

Raising Philanthropic Donations

Fundraising and Community Support for
Your Charter School

September 16, 2014



**State Charter Schools
Commission**

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- Board member of the AFP Foundation for Philanthropy
- Selection Committee Chair for The Washington Post Awards for Excellence in Nonprofit Management



What will be covered today

- Fundamentals of Fundraising
- Communications
- Sources of Funding
- Management and Support for Fundraising
- Creating a Culture of Philanthropy
- Fundraising Plan Overview
- Tips, Ideas and Examples

Why is this needed?

- Charter Schools face a special challenge; they need to seek outside dollars to provide additional funding to:
 - Support for programs
 - Support for new or elective programs, initiatives, staff
 - Support for capital projects and facilities

First – Let's get on the same page

- We're talking about **FUNDRAISING**
 - There are some best practices out there



Fundraising – Basic Elements

- **PROCESS** – There is a process through which good fundraising happens.
- **PARTICIPATION** – Everyone – everyone – should be involved making fundraising a success.
- **PEOPLE** – Fundraising is a people business; it's all about *relationships!*
- **PLAN** – Your school should have a fundraising plan in place.

Fundamentals

- A. Identify** people through research or from personal connections
- B. Educate** them through appropriate materials
- C. Cultivate** these potential donors through relationship-building activities and events
- D. Engage** them through meaningful involvement
- E. Solicit** them through personal contact



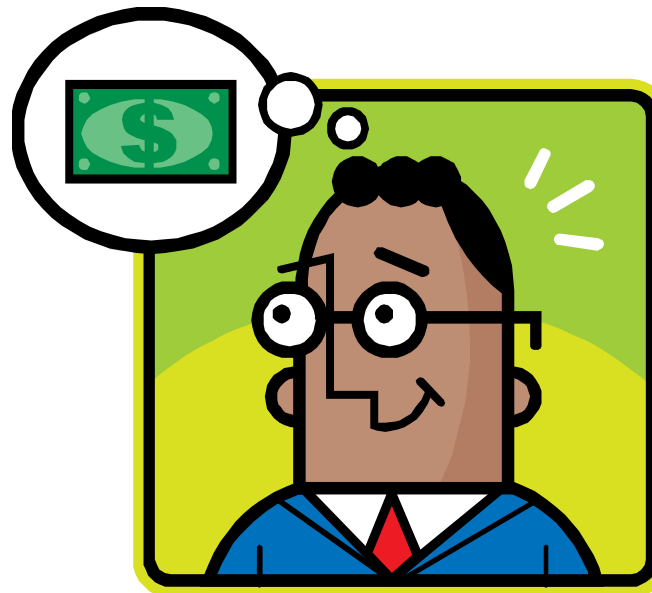
Successful Fundraising

- **LEADERSHIP** - You must have strong and active leadership (staff and volunteer) in place.
- **CASE** - Have a well-defined, compelling case that clearly describes why we should support your school and why now. Tell your story!

Successful Fundraising

- **PROSPECTS** – You must identify, cultivate and engage the broadest range of prospects for your school.
- **RESOURCES** - Commit a sufficient level of resources to the effort. This includes human and financial resources.

Why Do People Give?



Why Do People Give?

- *The right person asked for the right gift at the right time in the right way*
- Donors are driven by three key factors:
 - Belief in the **mission**.
 - Confidence in or high regard for staff **leadership** and volunteer leadership.
 - The organization's fiscal responsibility and **financial stability** to get the job done.

Why Do People Give?

- New research also shows that donors give because:
 - They have been connected to the nonprofit in an **emotional** way.
 - They clearly see that their contributed dollars are having (or will have) an **impact**.

The Players – Who's Involved

- A lot of people are (and should be) involved with fundraising at your school
- Let's look at some of the basic responsibilities that are true for any organization
- Remember – “*Leadership*”

Board – Basic Roles

- Sets direction.
- Determines what programs the organization will undertake.
- Uses a strategic plan as a guide.
 - **They are responsible for ensuring that an organization has the resources it needs to be successful.**

Fundraising Committee

- Supports the creation of the fundraising plan, brings it to the board for approval.
- Undertakes specific tasks, such as solicitation and cultivation of donors and prospects.
- Acts as the “champions” of fundraising on the board.
 - **And yes, every organization should have one of these committees!**

Staff

- Undertakes specific tasks, such as reporting, proposals, in addition to cultivation and solicitation.
- Maintains records, files, information about donors, solicitation materials, etc.
- Provides support to the board as they take on fundraising tasks.
 - **This is true whether it's the Exec Dir doing this or if there's a Dir of Development.**

Communications

- Remember “*Case*”
- Communications and messaging are essential to fundraising success.



Communications – About the STORY

- ➔ MESSAGE ➔ MONEY ➔ MISSION
 - A good message enables you to bring in money
 - These are the resources that enables the mission
 - Mission (and your accomplishments) provides the building blocks for stories, which are used to highlight the message
- Good storytelling results in good fundraising

The goal of your message

- Understand what you are trying to communicate with your stories
 - Impact on the community
 - Achievement of students
 - Viability of the charter school model
 - What else?
- Educating your community is also part of your message
 - Why your school needs to fundraise
 - What your school is all about, its educational mission

Stories Work Better Than Numbers

- Dollar figures, ask amounts, fear, worry, etc. get in the way of good fundraising!
- Focus on what the dollars make possible – not the dollars themselves – the **IMPACT**
- Use stories to get past the fear/anxiety of a dollar-focused conversation; that's not real fundraising

Why storytelling works

- Many of the SAME elements of good storytelling come into play when making a strong solicitation.
 - Focus and clarity of the message is critical
 - Honesty and authenticity is really motivational
 - Putting yourself in the mind of the potential donor is absolutely essential
 - Using emotional links to draw the prospect in works all the time

Putting stories to use

- An important tool in our fundraising toolkit.
- One of your most important fundraising stories is our own story!
 - Why did you choose to become involved with this school?
 - If you are a parent, how has your child benefitted?
 - What have you seen among the family members, teachers and students that might have inspired you?

A multi-channel approach

- Stories can be delivered in a variety of ways and through a range of channels
 - Facebook and Twitter
 - Press Releases/Media Relations
 - Toolkits for volunteers
 - Email blasts
 - Website
 - Newsletters or donor communiqués

A multi-channel approach

- Format and delivery can be new and trendy, but there still has to be a “story” there.
- Things to remember:
 - Many donors still prefer written communications.
 - Few donors read things sent to them thoroughly.
 - If the goal is to inform, then inform. Don’t also solicit in the same communication. It can turn people off.

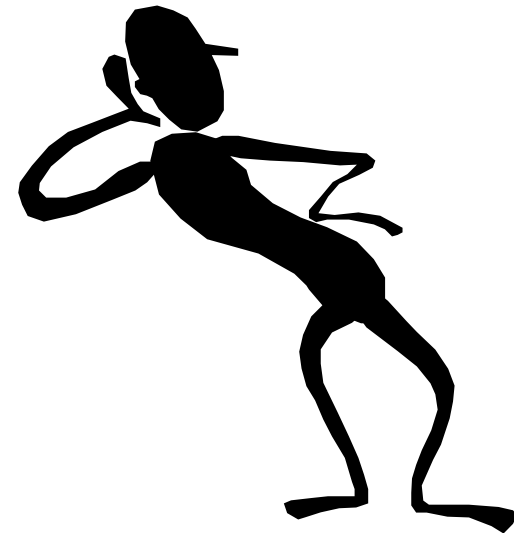
Social Media and Fundraising

- Good communication/marketing practices apply here too
 - A tweet or a post with no “story” behind it means nothing
 - Be responsive to what your donors want to know/hear
 - Don’t just shove stuff at your community

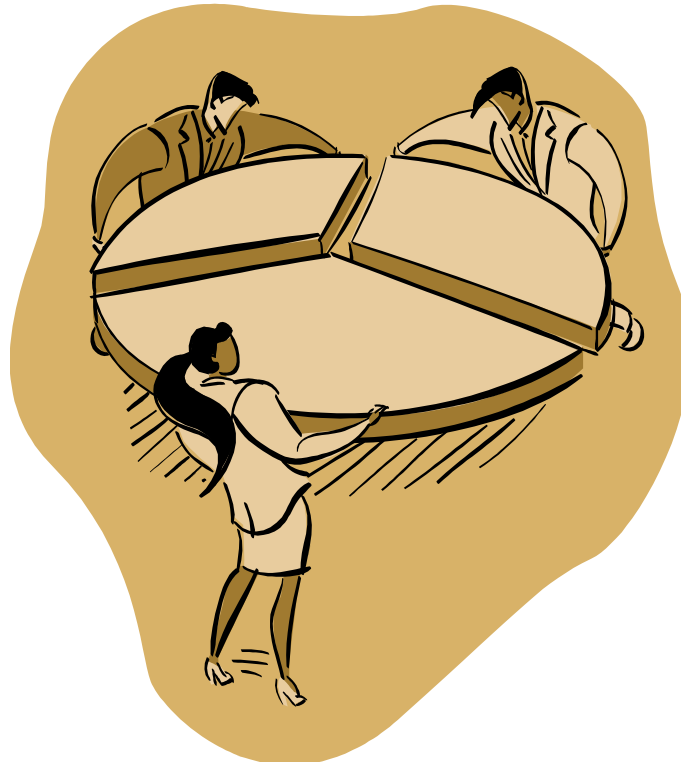
Stories and Messages

- Examples?
- Ideas?

Who's got a good story to tell?



Sources of Funding



Sources of Funding

- Many ways to raise funds:
 - Individuals, business gifts, foundation grants, events, earned income, planned gifts, etc.
- The approach should be balanced.
- Funding should be diverse.
- The approach should also be “smart” and based on your school’s capacities.

Funding Sources - Individuals

- **Individuals are always the first, best source of support.**
- Major gifts raised through personal (face-to-face) solicitations bring in larger gifts (\$500 or \$1,000+) than are typically raised through mailings.
- Smaller gifts of \$25, \$50 or \$100 come from general appeals through direct mail, emails or the telephone.

Funding Sources - Individuals

- Everyone should be encouraged to donate to your school's work:
 - Volunteers including Board
 - Parents
 - Staff and Faculty
 - Grandparents, Aunts and Uncles
 - Friends and Neighbors
 - One day – former students!
- For many of these groups, participation will be key, not just the dollars raised.

Funding Sources – Individuals

- Reaching out to individual donors – how does it happen?
 - The “Annual Fund”
 - Special mailings for special opportunities
 - End of calendar year appeals
 - Thank-a-thons
 - Small events at a board member’s home
 - Community events
 - Electronic outreach

Funding Sources - Businesses

- Start with what's easy, then grow from there.
 - In-kind materials, products or services may be just what your school needs.
 - Business volunteer programs; loaned executives, shared expertise
 - Business matching gifts.
- Be prepared to educate them on the role of charter schools



Funding Sources - Businesses

- Business grants can range from \$2,500, \$5,000, \$10,000 +
 - Sponsorships are part of this too; typically they come through the marketing dept.
- A local business “roundtable” is another way to engage business neighbors, creates a formal way through which their voice is heard

Funding Sources - Businesses

- Where to find them?
 - Businesses in your school's neighborhood
 - Employers of your board members, school parents (or other family members)
 - Local chamber of commerce
 - Rotary, Kiwanis, Jaycees and other community service organizations
 - Businesses or corporations who employ a lot of people in your neighborhood

Funding Sources - Businesses

- Explore the possibilities of establishing formal “partnerships” with local businesses
 - Requires lots of investment from staff and board
 - Can support academic programs and professional development
 - Can assist with career development, skills training, college prep and more for students

Funding Sources - Foundations

- Not just a paper exchange – must build relationships here, too.
 - Charitable grantmaking foundations are a good source of funding.
 - Make sure to review their giving procedures carefully.
 - Giving beginning to edge upward here, post-recession. (Source: *Key Facts on U.S. Foundations*, Foundation Center, 2014.)



Funding Sources - Foundations

- Foundations prefer to support specific programs (55% of all funding according to “Key Facts”), but some foundations do support general operations or “capacity building.”
- Community foundations and donor advised funds exist throughout most cities/states and are dedicated to supporting work in their area.
- Family foundations are generally cultivated like wealthy individuals.
- Like with other groups, you might have to spend some extra time educating them about charter schools and their role.

Funding Sources - Foundations

- Monitor the relative cost effectiveness
 - Sending out lots of proposals at various, typically smaller, amounts OR
 - Sending out a few, well researched higher dollar proposals to foundations with whom your school has established a relationship.



Questions/Comments



Funding Sources - Events

- **Events should support the fundraising program, NOT be the cornerstone.**
 - Fundraisers/events – of any size – can
 - Raise financial support for your school,
 - Raise awareness of the school's work and
 - Broaden outreach into the community.
 - (Hard to do ALL three!)

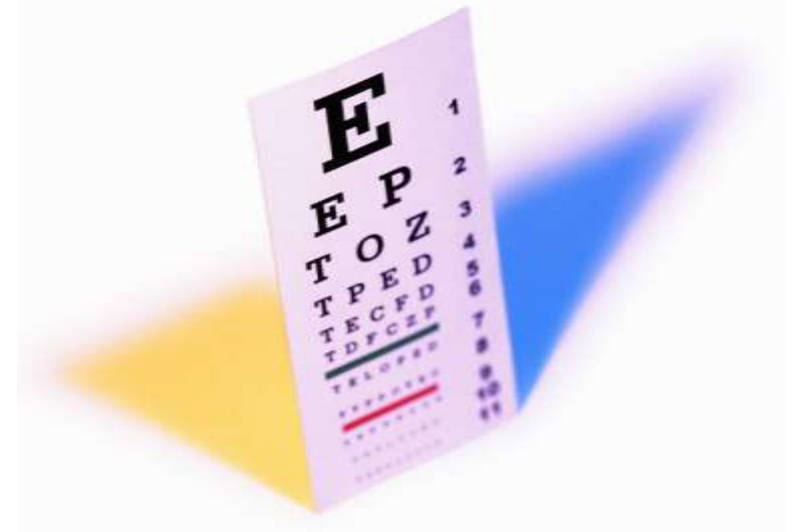
Funding Sources - Events

- Community engagement is essential for your school.
- Events and other fundraising activities can be a great way to engage people in your school's work.
- But determining what to do and how to do it is challenging.
 - This is the same whether you are thinking about a black tie gala, an auction, a neighborhood block party or wrapping paper sales.

Events – How to Evaluate What to Do... or Whether to Do an Event

When exploring various potential fundraising events and activities, maybe you should take an “I” Exam!

INCREASE
INVITE
INFORM
IMPROVE
INVIGORATE
ILLUSTRATE
INVESTMENT



The “I” Exam

- Will the event or activity **INCREASE** the size of the gifts you’ll get?
 - The program should help you to get gifts of \$5 instead of \$1; \$50 instead of \$5, etc.
- Will it **INVITE** participation from the broadest range of people?
 - Your efforts should bring in lots of people, not just a select few, to play a part in making it a success.

The “I” Exam

- Does it **INFORM** participants about your school’s program?
 - If someone makes a gift, do they know what they have supported? Will they care?
- Will it **IMPROVE** the prestige of your school, your students, your families?
 - The activity should strengthen your mission, reflect your values and demonstrate that your school is successful.

The “I” Exam

- Will the event or activity **INVIGORATE** the students, parents and teachers who participate?
 - Everyone should feel good about being a part of the activity – especially if students (and perhaps their parents) are going out there to do the fundraising.
- Will it **ILLUSTRATE** why you’re raising funds and build awareness of your school’s needs?
 - The community may not know about your school’s special needs. Make sure a fundraising program brings those needs to the attention of those who can make a difference.

The “I” Exam

- Does the activity provide for a good return on your **INVESTMENT**?
 - This is really critical. After you invest a lot of time, effort and energy into it, the activity should make financial sense.



Questions/Comments



Management



Board

- Adopts the fundraising plan
- Commits to a culture of philanthropy
- Helps develop the image of the school
- Stays educated about fundraising
- Shows leadership by making their own personal gifts to the school to the best of their ability
 - Many of these things can also be included in some board management policies

Development Committee

- Supports the creation of the development plan, brings it to the board for approval.
- Undertakes specific tasks, such as solicitation and cultivation of donors.
- Acts as the “champions” of fundraising on the board, leads fundraising discussions at board meetings.
- Serves as a resource for the principal/head of school and the staff

Staff

- This includes the principal/head of school as well as other staff
- Undertakes specific tasks, such as reporting, proposals, in addition to cultivation and solicitation.
- Manages the operations, logistic and administrative side of fundraising, including events
- Provides support to the board as they take on fundraising tasks.

Management of Fundraising

- Fundraising programs require investment of time, energy, attention and financial resources to make it work properly.
- There are required functions, whether or not there is a dedicated fundraising staff (or staff person).

Fundraising Management

- Fundraising Program Design & Implementation
 - Creating the fundraising plan
 - Making the actual appeals happen
 - Donor stewardship and cultivation initiatives
- Major Gifts Fundraising Support
 - Managing prospect assignments
 - Supporting solicitors with training, coordination, materials, etc.

Fundraising Management

- Grants management
 - Prospect research
 - Relationship building with foundations
 - Preparation of grant applications and reports
- Business relations
 - Engagement with businesses; relationship building with local chambers
 - Preparation of solicitations
 - Management of partnerships
 - Coordination of volunteer activities to engage employees

Fundraising Management

- Event Management
 - Coordination of all aspects of events (budget, volunteers, sponsors, logistics, etc.)
 - Follow-up activities with prospects and others
- Communications
 - Newsletters, donor stewardship, community education
 - Storybanking for appeals, website, reports
 - Annual reports
 - Social Media

Fundraising Management

- Operations and Administration
 - Gift tracking
 - Acknowledgement letters/receipts
 - Donor records (database)
 - Coordination/Communication between departments
 - Training and professional development

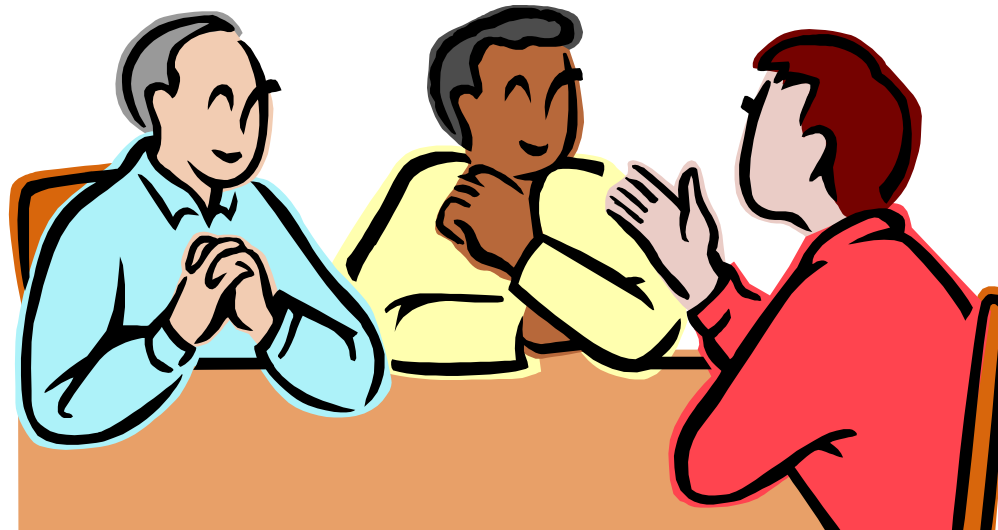
Supporting the Process

- Make sure that everyone has what they need to be successful and comfortable
- Give them easy assignments at first
 - Thank you calls, visits with an experienced board member or staff person
 - Move them to tougher assignments
- Train them and coach them
 - Start with the orientation process
 - Send them to sessions like this
 - Devote time at a board meeting

Supporting the Process

- Special training for board members (as well as faculty, staff etc.)
 - Fundraising training and solicitation training – teach them how to ask properly
 - Financial literacy training – help them understand how contributed dollars fit into the big picture
 - Communication coaching – helping them with speaking or writing about your school

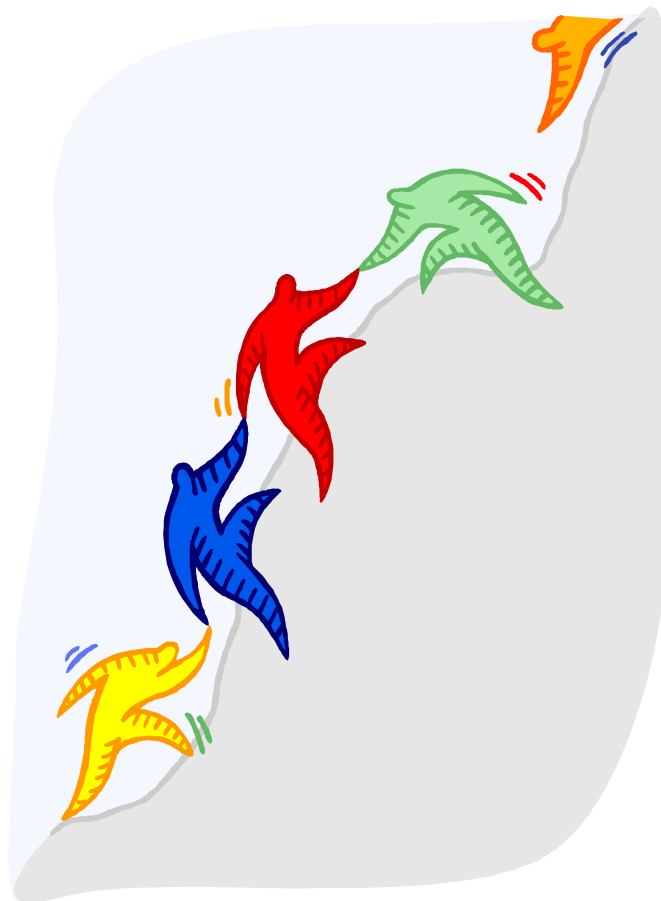
Questions/Comments



Break



Culture of Philanthropy



Culture of Philanthropy

- CompassPoint's report - January 2013:



Creating a Culture of Philanthropy

- An organization's **VALUES** and **PRACTICES** support and nurture development.
- Fund development is **VALUED** as a **MISSION ALIGNED** program of your school
- **SYSTEMS** are in place to support **DONORS**, who are are deeply valued.

Creating a Culture of Philanthropy

- Investing in fundraising **CAPACITY** and in creating the fundamental conditions for fund development **SUCCESS**:
 - Basic tools such as a plan and database
 - Essential board and executive leadership and development skills
 - Shared culture of philanthropy across your school

Creating a Culture of Philanthropy

- Fund development and philanthropy is valued and **UNDERSTOOD** across your school
- Shared **ACCOUNTABILITY** for your school's achieving its fundraising goals

Creating a Culture of Philanthropy

- EVERYBODY – staff, faculty, executive director and board – can do the following:
 - Act as an **ambassador**
 - Engage in relationship building
 - Promote philanthropy
 - Articulate a case for giving
- Everyone is deeply ENGAGED in fundraising

Being an Ambassador

- Articulate a case for giving
 - Are ready to do that?
 - Have an “emergency ask” ready
 - Don’t be caught off guard
- Get people engaged in and passionate about your school’s work!
- How would you “promote philanthropy” at your school?

The Development Plan



A Quick Overview

Importance of the Plan

- It's a road map!
- Builds ownership and confidence.
- Helps you to use limited resources wisely.
- Assigns roles/responsibilities.
- Makes it look realistic and achievable.
- Tool for financial planning; revenue & cash flow projections.

Building the Plan

- **The Pieces to the Puzzle**
 - Mission-Driven Programs
 - Sources of Funding
 - Dollar Goals
 - Staff and Volunteer Assignments
 - Monthly Tasking



#1 – Mission-Driven Programs

- **Start here.** Your school’s mission must be the driving force.
- The strategic plan is also a critical element here.
 - Answers the donor’s question, “Why are you raising this (or more) money?”



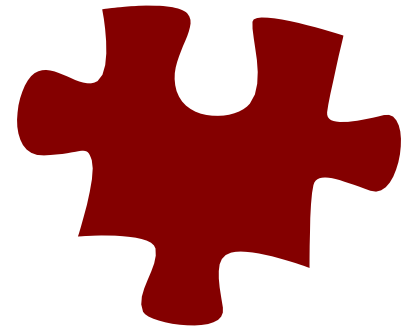
#1 – Mission-Driven Programs

- A collaborative, cooperative process between faculty, management and fundraising staff
 - Development doesn't create programs, the staff does.
- General operating funds support your mission too; include that!

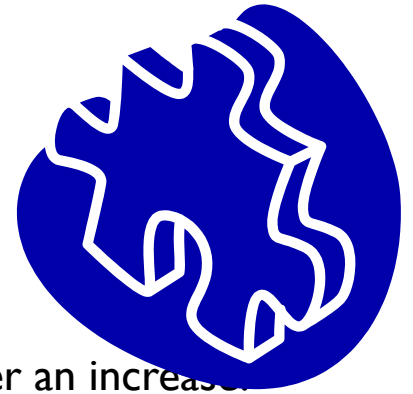


#2 – Sources of Funding

- We've covered this
 - Individuals, corporate gifts, foundation grants, events, government support, earned income, planned gifts, etc.
- Your approach should be balanced.



#3 – Dollar Goals



- Three methodologies:
 - What you did in the past
 - If you have a track record, use that; perhaps consider an increase.
 - Formula
 - If you know how many proposals, letters, etc. you're going to send, you can calculate an anticipated return.
 - Estimate
 - Sometimes having a basic number in place is better than having no benchmark at all. (And there are ways to do that also)
- Make sure your goals are tied to the resources described in your school's plan.
- Fundraising planning and budgeting go hand in hand!

#3 – Dollar Goals



- Track Record:

Source	2011	2012	2013 GOAL
Individual small gifts	\$12,500	\$13,300	\$14,000
Major Gifts	\$15,500	\$20,200	\$25,000
Board Campaign	\$11,000	\$10,500	\$11,000
Grants	\$20,000	\$18,000	\$25,000
Gala (net)	\$18,000	\$21,000	\$22,000
Corp Gifts	\$21,400	\$23,750	\$25,000

#3 – Dollar Goals



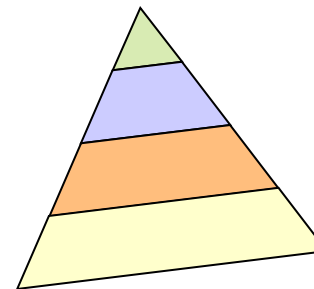
- **Formula**

Source	#	Amt	2013 GOAL
Individual small gifts	250	Avg. gift \$78	\$19,500
Major Gifts	5 donors 10 donors	\$5,000 \$1,000	\$35,000
Board Campaign	\$11,000	\$10,500	\$11,000
Grants	4 apps	\$20,000 req ea; 75% prob of success	\$60,000

#3 – Dollar Goals

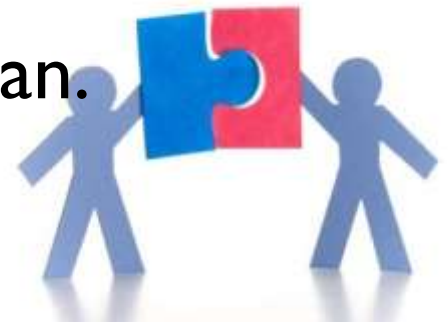


- Estimate
 - Build basic “pyramids” for each donor category and level
 - A way to help see your way to a total
 - 1 gift at \$10,000
 - 2 gifts at \$5,000
 - 8 gifts at \$2,500
 - 20 gifts of \$1,000
 - 50 gifts of \$500



#4 – Staff and Volunteer Assignments

- Lots of tasks/jobs – make sure they are all covered, even if by the same person.
- Engage all staff in this.
- Volunteers (esp. board) can do things that staff cannot, they are essential.
- Volunteer leaders must know, understand and approve the plan.



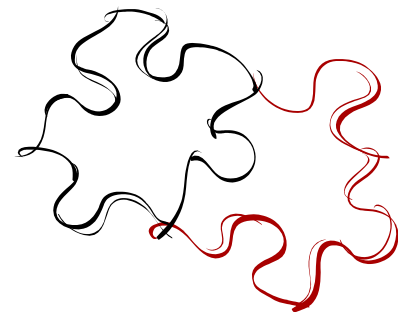
#5 – Monthly Tasks

- All tasks and assignments must be associated with a specific date or timeframe.
- Deadlines help keep people accountable.
- Post the plan so everyone knows when deadlines are approaching.

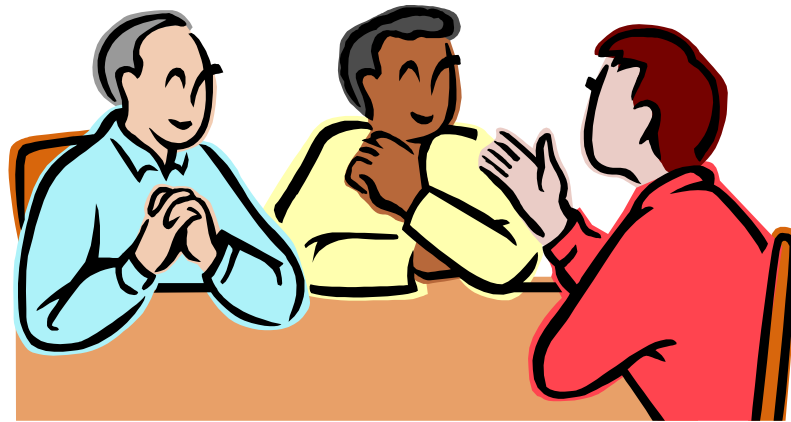


Extra Pieces

- These other elements can inform, complement and refine the plan:
 - *Costs – fundraising does not happen by itself and it doesn't happen for free*
 - Communications and media
 - Cultivation and stewardship
 - Operational/Administrative



Thoughts and Comments?



Examples, Tips, Hints and More



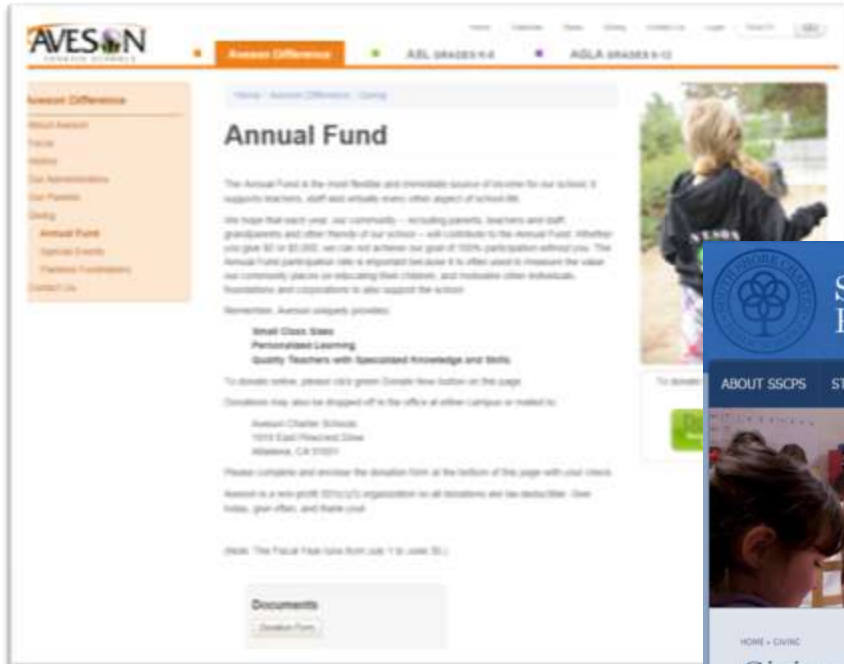
Tips for Success

- Do Your Research
 - Get to know your potential donors, find out what interests them
- Cultivate and Educate
 - Make ongoing efforts to teach people about what you do
- Give Thanks and Recognition
 - Always thank your donors, in lots of ways
- Build Trust and Keep in Touch
 - Make sure to use gifts wisely; show donors what they make possible
 - From 2013 California Charter Schools Financial Management Guide

Site Visits

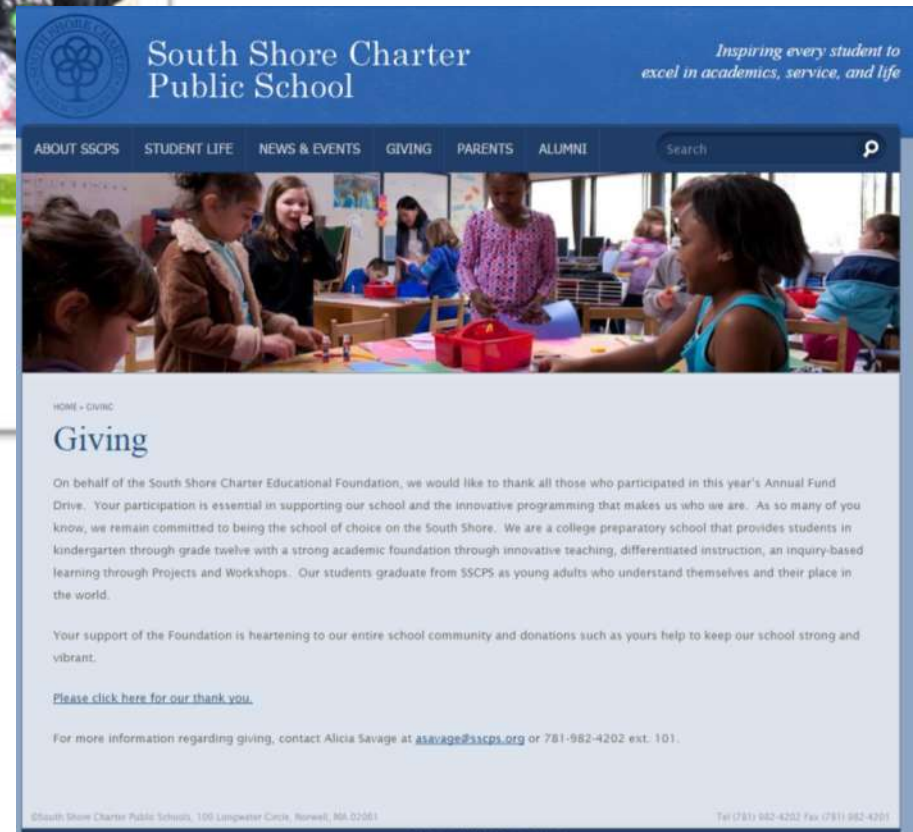
- Site visits are a great way to show off your school, students and program
- Visits by a potential foundation donor, business partner or individual should be carefully planned in advance
- Everyone should have an assignment
- Alert everyone that the visit is going to take place and why this is important

Examples



www.aveson.org/aveson-difference/annual-fund

www.sscps.org/giving



Examples

The screenshot shows the Audubon Charter School website. The header features the school's logo and name, "AUDUBON Charter School", with "FRENCH & MONTESSORI EDUCATION" below it. A navigation menu includes links for HOME, ABOUT US, ADMISSIONS, ACADEMICS, SCHOOL LIFE, SUPPORT, and CONTACT US. The main content area is titled "Annual Fund" and contains several paragraphs of text explaining the school's success and the need for the Annual Fund. At the bottom, there are buttons for "Donate" and "Subscribe", along with a "Payment Options" section showing "Option 1 \$10.00 USD - monthly".

www.auduboncharter.com

[www.riverviewcharterschool.org/
Annual_Fund.html](http://www.riverviewcharterschool.org/Annual_Fund.html)

The screenshot shows the Riverview Charter School website. The header includes navigation links for About Us, Academics, Admissions, Students, Parents, Supporting RCS, and TIDEWATCH. The main content area is titled "Annual Fund" and features a "Donate Here" button. Below the button is a link to "Riverview Fund pledge form.pdf". The section is titled "RIVERVIEW ANNUAL FUND FAQs" and contains several questions and answers regarding the fund's purpose, goals, and participation.

What is the Riverview Fund?
The Riverview Fund is an annual fundraising campaign that is a critical component of Riverview's ongoing growth. Your support of the Riverview Fund helps us achieve this mission by supporting our Tidewatch scholarship program; by funding technology enhancements for students; and through the purchase of a new instructional supplies such as a guided reading books and science kits. Your donation also empowers us to attract and retain highly qualified teachers and to support them in their ongoing professional growth. Your contribution brings us closer to our 2012 goal of \$45,000, and we are grateful for your participation - it demonstrates your commitment to our school and in turn strengthens Riverview's financial standing with potential lenders. This is especially important as we as we push forward with our permanent facility.

What is the goal for this year's campaign?
100% participation from Riverview Families, Board Members, Teachers and Staff. 100% Participation tells our students that we want what is best for them; it tells our teachers and staff that we value them; it tells our community that we are committed; it tells investors that we are dedicated to the success of the school.

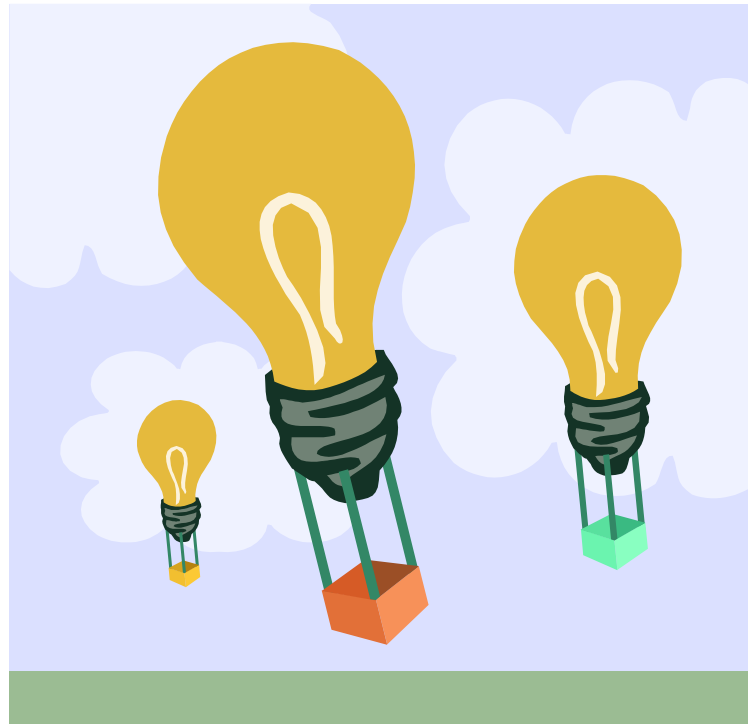
How much should I give?
The amount that each family gives is a personal decision. Given the importance of the Riverview Fund, we ask that you give as generously as you can. Whether it is \$10 or \$10,000, you are ensuring the future of our learning community. It is our hope that every Riverview family will contribute an amount that is meaningful for them.

Can anyone give?
Yes. The Riverview Fund will be supported by all stakeholders, including parents, grandparents, aunts, uncles, community members and businesses. All Riverview supporters are urged to participate and you are encouraged to reach out to family and friends that support having a choice for public education.

Fundraiser Examples

- Restaurant nights – get a local restaurant to donate a portion of a night's receipts back to your school.
- Affinity/Rewards programs like Target's Red Card program, Office Max or Publix.
- Sporting events such as golf tournaments and fun runs (5K, 10Ks etc.)

Final Comments/Questions/Ideas



Wrap-up

- Creating the conditions for fundraising success means you have a few things in place:
 - A balanced approach regarding funding sources
 - A commitment to properly investing in and managing the fundraising process
 - A commitment to transparency and high ethical standards
 - A range of tools effectively in use and deployed to get the job done
 - A culture at your school in which fundraising can thrive

Further Reading

- Ciconte, Barbara L. and Jacob, Jeanne G. *Fundraising Basics – A Complete Guide, Third Edition*. Sudbury, MA: Jones and Bartlett Publishers. 2009.
- Lysakowski, Linda. *Establishing Your Development Office*. Arlington, VA: Association of Fundraising Professionals Ready Reference Series. 2002.
- Ciconte, Barbara L. *Developing Fundraising Policies and Procedures*. Arlington, VA: Association of Fundraising Professionals Ready Reference Series. 2007.
- Lysakowski, Linda. *Nonprofit Essentials – The Development Plan*. Hoboken, NJ: John Wiley & Sons, Inc. 2007.

Further Reading

- Robinson, Andy. *Big Gifts for Small Groups A 1-hour Board Member's Guide To Securing Gifts Of \$500 To \$5,000*. Medfield, MA; Emerson & Church Publishers. 2004.
- Klein, Kim. *Fundraising for Social Change*. San Francisco, CA; Jossey-Bass. 2011.
- Panas, Jerold. *Asking – A 59-Minute Guide to Everything Board Members, Volunteers, and Staff Must Know to Secure the Gift*. Medfield, MA; Emerson & Church Publishers. 2010.

Further Reading

- Complete description of AFP's ethics codes, practices and value statements:
<http://www.afpnet.org/ethics>
- *Chronicle of Philanthropy* (a top source of up-to-date news and information.)
<http://philanthropy.com>

Thank You!

- Use what you've learned today
- Share what you've learned today
- Good luck and have a great school year!



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