



Create a Fundraising Plan that will Propel Your Nonprofit Forward

Bonus Fundraising Planning Template!

Table of Contents

Set Fundraising Goals.....	4
Plan for Retention and Growth	5
Set Goals Beyond Dollars Raised.....	9
Fundraising Planning Template	10
Put it Into Action	11
Track Progress Against Goals.....	13

Introduction

General Dwight Eisenhower once said, “In preparing for battle I have always found that plans are useless, but planning is indispensable.”

Having an annual development plan helps you define not just what your fundraising goal will be, but also what key steps and metrics you need to have in place to successfully reach that goal.

It’s a challenging nonprofit environment. Staff bandwidth is often limited and overstretched. Boards and CEOs don’t always see themselves as “fundraisers.” [Giving USA reports](#) each year show that total giving is on the rise yet nonprofits, on average, [lose more than 60% of their donors every year](#). Add in changing tax laws to take effect on charitable donations and it’s clear, nonprofits have it tough. A development plan is the antidote to those challenges and uncertainty. It serves as a thoughtful road map to set priorities and effectively utilize all the resources at your fingertips.

Many development plans end up being a set of schedules for planned solicitations and other tactics to raise money. That’s certainly a part of having a plan. Let’s take a step back for a minute. Why write a plan? To raise more money. How do we raise more money? By demonstrating trust and impact to our donors. And building greater donor relationships. If we think about all the factors that motivate donors, a development plan becomes more like a playbook on how to build meaningful donor engagement that leads to increased retention and, ultimately, giving.

Your plan should answer these four questions:

1. How much do we need to raise this year?
2. What are all the ways my organization can connect with our donors to steward and inspire them?
3. Who will contribute to a successful fundraising year? (Donors/Volunteers/Board)
4. How will we measure progress so we can change course, if needed?

Set Fundraising Goals

The first step to building a good fundraising plan starts with setting your goals and this begins with a discussion with your senior staff (executive director, board, development director, senior leaders). This may seem obvious but development staff can often be omitted from organizational financial decisions and program discussions. As a development leader, you can share perspectives on what is realistic to raise given the context of your current and previous fiscal years' fundraising trends.

When you've determined your goal for the next fiscal year, learn and grow from what's worked and where you have untapped opportunities:

- Did you raise what your organization needed in past years? What contributed to your success? What held you back? What could you do differently?
- What's your donor retention rate and average gift amounts? How has that tracked over the past couple of fiscal years?
- How does your fundraising revenue breakdown and what were your fundraising expenses for each donor type?
 - › Annual Fund (mail and email appeals)
 - › Corporate gifts
 - › Foundation grants
 - › Major gifts
 - › Events
 - › Membership dues

If you cannot answer these questions easily, it's probably time to look for a new [donor management system](#). You don't want to repeat past mistakes or continue doing something that just isn't yielding the results that warrant the effort. Understanding how (and where) funds have been raised in the past helps you map out a solid plan to build your fundraising goals and strategies this year.

Plan for Retention and Growth

On average, nonprofit organizations lose more than 60% of their donors each year. According to the Fundraising Effectiveness Project, for every 100 donors gained 99 were lost due to attrition. Put it another way, for every \$100 raised, \$95 was lost due to lapses in renewed gifts. Nonprofits are so focused on chasing the shiny new donor. And it's costing them lots of lost revenue. So as you embark on a new fiscal year, start by looking at those who already give to you. After all, they already believe enough in you to give you money. It's also cost-effective since fundraising costs to raise \$1 from renewals are very low (\$.20-\$.25) and these donors have the highest ROI (\$4)¹.

Your development plan maps out all the ways you will engage with your donors to inspire them to want to sustain and, hopefully deepen, their investment in you. So, here you are looking at a list of current and past donors. Besides seeing total giving and giving levels, what do you know about them? Do you understand why your donors stay and why they leave? Think about surveying your current and lapsed donors once a year to learn about:

- what they like about your organization;
- what they think about your communications and if they feel the content explains the difference their gift makes;
- how they feel about the frequency of your communications;
- if they prefer a different schedule (i.e. how often do they want to hear from you and when would they like to be solicited, etc.);
- if there are other ways they'd like to get involved with you.

You may also consider sending a similar survey to lapsed donors asking them why they left. If lapsed or current donors gave larger gifts, it would be worth personally reaching out to them by phone or email.

1: DMA 2013 Response Rate Report

Then the activities in your plan can be tailored around the following metrics:

- **Total number of donors:** you want to maintain at least that number of donors next year. Are you communicating with them in a way that they feel valued enough that they will stay?
- **Total number of new donors:** how many new donors did you gain this year? What are ways you can connect with those first-time donors to lead them to a second gift? How can you introduce your organization to at least as many next year?
- **Total number of donors that lapsed (two fiscal years prior compared to last fiscal year):** What can you do through communications and outreach strategies to try to regain their support next year?

Fundraising success isn't just about meeting your goal. It's about understanding what's important to donors first and foremost. If donors trust you and feel that their gifts are making a difference in your work, the money will follow. **Trust and satisfaction come from how well you communicate with your donors about your results and the importance of their support.**

Balance Your Portfolio

A sustainable fundraising model has diverse revenue streams. If you see that your funding generally comes from one source more than any other, it's time to think about how to rebalance things. For example, if your donor base is more heavily skewed toward foundations and corporations, you might look at ways to engage individual donors through increased direct mail; tapping into the networks of your board and other leaders; focusing on engaging and upgrading the individual donors you have by creating a Monthly Giving Program and/or Donor Giving Circle. When determining revenue goals from various sources, be realistic in where you can begin to grow new sources of funding. This is a great discussion to have with your board and/or Development Committee to see where they have connections and would be willing to help open doors.

Set the Stage for Major Gifts

Major gifts are often thought of as those elusive multi-million contributions cloaked in mystery like in a fairy tale. The reality is that major gifts are whatever amount is the largest for your donor base. Every organization, no matter how small, can and should be

raising major gifts. A major gift may be \$500 or \$1,000 or it may be \$10,000 or \$100,000. Regardless of the amount, it is worth the time and effort to focus on ways to engage with individual donors who have the ability and willingness to make larger gifts to an organization.

Major gifts is the most efficient form of fundraising with a Cost to Raise a Dollar (CTRD) ratio of \$.15 to raise \$1.00 (compared to \$.35 and \$.40 for Direct Mail and Events, respectively). But raising major gifts takes time and perseverance...and lots of it. A successful major gifts program does not focus on high net-worth individuals with no connection to your organization. In fact, you probably already know who your major (current and potential) donors are. Identify the top 50-100 of your longest donors, your largest donors over their lifetime, and newest donors who have given large (however you define this) first-time gifts last year and this year. If you have the resources, it's helpful to run capacity screening of these three groups to understand where there is greater gift potential. If screening is not an option, that's ok. You can still segment this group for more personalized attention:

- Tailor your solicitations to them to reflect their larger levels of giving.
- Design your communications to be more personalized (think 1:1 meetings, small group settings, site visits, etc.)
- Identify the staff and volunteers to become involved in stewarding these donor relationships
- Determine which specific major gift solicitations you can work to close next year.

Major donors rarely bounce around from organization to organization. Your next major gift will likely come from one of these donors who has capacity and who has been supporting you for a long time (and not giving at particularly high levels) and may also have been involved as a volunteer. Carving out a little time for more personal interactions with these donors will help you qualify those who can make larger gifts down the road.

Create Greater Donor Engagement

In the *2014 Burk Donor Survey* nearly 50% of respondents who participated in a donor satisfaction survey cited reasons like over-solicitation, overhead costs, and the lack of impact demonstrated by the organization, as influences in their decision to stop giving. It's easy to become complacent and think that just because donors have chosen to invest in our cause, they will unconditionally support us and that when we ask again they will give.

Good donor engagement involves a regular calendar of touchpoints, updates, and communications that highlights stories of successes, progress, results, and even failures and challenges. Donors want to see, feel, and touch the impact their gifts are having. You are most likely already doing it without defining these activities in that way: annual reports, newsletters, special webinars hosted by your key program leadership, holiday and birthday cards are all examples of ways to leverage communications to enhance your relationships with your donors.

There are many multi-channel ways to bring your work to life for your donors such as through social media, videos, virtual reality, personal letters or notes from your beneficiaries, and even personal site visits to see your work. Donors at higher giving levels should receive more personalized calls, notes, or visits from your board and CEO.

Take a page out of consumer marketing. When you make a purchase online, you opt into receiving marketing and promotions from that retailer and by and large it is daily. While daily is probably not the right frequency, you would be surprised at the receptiveness your contacts have to hear from your organization. Having the supportive technical infrastructure like a [donor management system](#), can make managing these multi-channel touchpoints a lot easier.

Lay the Foundation for Tomorrow

Because it costs less to retain than to grow, your efforts should be mostly focused on keeping the donors you already have. With that said, it is still important to plant the seeds for the next pipeline of donors to your organization. The best potential new donor names are people who self-identify in some way or who are connected in some way to you. Perhaps it's through a sign-up on your website, or a visitor book if prospective donors can visit your facilities. It can also (and should also) be from the networks of your Board and other volunteer leaders. Adding even 10 new names a month can yield up to 120 new donors—if you communicate with them and engage them through a relationship model as described above.

Set Goals Beyond Dollars Raised

In addition to financial goals, what other quantitative goals will you set that will strengthen your fundraising? Think about broader fundraising growth and improvements. Here are some ideas:

- Increase board participation rates
- Boost volunteer giving
- Test strategies to acquire new donors
- Grow monthly giving program
- Upgrade current monthly donors
- Improve email open rates
- Grow direct mail response rates
- Launch planned giving society

After you've set the bigger picture, you can focus on the specifics for each of your non-monetary goals by setting objectives, strategies, and creating an action plan to launch these ideas.

Fundraising Planning Template

Use this template to itemize your nonprofit fundraising data to lend support to your fundraising strategy.

FUNDING INCOME/ EXPENSES BY SOURCE

SOURCE	TYPE	LAST YEAR		CURRENT YEAR		NEXT YEAR	
		Income	Expense	Income	Expense	Income	Expense
Individuals	Annual Funds						
	Major Gifts						
	Online						
	Direct Mail						
	Events						
Foundations							
Corporations							
Events							
Other							
TOTAL							

FUNDRAISING METRICS

CATEGORY	LAST FISCAL YEAR	CURRENT FISCAL YEAR	NEXT FISCAL YEAR
Total Number of Donors			
Total Number of New Donors			
Total Number of Lapsed Donors			
Average Gift Amount			

Put it into Action

Once you have set your fundraising goals for retention and growth you are now ready to put the real meat on the bone —outlining the “who, how, and when” for all of the activities.

Objectives

Objectives are measurable and give an idea of what needs to be done to achieve the goals you set forth. Here are some examples:

- Grow monthly giving base by 10%
- Raise \$5,000 (a 5% increase) in unrestricted funding to cover operating expenses
- Recruit 15 donors to join the planned giving society
- Increase year-end online giving by 10%

Strategies

Strategies are the actual actions you will take to reach your objectives. There can be multiple strategies under each objective. Here are some examples:

- Segment our March appeal so that we specifically ask for monthly gifts from donors who have given 2+ years in a row but aren't yet monthly donors.
- Find 5 opportunities and submit applications specifically for grants that cover operating expenses.
- Conduct 5 phone calls every month to major donors who have been giving for over 10 years to ask them to consider planned giving.
- Launch a social fundraising campaign during #GivingTuesday to generate more in online revenue

Action Plan, Roles, and Timeline

Start assigning roles and responsibilities to bring your strategies to life. Include a checklist of steps that will take place, and mini-calendar for those actions. Here's a sample draft of what your action plan might look like for getting a peer giving platform set up by #GivingTuesday.

Objective: Increase online giving at year-end by 10% Strategy: Social Fundraising campaign during #GivingTuesday Action plan and timeline:

- Have Emily talk to our Network for Good rep about social fundraising + purchase software by October 1
- Have Emily draft messaging, campaign overview by October 15
- I will call 20 loyal supporters to explain the model and ask them to commit to being social fundraisers by October 20
- Have Greg test and implement the software by November 1
- Have Greg train at least 10 loyal supporters on how to use the social fundraising tool by November 15
- Confirm participation by Thanksgiving
- Send reminder email to all participants
- Have Greg and Emily on a call on #GivingTuesday to answer fundraiser questions and keep momentum going
- Celebrate and thank fundraisers
- Send out customized thank yous to all donors, reach out to new donors with our welcome kit and opportunity to tour our facilities.

Track Progress Against Goals

You will want to understand if you are making progress and on track with your goals and objectives. Metrics on any level are important because they give you the data to make informed decisions about where you can build off your successes as well as identify opportunities for improvement.

You don't need a whole system of complicated (and time-consuming to calculate) benchmarks for the sake of having them. If your Development team is small and/or your database isn't especially adept at helping you track key indicators, you'll end up wasting precious time that you should be using to fundraise. Even if you are a small development shop, here are some key metrics to watch over the course of your fiscal year:

- 1. Percentage of Retention:** How many of your donors are renewing their gifts every year?
- 2. Average Gift:** Hopefully this average gift size is increasing to show deeper investment by your donors. If it isn't, what ways can you build better relationships and communicate more effectively across multiple channels?
- 3. Cost to Raise a Dollar (CTRD):** How much are you spending versus how much you are raising? If you have a small staff and limited budget, focus on those activities that have the best ROI. For example, the cost to raise a dollar through events is the highest of all fundraising activities—at a whopping \$.40 per \$1.00 raised compared to \$.15 per \$1.00 for major gifts. They're expensive and an enormous investment (burden sometimes?) of staff and volunteer resources. Are your efforts focused on what has the best return on your limited investment of time and resources?

A good fundraising plan is like a recipe. It spells out the exact mix of targets, strategies, roles, and responsibilities so everyone can work towards the same goal. By taking an annual stock of your fundraising wins, challenges, and resources, you can create a realistic roadmap that will help you grow the financial sustainability of your organization.

ABOUT BARBARA

Barbara O'Reilly, CFRE, Principal and Founder of Windmill Hill Consulting, brings to her clients twenty-five years of fundraising experience at major non-profit organizations including Harvard University, the National Trust for Historic Preservation, Oxford University in England, and the American Red Cross.

As an independent consultant, Barbara helps non-profit organizations create impactful donor-focused relationships through strategic development planning and coordination of annual funds, capital campaigns, individual and institutional major gifts, and donor engagement.

For more information on how Windmill Hill Consulting, LLC can help you build dynamic relationships with your donors, visit whillconsulting.com.



ABOUT NETWORK FOR GOOD

Since 2001 Network for Good has been instrumental at helping tens of thousands of nonprofits raise more funds by engaging supporters and donors in a more meaningful and impactful way. Refreshingly easy to use Donor Management Software, Fundraising Pages, and Personal Fundraising Coaches provide nonprofits with a complete fundraising solution, reducing their need for disparate systems, saving them time and enabling them to raise more funds to support their mission.

