

**Fundraising Policies Checklist**



Strengthening Nonprofit  
Governance & Management

2800 Springport Rd., Jackson, MI 49202  
517-796-4750

<b>Actions</b>	<b>Yes, we do this. This is demonstrated by:</b>	<b>No, we don't do this. We need help because:</b>
The financial needs of the organization are clear to all Board members and information regarding the sustainability, stability and security of funding sources is understood by both staff and Board.		
All board members make a financial gift annually.		
All board members are asked to make a financial gift.		
The majority of our fundraising income does not depend on events that could be impacted by weather, selling tickets or "passive" participation.		
We have a variety of fundraising activities that include events, but events are not the only fundraising activity.		
Fund development activities focus on acquiring donors, retaining donors and/or upgrading donor gifts.		
Board member candidates are provided detail about their fundraising responsibilities during the Board recruitment process.		
Board members know their role in supporting the fundraising efforts of the organization.		
Board members have a common understanding on what it means to "participate in fundraising activities", "make a gift", or "volunteer".		
Our Fundraising communications include clear, accurate, honest information about the organization.		

## Fundraising Policies Checklist



Strengthening Nonprofit  
Governance & Management

2800 Springport Rd., Jackson, MI 49202  
517-796-4750

<b>Actions</b>	<b>Yes, we do this. This is demonstrated by:</b>	<b>No, we don't do this. We need help because:</b>
Our organization complies with our legal and ethical obligation to expend funds according to the funders wishes and requirements (Donor Restricted).		
We regularly communicate with our donors regarding our activities.		
The organization accepts multiple forms of payments, accepts donations through our website, and making a donation is easy and uncomplicated.		
We have a donor database that we keep updated with information about donations, what generated the gift and how the donor was thanked.		
We thank our donors quickly, personally and appropriately.		
We have a fund development plan.		
We have a gift acceptance and recognition policy		
We have a system that ensures we apply for appropriate grants and send timely reports.		
We follow and adhere to the Michigan Regulations for Applicable Fundraising Events (Bingo license, Raffle License)		
The organization understands the legal distinctions between staff, consultants and contract staff.		

## Pure Gold – The 34 Fundamental Foundations of Fundraising

By Ken Burnett, 2016

1. **People give to people.** Not to organizations, mission statements, or strategies.
2. **Fundraising isn't something we do to people,** it's something we do with people. Friend-making comes before fundraising. Fundraising is not selling. Fundraisers and donors are on the same side.
3. **Fundraising is not about money.** It's about necessary work that urgently needs doing. Money is the means to an end, not the end itself.
4. **Fundraisers need to be able to see things through their donors' eyes.** And to put themselves in their donors' shoes.
5. **Fundraisers have to really understand their donors.** If they are to understand you, you must first understand them. Fundraisers have to learn to talk to their donors where they are, not where the fundraiser might want them to be.
6. **It helps if you are a donor yourself.** No one should be a fundraiser without first being a donor.
7. **Donor led, not target led.** Involve donors, listen to donors and give your donors choices. The donor should decide what she or he gets and whether or not she or he gives. Whatever he or she gives, it's OK with the fundraiser.
8. **No pressure, ever.** To the question how much pressure to give is acceptable the only possible answer is, none. No pressure should ever be applied to persuade a donor to make a gift he or she would not give freely, otherwise.
9. **First open their hearts, then their minds.** Then they will open their wallets. All three are important, in that order.
10. **Fundraising is about needs as well as achievements.** People applaud achievement, but will give to meet a need.
11. **Harness the simple power of emotion.** Fundraisers need to learn how to do this in their stories and solutions. Fundraising has to appeal first to the emotions. Logic can then reinforce the appeal, but be aware that emotion is many times more powerful.
12. **Don't just ask people to give.** Inspire them to give. Fundraising is the inspiration business.
13. **Offer a clear, direct proposition people can relate to.** For example, 'make a blind man see. £20.00'.

14. **Prompt, appropriate feedback is essential** to reassure the donor and show the difference his or her gift has made. Fundraisers should practice the five Fs – to be famous for fast, frequent, fabulous feedback.
15. **Share your problems as well as your successes with your donors.** Honesty and openness are usually prized more highly than expert opinion and apparent infallibility.
16. **Bring the need close to the donor.** To help this idea stick I was taught the adage ‘One needy old person next door equals ten needy old people in Manchester equals 100 needy old people in Maharashtra.’ (Of course I was living in London at the time. If you live in India, then it would be the other way round).
17. **You don’t get if you don’t ask – usually.** Know whom to ask, how much to ask for, when and how. Sometimes though your ask can be so subtle as to be almost unnoticeable, or better still, in the light of every charity’s implicit need for funds you can simply stand back and let the donor’s natural enthusiasm supply ‘the ask’.
18. **‘Brand’ is a lot less important to donors than it is to you.** So don’t obsess about brand with its perceived high cost and rigid rules, but rather aspire to present your organization’s image, beliefs, values, character and distinctiveness clearly, simply and consistently (which is the essence of what a charity’s brand should be). It’ll pay if your donors can readily distinguish your cause from all the others, without feeling you are a slave to brand guidelines.

The point here is that our publics have made it very clear that they don’t like charities adopting the clothes of big business, so fundraisers should take care to present their own distinctive version of brand.

19. **Successful fundraising depends on transformational storytelling.** Fundraisers have the best stories in the world to tell and the best reasons for telling them with pace and passion that will inspire action. Stories should focus more on the why than on the how and the what.
20. **Information is giving out, communication is getting through.** Fundraising is all about the communication of inspiration. Fundraisers do this best by telling moving, authentic stories: the truth told well. Storytelling is the best way to get your emotional message – your WHY? – not just out, but through. So start a story bank, to collect, preserve and share your best stories.
21. **Great fundraising is sharing.** Share your goals and encourage real involvement. When donors become truly involved in your campaign great things happen. Share your problems too, as well as your successes.
22. **Always try to turn complaints into support.** The most loyal donor is the donor who has complained and has then been satisfactorily responded to.
23. **Trust appears to increase in importance as people get older.** The trustworthiness of a fundraiser and his/her organization is a reason both to start and to continue support.

- 24. For great results, make your donors feel great.** If your results are mediocre, your fundraising probably is too, which may be because your donors aren't seeing it as they should. Great fundraising requires imagination. Too much fundraising looks like everything else.
- 25. Always be honest, open and truthful with your donors.** Donors will not forgive you if you are less than straight with them.
- 26. Avoid waste.** Donors hate waste.
- 27. Technique must never be allowed to obscure sincerity.** As all actors know, you can't fake sincerity.
- 28. Fundraisers and donors have a relationship of shared conviction.** This is much more important than their shared commercial interest.
- 29. Great fundraising means being '15 minutes ahead'.** There are few opportunities now to be light years ahead of all the other competing causes, but many ways you can be just a little bit ahead. To keep the advantage you have to learn to spot opportunities and take prudent risks boldly.
- 30. Always say 'thank you', properly and often.** And accurately (few things are less forgivable than thanking a donor for something he or she hasn't done). It's also a good idea to be brilliant at saying 'welcome!'.
- 31. Fundraisers should learn the lessons of history and experience.** Anyone who would be an effective fundraiser needs first to do some homework. A lot of homework, to be honest, for fundraisers really need to know their stuff. Ignorant amateurs are more likely to be all kinds of problem than any kind of solution.
- 32. Focus on the donor experience.** Fundraisers need to be able to define, quantify and measure the donor experience, so they can ensure it's always great.
- 33. Invest time and money sufficiently, boldly and wisely.** If it's to succeed fundraising requires the twin investments of time and money. Far more fundraising fails because not enough is spent on it, rather than too much.
- 34. Fundraising cannot ever be separated from the cause – the great big WHY?** Those who spend donors' money must be as entirely involved in donors and their experience as those who raise money from donors.

The list could go on. Great fundraising also involves care, respect, sensitivity, empathy, being appropriate, engaging people, using technology creatively, patience and, of course, being modest and **unassuming.**

While the list is universal it's almost certainly not comprehensive and may exclude some important principles that relate particularly to your organization. Whatever your principles it's wise to capture them: write them down, communicate them to colleagues, trustees, donors and suppliers. And when you prepare a fundraising communications plan, or any kind of strategy for donors, check how it measures up to your principles of fundraising and your understanding of its essential foundations.

Ken Burnett, May 12, 2016

<http://sofii.org/article/pure-gold-the-34-fundamental-foundations-of-fundraising>

## Sponsorship vs Donations

Sponsorship is a cash or in-kind fee paid to an organization or group in return for access to the commercial potential associated with that organization and/or event. The strategy is to build a link in the target audience's mind between the sponsor and a highly valued organization (or event) to win consumers and/or key accounts. Sponsorship is undertaken for the purpose of achieving commercial objectives.

Philanthropy or monetary donations on the other hand, are in support of a cause without any commercial incentives. Money is donated simply for the good of the cause with no 'strings' attached.

**Sponsorship** • A sponsorship relationship is based on a business proposal with mutually-agreed upon rights and benefits for both parties.

- Sponsorship has a material advantage to the company in terms of raising the company's public profile (i.e. to sell more products and services) and to increase positive awareness of the company or product by associating it with a good cause.
- Sponsorship is highly public.
- Money usually comes from the marketing, advertising or communications budget and is decided by the person(s) managing these areas.
- Companies strive to build a relationship with the organization and continues to develop and evolve this relationship over time (this relationship might grow to include employee involvement, advertising programs, networking opportunities for executives, etc.).
- Sponsorships are not always cause-related (i.e. sports and cultural activities).
- Sponsorship fees are not receiptable as the Canada Revenue Agency perceives the sponsoring company to be receiving a right, privilege, benefit or advantage for their payment to the charity.

### Cash Donations (Philanthropy)

- In order to solicit a cash donation, you must appeal to the generosity of a company or an individual (i.e. the donation is made to be a good corporate citizen).
- There is very little public fanfare regarding the donation, however the donation may be used to increase the corporate image of the company with its own stakeholders (i.e. employees, shareholders, suppliers).
- Companies are usually thanked in a quiet way. They do, however, like to be reassured that charitable donations are being used responsibly, which we can assist you with by sharing information about the impact of the funds raised.

Continued on next page...

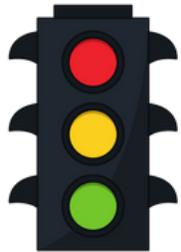
Sponsorship vs Donations cont.

- A committee comprised of employees and management is typically responsible for setting an organization's philanthropy budget and for determining which causes to which they want to give.
- The money comes from the charitable donation or philanthropy budget.
- Donations are usually cause-related (i.e. education, disasters and diseases).
- Donations are fully receiptable as there are no benefits or advantages received by the donor company

#### Product Donations (In-Kind Donations)

- If the product donation has a material advantage to the donor company, by raising the company's public profile (i.e. to sell more products and services) and increasing positive public awareness of the product with both current and potential customers, this would be considered a sponsorship arrangement, which is therefore non-receiptable.
- Product donations usually come from the marketing or advertising budget.
- Product donations are deductible as a business expense. It is the policy of the Foundation not to issue tax receipts for any in—kind contributions to community events.

## The Traffic Light



Things I will **STOP** doing

Things I will **CONTINUE** doing

Things I will **START** doing

The **Personal Action Plan** is a tool that helps you to thoroughly process information and plan how you will apply it once you return to your responsibilities. By framing your actions within the context of a traffic light, you can quickly establish measureable goals

As you consider your next steps, ask these questions:

*What will I stop doing? What will I continue doing? What will I start doing?*

Topic	STOP Doing	CONTINUE Doing	START Doing

As you consider your next steps, ask these three questions:

*What will I stop doing? What will I continue doing? What will I start doing?*

Topic	STOP Doing	CONTINUE Doing	START Doing

As you consider your next steps, ask these three questions:

*What will I stop doing? What will I continue doing? What will I start doing?*

Topic	STOP Doing	CONTINUE Doing	START Doing



## **Board Member Fundraising Responsibilities**

### **Be an ambassador for your organization**

- **Know your organization's mission and develop an elevator speech that works for you**
- **Get to know personal stories about how your organization impacts the people and community it serves**
- **Share why you are on the board and why you give of your resources – both time and monetarily**
- **Share a couple of key statistics that make your organization memorable**
- **Ask for messaging training...often**

### **Make a personal annual gift**

- **This is a once a year contribution beyond purchasing a raffle ticket or ticket to an event**
- **Encourage fellow board members to do the same**
- **It is easier to ask others when you have given**
- **Foundations will ask “do you have 100% participation in giving from your board?”  
Be prepared to say yes and document**
- **Dig deep for you personally...only you know what a significant gift is for you and only you know your personal situation**
- **Respect all gifts**

### **Add prospective donors**

- Invite friends and colleagues for a personal tour
- Host a fundraising event in your home
- Ask for donations to be made for your organization in lieu of gifts
- Add names to your organization's mailing list

### **Thank donors**

- Write personal thank you notes for gifts
- Make thank you calls
- Bring a thank you certificate or memento

### **Participate in asks**

- Open doors to prospective donors and go with the ED or DD on a visit
- Review the organization's donor lists and write personal notes on appeals
- Share your passion and "tee" up an ask

### **Show appreciation to the fundraising team**

- Recognize the importance of fundraising to carry out your organization's mission
- Praise staff for their fundraising efforts
- Attend fundraising events and bring family, friends and colleagues

### **And...**

- Recognize that if your organization is having trouble fundraising it may be a reflection of other organizational issues
- Ensure adequate fundraising staff to carry out goals
- Encourage all staff, volunteers and board members to participate in fundraising
- Know the difference between gross and net dollars raised and ask about each fundraising activity's cost to raise a dollar (CTRD)
- Know your efforts are making the world a better place!