communications, and arranging field trips. Mentors and tutors currently involved in the programs of the Foundation are a part of the evaluation process.

The team will use activities developed for the pilot phase of Project Impact to begin the 2000-2001 school year. Additional time will be spent researching subject matter, formulating questions, selecting books, identifying sites on the World Wide Web, and planning the Saturday field trips and special events for the activities slated for the beginning of the February 2001 session. These themes will include facts and myths, family planning, drugs and violence, life saving, and preventable diseases. The team will print materials, purchasing booklets and pamphlets pertaining to the themes so that the students can take them home for their family.

The team targets students that participate in current programs offered by the Foundation to participate in Project Impact. These students will receive information through the Great Adventures after-school tutorial and cultural program, Summer Enrichment academic tutorial program, and the various sports camps as football, basketball, golf, tennis, and track and field. Mentors participating in Mentor Connect program as well as teachers from the Weatherman and Lowland Parks middle and high schools will also be asked to recommend students for participation. Students selected for participation have an outward need including:

- Signs of at-risk behavior.
- Interest in the health care field.
- Lack of positive self-esteem.
- Family members that abuse substances.
- Family history of unwanted or teenage pregnancies.
- Health problems related to poor nutrition.
- Family history of physical and emotional abuse.
- And other factors.



Once a student graduates from the program, they will receive a certificate of completion. They will also have the opportunity to come back to work with the program as student assistants. This experience will help them gain the confidence they need and reinforce the knowledge they obtained to pursue a life full of healthy choices.

The Foundation is ready to fully implement this program. As the only program of its type in the area addressing the needs of at-risk students, this program has the potential to make a great impact on the lives of children in the community. The enthusiasm from the students enrolled in the pilot phase confirms that this program meets the needs of these teens and that they are ready to learn more. Project Impact intends to be the program that helps students overcome the negative influences in their communities by learning about the healthy choices available to them.

Evaluation

Evaluation of Project Impact will be a continuous process that will focus on the goal and objectives of the program as outlined above. The team responsible for the evaluation is the planning/ implementation team, Archie Mills Foundation staff, educators, program participants, and parents. The evaluation will rely on both qualitative and quantitative information. This effort will confirm the success of the outcome objectives outlined above.

Goal: to empower at-risk students with positive alternatives to substance abuse and related self-destructive behaviors through community education and prevention information.

Method of Evaluation:

- Completion of a pre- and post-tests integrated into the monthly activities.
- Completion of a satisfaction survey by participating students.
- Completion of a satisfaction survey by parents of participating students.
- Direct observation of participants by the program staff and discussed at monthly meetings.
- Completion of program survey by volunteers and mentors.
- Comments from open group sessions with parents, mentors, teachers, and volunteers.

Upon completion of the pilot program, the Project Impact team will publish a report based on the findings of the evaluation of the program. Following the formal evaluation of the yearlong implementation of the program, information will be disseminated through a network of other related organizations. The results of the program will be summarized and released to the community through press releases to over 100 local, statewide and national outlets, and the annual report of the Archie Mills Foundation.



Budget

The Foundation requires \$35,000 from the Weatherman Auto Dealers Association Charitable Foundation Fund to fully implement Project Impact during the 2000-2001 school year. The Foundation will be responsible for raising the funds necessary to continue the program for the 2001-2001 school year and beyond. Please refer to the Attachment A – Budget Summary. The money raised for this project will allow the Archie Mills Foundation to help low-income, disadvantaged students reach their full potential. All services of this program are conducted free of charge to participants and family members.

Costs associated with this program include salaries for the Project Impact staff, honorariums for speakers, classroom materials, transportation for field trips, and supplies. No other funding institution is receiving this proposal. In the past, the Foundation has received restricted funding for other programs from Allstate Insurance, the Anheuser Busch Companies, AT&T Foundation, City of Lowland Park, Weatherman Lions Charities, Ford Motor Company Fund, Hudson's Circle of Giving, Kentucky Fried Chicken, Meritor Automotive, NFL Charities, Plante-Moran, Salomon Smith Barney, Sibley's Shoes, the Skillman Foundation, Strong Families/Strong Children, Thomas Foundation, Wayne County Youth Fund, and the Wayne Metropolitan Community Services Agency. Without funding from the Weatherman Auto Dealers Association Charitable Foundation Fund, the Foundation will continue to pursue grant funds to support the full implementation of this important program.

As recognition of the generosity of the Weatherman Auto Dealers Association Charitable Foundation Fund, the Archie Mills Foundation will include the name of the foundation in upcoming external publications including the quarterly newsletter and press releases. As well, materials printed by the Foundation for this program will bear the name of the Weatherman Auto Dealers Association Charitable Foundation Fund.

Continued Financial Support

Project Impact will become a permanent program operated cooperatively between the Archie Mills Foundation and its community partners. The Foundation will provide funds to continue the program beyond the grant period by increasing its successful fundraising programs. According to Board of Directors for the Foundation and community leaders, this program has great potential for securing additional foundation and corporate sponsorship support because educational programs for children who live in Weatherman and Lowland park appeal to large numbers of companies with operations in the area.



ARCHIE MILLS FOUNDATION
BUDGET SUMMARY
PROJECT IMPACT
FISCAL YEAR 9/1/00 – 8/31/01

<u>REVENUE</u>	<u>Received</u>	<u>Pending</u>
Archie Mills Foundation (RMF)	\$ _____	
Weatherman Auto Dealers Association Charitable Foundation Fund		<u>\$35,000</u>
	TOTAL\$	\$35,000
<u>EXPENSES</u>	<u>DADA</u>	<u>RMF</u>
<i>Compensation and Benefits</i>		
Executive Director @ ___% of time, with benefits	\$	
Education Coordinator @ ___% of time, with benefits		\$
Project Impact Coordinator @ \$___/hr, ___ hrs/wk, 40 wks	\$	\$
Administrative Support Person @ \$___/hr, ___ hrs/wk, 40 wks		\$
<i>Non-Compensation</i>		
Subject related booklets and pamphlets	\$	
Transportation for field trips – bus rental w/certified driver	\$	
Honorariums for guest speakers – 9 speakers @ \$_____	\$	
Classroom supplies including subject related books, paper for computer printers, diskettes, wall charts, pens and paper, markers	\$	
Office supplies	\$	
Telephone	\$	
Printing	\$	
Postage	_____	\$ _____
	TOTAL:	\$





Additional Resources

PSI has additional resources available. If you need personal input, have questions, or need sample forms, please contact us. Below is a list of the topics that we can provide assistance with or we can refer you to those who will be able to assist you.

Accountability

Assessment of fundraising

Acknowledgments

Annual giving

Boards

Budgeting

Capital campaigns—any items that are needed in addition to this handbook

Collaboration

Consultants, consulting, sample contracts

Corporate fundraising

Database—including sample screens from software programs

Donor motivations and behaviors

Endowments

Ethics and fundraising

Events

Faith-based fundraising

Funding prospects and research

Giving circles

Government funding

International fundraising

Internet use of fundraising

Leadership and fundraising

Legal issues and fundraising

Mail solicitation

Major donors

Membership and fundraising

Personal solicitation

Planning

Pledges

Policies

Proposal writing

Recognition

Retention of donors

Social media and fundraising

Working with volunteers