Effective Board Leadership

A PREGNANCY RESOURCE MANUAL

Section 7

Resource Development

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Introduction

Resource development, the recruitment of friends, time, and funds for the center is an essential responsibility of the board. The board must make sure the programs and services offered are adequately funded for execution. Employees of the center depend upon the work of the board to receive their full compensation, and staff and clients depend on fundraising to give and receive services.

Yet, most of us are not professional fundraisers. We want to raise the funds to meet the center's needs, but we are not sure how to go about it. This section outlines the basics of resource development for your center.

Biblical Principles of Fundraising

Biblical fundraising is the ministry of encouraging others to give. We want to build relationships with our donors and relate to them as individuals, not just consider their ability to contribute financially.

Giving is an act of worship. Paul called the gifts of the Philippians, "a fragrant offering, an acceptable sacrifice, pleasing to God." As board members, we are in the position of encouraging and coordinating the gifts of God's people. We do not force people to give, but simply ask them to be a part of God's work.

We want to treat our donors just as we ourselves would wish to be treated — with respect and appreciation. A donor should always be able to decline with your understanding. There is nothing wrong with asking them to consider a gift at a future date. We want to treat our donors with integrity by always telling them the truth.

The Foundation

For any fundraising activity to be successful, your center must first have these foundational principles in place:

The Importance of Prayer

Prayer should be the first step in any strategy. Our resources come from God, and He is sovereign over all of our efforts. Prayer prepares our hearts to receive His outpouring - the opening of His floodgates of provision. Prayer reminds us of who is in charge of our efforts. We need to have hearts and minds that are focused on Him as we begin our fundraising efforts.

Fundraising should really be called "friend raising."

The Right Attitude

Fundraising should really be called "friend raising." A confident, positive, people-centered attitude is essential to your board's efforts.

Some boards think that "if we do the ministry, God will provide the funds." It is true that God will sometimes provide in miraculous ways. More often, however, He provides through the prayers and work of His people. A well-organized, well-planned, on-going fundraising effort by the board is also the ministry of the center and the Lord's work.

Developing a Standard of Excellence

- **Professionalism**
  Being professional does not necessarily mean that you run your center like a Fortune 500 company. However, it does mean that the ministry you run is responsible and orderly. The donor then sees this as a secure investment, the client feels adequately cared for, and the volunteer is equipped to minister. Accurate records must be kept for bookkeeping, fundraising, clients, donors, and the board. Good people and protocol skills are important in dealing with donors and friends. Basic business etiquette helps treat people you are meeting with the respect they deserve.

- **Organization**
  An organized center demonstrates to your donors that your ministry not only does the right thing, but that you do it the right way. Records must be kept in such a way as to adhere to federal and state standards (consult the Care Net Legal Manual). Appearances make a difference. Is the telephone answered courteously? Are messages returned promptly? Is the center clean and neat? Plans are important to donors. Do you have a strategic plan for your center? Do you know the goals you want to achieve during the next five months, six months, one year, five years?

- **Ethics**
  Your center must be trustworthy! Donors want to know that their money is being used for the purposes for which it was raised. Be true to your fundraising goals and to what you communicate to your donors. Care for your donors. Pray for them and communicate with them. Never use unethical means to obtain the ends you desire. Misconstrued statistics, false client stories, or deception about the intended use of funds are never acceptable practices.

- **Profitability**
  Are you fulfilling your promises to your donors? If a certain program at your center is only reaching a fraction of the people you said it would, yet at the cost of a full program, your donors may not view this as a prudent use of resources. There is a cardinal rule among nonprofit advisory groups regarding the percent of expenses allowed

for administrative and fundraising activities. Generally, if 70 percent of expenditures are used for programs and services and 30 percent is consumed by administration and fundraising, you have a reasonable expense ratio. A 60% - 40% split is considered minimally acceptable. Calculating these percentages however, is not as simple as it may seem. You should consult an accountant for advice on how to make these calculations.

Fundraising Essentials

Develop a Board that Understands Fundraising

As the governing body for the ministry, the board decides if the staff or board committees are going to generate the funds for the center. If the fundraising committee does not accomplish its goals, the board is responsible. If the staff does not accomplish its goals, the board is responsible. The board develops the plans and writes the job descriptions for everyone involved in fundraising.

In light of this responsibility, it is important that you develop a board that understands fundraising.

- Recruit board members who can give money and ask for additional resources.
- Recruit board members that know how to raise money and who have fundraising experience.
- Seek the advice and counsel of others in the field of fundraising in the Christian community. Those who work in Christian school development, in church growth and capital fund projects, and Christians who do development work as a profession are all great contacts for advice on how to raise funds for your center.

The Role of the Leader

The representative of your organization should be, and usually is, the director. You may have a director who is more experienced and comfortable in the counseling component of the ministry. In this case, your board chairman or another designated board member may be the person representing the ministry in conjunction with the director. Remember, your director is a wealth of knowledge concerning the actual ministry of the center.

People give to people, and donors want to know and respect the person who represents your center. Ask your board these questions about your leader:

Is your leader a visionary? Is he or she enthusiastic about the ministry?

Does he or she represent your center as a solid, competent investment?

Can your donors build a relationship with this person?

Do or will they have opportunities to meet with or call this person?

However your board chooses to represent your ministry to the public, makes sure that you communicate your vision, integrity, and mission to your audience.

Budgeting Time and Money for Fundraising

It takes money to make money, even for a small center budget. Make fundraising a part of your annual budget. Consider the cost of mailings, printings, software, fundraising events and other expenses. If you do not spend money to raise money, you will never grow out of crisis management and crisis budgeting.

Organizing Your Center for Fundraising

In order to set fundraising plans and goals for your center, your board must decide what kind of organizational model you are going to use in your center's fundraising.

Pregnancy centers generally follow one of the two models described in the following pages. The first model described is the staff-driven model. In this model the staff leads the way in fundraising for the center. This is the model usually used by our larger centers with paid staff who can devote much of their time to fundraising. The second model, the volunteer-driven model, relies on a committee of board volunteers to carry out fundraising plans. Both models have advantages and disadvantages.

Staff Driven Organization (SDO)

Philosophy

Paid staff plan and execute fundraising with board approval, monitoring, and participation.

In this model, the Executive Director spends more time (approx. 40%) on fundraising and less on client-related issues or a Director of Development may be responsible for fundraising under the supervision of the Executive Director. The Center Director or Client Services Director would be responsible for client services and client programs.

The board monitors fundraising against the expected goals, which are planned at budget time, and which drive the yearly fundraising plan. The board members participate in fundraising by filling a banquet table, working at the banquet, raising a certain amount of pledges for hiking, working the hike, getting a foursome for golf outings, and other similar events. The board also must contribute from their personal finances at the highest level of their ability. All this is communicated to board members and they are held accountable by the board chair.

Advantages

- Board is freed to govern and monitor.
- Staff is able to communicate daily client stories to donors.
- Fundraising volunteer searches are not needed.
- Fundraising is constant.
- Donors get to know someone who is involved in the ministry.

Disadvantages

- Funds needed to hire or train additional staff.
- Executive Director focus is client-related rather than client direct.
- Board takes secondary role in fundraising planning.
- Board may be slack in fundraising duties.
- Board may be detached from fundraising stress.

Scenario

- Usually implemented in some form in centers with budget of 150,000+.
- Board believes fundraising is essential element in client services.
- Board and staff have aggressive vision for the future.
- Board believes fundraising is a ministry, not a liability.

Volunteer Driven Organization (VDO)

Philosophy
Volunteers, through board committees, plan and execute fundraising with board approval, and with board and staff participation.

In this model, the board forms a fundraising committee (formally or informally) - it might be the whole board - responsible for planning, executing, developing public relations, recruiting, promoting volunteer help, etc. The board approves and monitors the committee. The board and staff participate in fundraising activities such as: filling a banquet table, working at the banquet, soliciting pledges for a fundraising hike, working at the hike, setting up foursomes for golf outings and other similar activities. The chairman of the board oversees the committee and the board member fundraising effort. The board also contributes from their personal finances as best as they are able. The staff's day-to-day fundraising participation is minimal to non-existent, as their focus and responsibility is client services.

Advantages

- No extra salaries are needed.
- The board becomes keenly aware of the dynamics of fundraising.
- All staff expenses are client and program-related.
- Clients are the central focus of the staff.
- Requires a talented board.

Disadvantages

- Difficulty finding committed fundraising volunteers.
- Board can become too involved in the details of the center.
- No "one person" to whom donors can relate.
- Must have a strong and significant board.
- Fundraising can become inconsistent.

Scenario

- Usual personality of small to medium-sized centers with budget/income of under $150,000.
- Board believes staff's primary purpose is to serve clients.
- The board usually sees fundraising as a liability.

A Fundraising Plan For Your Center

See appendix for sample job descriptions for a board fundraising committee member and a staff person for fundraising.

Who is Going to be Responsible

The board always has the ultimate responsibility for fundraising. However, if they are following a staff-driven model, they will delegate responsibility to the staff. For each model, the staff or the fundraising committee needs a job description.

Develop a Written Fundraising Plan

The responsible parties devise a fundraising plan for twelve months that covers:

1) What are we going to do this year (banquet, walk-a-thons, direct mail, etc.)?
2) How will each event be implemented or executed?
   Example: free banquet vs. ticket sales. This step contains the details of each event.
3) What is the timetable for each fundraising event or program?
4) Who plans? Who writes? Who mails? Who is in charge? Who assumes the responsibility and accountability?
5) Goal - What is a realistic amount to be raised through this event?

Do not attempt more than your center can reasonably accomplish. If a center has only one event each year, try incorporating more events. Any more than that will probably be too exhausting and discouraging. Each year after that, try adding one or two additional events to your plan. An annual fundraising calendar will help you plan your fundraising events throughout the year. *See the Appendix for a sample annual fundraising calendar.*

The fundraising plan is submitted to the board by the person or committee in charge. If the fundraising plan is reasonable and workable, the chairman should call for a formal resolution endorsing the plan. This is noted in the board minutes and serves as policy for the board and the staff. Any absent board members must be told of the decision and pressed for their cooperation. No one must later be allowed to say that they were misinformed of the plan or their expected participation.

The income plan is developed from the fundraising plan. The income plan is a monthly projection of the anticipated fundraising plan results.

- Use a spreadsheet with twelve months and a total column.

- Each revenue event (walk, banquet, direct mail, churches, etc.) is broken down into twelve months of income.
- Income is based on the previous year's results, with, perhaps, a very conservative estimate of growth. A 15% - 30% increase is not unreasonable IF a concentrated and diligent effort is made.
- Be reasonable and somewhat conservative with income projections.

The income plan should be evaluated each time the board meets. Changes may have to be made if expectations were too high or some other factor interfered with the goal being reached (bad weather on a scheduled walkday, speaker cancelling before the banquet, etc.). Expenses must be altered as income is adjusted.

Answering the following questions will help in the evaluation:

How have expectations been realized?

If actual receipts are not achieving planned receipts, why not?

Does the person or committee in charge need additional education?

Is the wrong person or people in charge of fundraising?

All aspects of the fundraising plan must be evaluated annually.

- Income versus expenses
- Income versus previous year's income
- Income compared to that of versus other similar centers
- Number of new donors
- Whether there were adequate staff, money, and time
- Income breakdown of giving groups (donors, businesses, direct mail)

Fundraising and the Law

Board members must be careful to stay within legal parameters for fundraising. Board members should strive to honor the wishes of donors and keep up to date on state and federal laws regarding fundraising.

State and Municipal Charitable Solicitation Laws

Check state and municipal laws regarding solicitation requirements.

Most states now have enacted some form of charitable solicitation laws. These laws are designed to prevent fraud in fundraising. Pregnancy centers that request donations through any means should check state and municipal laws to make sure that solicitation requirements are being met. The requirements vary from state to state and municipality to municipality, but most laws require annual registration and payment of a small fee. The board should find out whether registration is required and with which agency. It is wise to find out the specific state and local requirements and then periodically check for changes in the laws.

Use of Donated Funds

The board holds income in trust for the purposes of the center as specified in the articles of incorporation. Good stewardship of donated funds enhances the reputation of the center in the community and preserves the integrity of the ministry. Funds cannot be used to especially benefit a private individual (unless it directly serves the purposes of the center). For example, funds may not be distributed to board members personally or to paid staff in excess of agreed compensation.

The Uniform Management of Institutional Funds Act requires that donated funds be used for the purposes stated by the donor. In many instances the donor's purpose will simply be the general purposes of the center as outlined in the articles. However, in some instances donors may specify more limited purposes for a donation. If this is the case, the donor's purpose must be honored. If that purpose is impossible to achieve, the donor must agree to a change in purpose. If the donor is unavailable, the charity must apply to the court for approval of a change in purpose.

Similarly, the *cypres* doctrine is law in most states. This doctrine applies when property is held in trust (e.g., devised to a center in a will) for a specific purpose that has become impossible to achieve. If the donor had the general intent of benefitting the charity, rather than defeat the trust, a court will order that the trust be used to achieve the general charitable intent of the donor.

Deduction and Receipting of Gifts

Centers must provide donors with receipts for each individual contribution of $250 or more in order to ensure deductibility for the taxpayer. Canceled checks may be proof of donations less than $250. Taxpayers must receive the receipt on or before the date the return claiming the donation is filed or the date the return is due. Donations must be postmarked by December 31st to be eligible for that year's tax deduction. Centers must include the following on all receipts: taxpayer name, amount of donation or description of property, and whether goods or services were provided by the center to the donor. It is the responsibility of the taxpayer, not the center, to assign the value to non-cash items that have been donated. A pregnancy center should never assign value to items that are donated.

Sometimes a donor will receive goods or services in return for a donation. This is a *quid pro quo* contribution. When a *quid pro quo* donation exceeds $75 in value, charitable organizations must provide donors the following written information at the time of solicitation: the cost of goods or services provided to the donor and a statement that the deductible amount equals the total donation minus the cost of goods or services.

However, when goods or services of only "token value" are provided, the donation should be treated as if no goods or services were provided. The cost of items of "token value" do not need to be subtracted from the amount of the donation, and if a receipt is given it may state that no goods or services were received. For specific information ,visit the IRS website www.irs.gov/eo and go to IRS Publication 1771, Charitable Contributions-Substantiation and Disclosure Requirements. Below is an example from the website:

If a charitable organization gives a coffee mug bearing its logo and costing the organization $7.60 or less to a donor who contributes $38 or more, the organization may state that no goods or services were provided in return for the $38 contribution. The $38 is fully deductible.

A Public Relations Plan for Your Center

Public relations can be defined as building relationships with the various constituents of your center's ministry. Donors, churches, schools, and other Christian ministries are all different constituents, or groups of individuals and institutions, with whom your center's ministry will have contact.

Care Net's Fundraising Manual contains guidance in fundraising and public relations.

An effective public relations program finds ways to identify and then educate groups. Listed below are some ideas on how to publicize the center's work and make friends for your center in the community.

Churches

Build an annual public relations plan for reaching churches. Refer to the chapter on church relations in Care Net's Fundraising Manual.

1) A newsletter targeted towards pastors
2) SOHLS bulletin inserts
3) Mother's Day/Father's Day bulletin inserts or covers
4) Cards or luncheon for church secretaries during secretary's week
5) Article in church newspapers/newsletters
6) Prayer cards to pastors

Schools

1) An abstinence program, which will create good will between your center and schools will enable students to feel comfortable coming to your center and/or referring a friend.
2) A newsletter that targets teachers
3) Cards or small gifts during teacher appreciation week
4) Advertise in the school newspaper
5) Offer free aides to schools:
   - Posters they can use around school on abstinence, drugs, crime, etc.
   - Offer each school a free abstinence video (make sure it is geared for secular audiences for non-Christian schools).
   - Have a yearly luncheon for teachers to display your abstinence program and some of the materials you have available.
   - Advertise in the school newspaper, at sporting events and plays, etc.

Christian schools may choose your center for a service project. They may advertise and participate in your walk-a-thon or similar youth-oriented fundraiser. The students may make their parents aware of your center and create a larger pool of potential donors.

Organizations & Ministries

Attending organizational and ministerial meetings is a good vehicle in which to introduce your ministry to the community. There is often time set aside at these meetings for a representative from a ministry to speak about the services they provide. This provides an excellent way in which to network and build relationships with others. It will provide you with more knowledge so that you may make proper referrals for your clients, as well as provide those organizations with information they may use with their clients.

Donor Management and Mailing Lists

Donor Records

Donor management, keeping records on all donors, is essential for a successful and consistent fundraising program. Even though fundraising software can be expensive, it has long-term benefits for your center. If you are not sure about a particular program, call surrounding non-profits to find what they use and their satisfaction level. The following list is an example of information that you will need to assess and assist your fundraising programs and tasks to be performed.

1) Number of donors vs number of names (or non-donors) on mailing list(s)

2) Number of donors who gave last year and not this year

3) Number of donors who gave last year and not this year

4) Record of thank you letters sent and/or receipt letters with a response form for another gift

5) Zip code analysis of donors

6) Personalizing letters, envelopes, etc. (eg., Mr. & Mrs. John Smith)

7) Recording income to accounts and donors

8) Segment mailings for:
   - Donors/non-donors
   - Major/medium/small donors
   - Churches/businesses/individuals

9) Record of personal contact with donors.
   - Keep a notebook

10) Status of appeals
    - Direct mail, banquet, walk, etc.

11) Number of donors who found out about the center through the hike, banquet, church contact, etc.

12) Cost/budget analysis of fundraising programs.

This kind of donor management and record keeping requires a considerable amount of staff time but is well worth the investment.

Donor Thank You Policy

It is very important that you have a consistent donor thank you policy in place. An example of this type of policy is outlined below.

- **Staff Person or Volunteer**
  - Enter checks, make deposits, run receipts on Fridays
  - New donors noted on receipts
  - $5 - $499: a receipt letter
  - $500+: a receipt and copy of donation put immediately in front of key fundraising person
  - Churches giving regular support: a receipt and quarterly letter
  - Churches giving love offering or unexpected offering: receipt letter

- **Executive Director or Fundraising Committee**

  - Sign receipt letters and return by Monday
  - Send special note to new donors with prayer card
  - Sign receipts for donations of $45-$499
  - Call major donor (over $500), send handwritten thank you, sign receipt letter
  - Sign receipt to supporting churches; Write quarterly letter
  - Sign receipt for unexpected church offerings and call pastors

Mailing Lists

How can a mailing list be increased?

Church Contact
Each time a speaker from your center is invited to a church they should take along center brochures that have inserts asking for volunteer help, financial help, and requests to receive the center's newsletter. Your goal is to get as many people as possible to fill out the insert(s) and give them back to you.

- Can the brochures be placed in the bulletin and the inserts be collected after you speak?
- Can the brochures be distributed by the ushers? The audience can be urged to send in the inserts.
- Can a table of information be placed in the hall or foyer? After speaking, stand at the table and encourage people to sign up for the newsletter.

Give churches several ways to support your center financially:

1) Yearly offering
2) Mission budget
3) SOHLS offering
4) Christmas/Thanksgiving
5) Mother's Day/Father's Day

Acquiring Mailing Lists

Call pastors of your supporting churches and request a copy of their church directory. Ask permission to use them, letting those to whom you are mailing know that you will remove their name from your mailing list if they so choose. Christian schools often have a directory of families which you may also be able to use. Additionally, there may be a directory of local Christian businesses. Attend banquets and programs of Christian organizations, usually a program or sponsor book is printed. Buying mailing lists can be very expensive and should be done with the help of a consultant. Lists should be tested and analyzed for actual value before use.

Fundraising Programs and Events for Your Center

There are several fundraising events that are worth the time and effort for pregnancy centers.

Banquets

Banquets are a good source of monthly income if you have the goal of enlisting monthly supporters during your "ask." Listed below are the basic principles you want to consider as you plan your fundraising banquet:

1) At least three months of planning is needed (the average is six months).
2) Choose the nicest place with the least expensive dinner
3) Avoid tickets by getting donors to underwrite the banquet.
4) Use table hosts to enhance participation.
5) Allow 2 - 2 1/2 hours maximum! Start on time, end on time.
6) Use the 60 - $120 rule. (For every 60 seconds you go over your allotted time, you lose $120.)

Walk-a-thons

Many centers have very successful walks or hikes for their center annually. Walk-a-thons are a good source of quick income - it is not pledged support. Important points to remember are:

1) At least four months of planning is needed (average is twelve months).
2) T-shirts are good motivators: have four to six colors available and your center's logo on each shirt.
3) Church public relations program and presentations are essential for enlisting walkers and sponsors.
4) Use incentive programs.
5) Be sure you have a mechanism in place for collection of pledges.

Direct Mail

Direct mail is defined as the written fundraising appeals that you will mail to donors and prospective donors of your center. You may choose something as simple as a Christmas card from your center every year or your center may have a monthly schedule for the different pieces of direct mail you send to your mailing list. The outline below of the basics of direct mail is intended to give your board the how-tos of direct mail. There are four different kinds of direct mail appeals:

1) **The Christmas appeal**
   This must be in the mail the last week of November for bulk mailing or the first week of December for first class. Often, centers will list the babies born to clients on the inside. Remember, confidentiality is important so you may wish to change the names or just use the sex of the baby. (e.g. baby boy born 1-1-04)

2) **The annual appeal**
   This is a once-a-year letter that is mailed at the same time every year and it should be personalized (e.g., Mr. & Mrs. Smith, Mr. & Mrs. Jones, etc.) one page letter (front only) on very good quality (24 lb.) stationery with matching envelope. The letter should be personally signed by the director or fundraising committee chair and request a specific amount of money.

   Examples:

   Those who gave $50 - $75 last year are asked for $100.

   Those who gave $150 - $175 last year are asked for $250.

3) **The "Dear Friend" appeal**
   This is the appeal all of us get from different organizations. It is usually a two to four page letter telling a story and explaining why help is needed (a specific project, to continue the ministry, etc.)

4) **The challenge appeal**
   This letter can be mailed when a donor has said they will give a certain amount (large gift) if it is matched dollar for dollar.

The basic direct mail package should contain:

1) **A letter** (number of pages depends on appeal type)
2) **A mailing envelope**

3) **A response device**
   A slip of paper or card on which they can check off an amount and possibly write a note back to the organization.

4) **A return envelope**
   These should be coded. Each appeal will have a different code to facilitate monitoring responses (not everyone returns the response device). The code can be as simple as color coding with markers or as elaborate as printed codes.

How often should we mail? Mailing four to six times a year will not overload your donors with mail from your center. Remember, they need to have an envelope from you readily available.

Evaluation

Coding envelopes helps to evaluate responses to different direct mail appeals. These evaluations can answer questions such as which package was more successful and what time of the year was more successful. Evaluation also consists of subtracting the total cost of the mailing (printing, postage, etc.) from the total amount of revenues generated (this may take up to three months to determine). The answer should be a positive amount, or the desirability of this particular mailing should be re-evaluated. Software monitoring can tell you how many new donors were acquired. Donors come and go and must be replaced. The main reason for constantly increasing your mailing list is to acquire new donors to replace those which are lost.

The Message

Remember to personalize your envelopes and letters as much as possible. Hand written envelopes are more apt to be opened than typed envelopes. Major donors should receive a stamped return envelope. Letters to current donors and up to one year lapsed donors should have hand-written or typewritten envelopes and be sent first class if possible. Annual appeals should be on the front of only one page; most organizations use a two page letter, front and back, for their other appeals. Your letter should let your donor know how their contribution will make a difference.

Examples:

> "Your gift of $______ will do X, Y and Z."
>
> "Your gift of $100 will help us reach more mothers through our ad campaign."

The three most important parts of a direct mail letter are the salutation, the first sentence, and the postscript (P.S.).

1) *The salutation* is usually "Dear Friend," but if you have the ability to personalize it, then "Dear Jane" will increase the chances of the letter being read.

2) *The first sentence* lets the readers know if they will be interested in reading your appeal. They already know it is a fundraising letter and this determines whether they are willing to be touched by your plea.

3) *The P.S.* is one or two sentences summarizing what you want and why. A reference to the subject of the letter is included. "Your gift today will make sure mothers know about this life-changing ministry." "Your gift of $75 today will make it possible for more little ones like Billy to be born." A handwritten P.S. is much better than a typed one.

A "thank you" is essential when a donor responds to an appeal. A receipt and a letter should be sent to each person responding, with a reference to the appeal to which they responded. "Thank you for your help toward our ad campaign which will now reach many more mothers." "Thank you for helping this ministry provide literature and pregnancy tests to our clients." "Thank you for continuing to help mothers and unborn children as we fight this attack on our centers." The "thank you" must be signed by the same person who signed the appeal letter.

What kind of return should you expect on your investment? While direct mail is relatively easy, the return rate is 1% - 3%. A 3% response is considered very good indeed.

Phone-A-Thons

A good letter sent first to alert people about the phone-a-thon is important. It gets the attention of the people you will be calling, and informs them ahead of time why you will be contacting them. You should segment your donor list, and you may want to consider not calling those who have donated in the last two months. A worthwhile project (and monetary goal) should be developed, such as a new center, more advertising, an abstinence program, new maternity clothing, purchasing cribs, etc. Calling should be timed to reach prospects between 6:00 PM and 9:00 PM. Up to twenty-five calls can be placed each hour by a phone worker. The results will be approximately twelve to sixteen adults reached each hour resulting in four to six pledges per hour. Scripts should be provided to all phone worker who will ask for a predetermined specific amount based on the donor's giving history. Follow up letters are sent to each donor thanking them for their time and pledge. Please check with a local attorney to find out if the "Do Not Call Registry" applies to your ministry.

Personal Solicitation / One-on-One with a Potential Donor

Do not apologize for asking for a donation.

The first step in this fundraising method is to identify potential major donors. Potential donors may be referred to you by current donors to your ministry. Ask them; they are usually willing to give names. Pastors who are very supportive of your center may be able to identify potential donors in their congregations. As you visit potential donors, find out if they have any friends or colleagues who might support your ministry.

As you prepare to approach a potential donor, ask yourself how you would like to be approached for a contribution. Approaching a potential donor should be done sincerely, honestly, and personally. The person making the request must be well-informed about the center and should also have information about the person being approached, such as marital status, children, grandchildren, business, church, organizations, and, if possible, what ministries they are interested in. Do not apologize for asking for a donation. It is your privilege to ask and to provide an avenue of obedience and blessing for the donor.

Ask for referrals from each appointment, and find out if:

1) The referring party can set up an appointment and go along.

2) The referring party can provide an introduction.

What is your potential donor's primary interest? Success requires a match of priorities. For example: Did the donor adopt any of his children? The promotion of adoption to clients may be of particular interest to him.

How do you set up a visit with a potential donor? First, you should receive a name and as much background information as possible from a referral. Then send a letter mentioning the source that referred the prospect to you. Make sure the source gets a copy of the letter. Then call and set up a natural meeting place (i.e., the prospect's office or home, a restaurant, etc.). When you visit with the potential donor, dress professionally. This does not necessarily mean a new, expensive suit. Libraries have many books on how to dress professionally. Remember, you are representing your center. Get the prospect's attention, perhaps by telling a client story. Establish your credibility by explaining your background and history with the center, including why you got involved. Give the history of the center, including how it started and how long it has been in operation. Describe the challenge ahead, and verbalize your mission statement.

The messages you communicate during this meeting is very important. Create a folder of information that includes items such as board member names, the mission statement, a vision summary, a list of some of the churches and organizations that support the center, brochures, client pictures, and stories. Describe the solutions offered to clients and include any of the key interests this potential donor may have. Describe your center's programs, services, and projects. Show positive results and share success stories.

As you lead up to the request for the contribution, encourage the potential donor's involvement. Ask them how they feel about the challenge, your center, the solution(s), etc. Invite them to come and tour the center. Describe how the center is funded. Ask for a specific amount to either continue the center's work or to fund a specific project.

> "Mr. Smith, would you consider a gift of $___ to continue the center's mission of helping mothers choose life?"
>
> "Mr. Smith, would you consider a gift of $___ for our ad campaign? It will directly reach mothers considering abortion."

Wait for the Response!

If that amount cannot be given, an alternate amount may be suggested or the donor may look to you for an alternative. Again, be specific. He may not want to give now; let him know you understand. Ask if you can keep him abreast of the center (through mailings, etc.) and call back in six months.

As you close the meeting, thank the prospect for his time. Immediately send a handwritten thank you for the time he gave and for his consideration. If a financial pledge was made, thank him for that also. Make sure you follow up on the visit. Report to him on his investment by newsletters, private letters, or phone calls.

Remember, for every 10 letters that are sent, you may actually connect with six to eight people you can ask for an appointment. Of those six to eight you may get to see four, and of those four you may receive two to three gifts.

Personal solicitation is an effective method of connecting with potential donors. As with any method of interaction, there are advantages and disadvantages to using a personal solicitation approach, which may be succinctly expressed as follows:

Advantages	Disadvantages
Interaction	Time consuming
Larger gifts	Takes courage
Chance to answer questions	Hard to recruit volunteers

Grants

Grants can be a good source of funding for special projects or programs. Before beginning grant application process, it is important that you have a development plan in place. This development plan will determine the grants for which you will apply.

For centers with development directors, grant-writing falls within their responsibilities. For smaller centers, it may be a combination of board and staff working together. Most boards have people with certain areas of expertise which will be helpful in writing the grant such as grammatical skills, budgets, or legal advice. The Director will have the center's statistical data.

If you are new to grant writing you may wish to start with smaller grants which don't require lengthy proposals and will hone your ability to communicate your mission more clearly. Larger grants will require a great deal of time and commitment from your staff and/or board.

Opportunities	Challenges
Better understanding of your organization and its goals	Time-consuming
Ability to grow programs	Availability of staff/board
Builds relationships with new donors	Becoming dependent on grant money to continue programs

Practical Major Donor Development

by Bud McRae

So much about major donor funding can be written. There are books, seminars, conferences, and consultants, along with sophisticated methodologies and complex formulae. A few things are certain:

1) Fundraising has been taking place since the earliest of times. Check out Exodus 25:1-8.
2) We often have not because we ask not. God does not always miraculously and mysteriously provide.
3) Everyone from the Chairman of the Board to the auxiliary volunteer should be involved in the process of fundraising.
4) Major donor solicitation effectively produces more money, more quickly, and more economically than any other form of fundraising.

Here are some principles of major donor development that I have learned and applied for nearly ten years.

Make Your List and Check It Twice

Contrary to what every pregnancy care center would like, major funding (for the most part) does not "just happen." It takes intensive planning and implementation. For me, this involves many hours of list making. I find it necessary to keep major donor lists going on several levels:

Who has given this year?

Who gave last year but unfortunately not this year?

Who gave some other year but unfortunately not this year?

Who is giving at a lesser amount, but has the known ability to be a major donor?

Who in my database is a non-donor with the known ability to be a major donor?

Based on past history, current pledges or giving patterns, and personal knowledge, determine how much each person is likely to give this year, and how much he/she could give if properly cultivated and asked. Many times the latter amount is larger, sometimes significantly larger, than the former. This kind of analysis and projection requires substantial research, but do it! Be thorough; get input from others concerning the giving capacity of a particular individual.

Now it is time to start toiling over the "prospects" and "suspects" list - individuals and businesses who are not in the database that might become financial partners if educated about your pregnancy care center ministry. This list absolutely requires the help and involvement of others within your organization. Not every person involved in your ministry is capable of asking others for money, but every person--whether board members, volunteers, or donors--either knows (or knows of) others who could become financial partners with your center. This list should include:

- Business owners
- Businesses
- Close and extended family members
- Church members
- Friends
- Acquaintances

- Neighbors
- Those involved in other ministries
- Community leaders

Be thorough! Leave no stone unturned. Not everyone on this list will be solicited for funds, but many will eventually provide substantial ministry support. This list will never be complete and will continually grow or diminish.

One Size Does Not Fit All

You should have a cultivation plan for each current major donor and major donor prospect. Many of our major donors are fully on-board and require only a yearly phone call or visit. But let us say that there is a donor that could be giving much more than he is. It is up to us to determine what that donor needs to foster greater financial partnership. Should we:

Schedule a center tour?

Schedule a lunch or office visit?

Change who cultivates the relationship; i.e. board member, Executive Director, other donor, etc.?

Ask for a higher banquet-underwriting amount?

Ask their business partner to personally invite them to the banquet?

Make a specific major donor proposal?

Invite them to serve on the board or a specific committee?

Send a ministry information packet with a handwritten note from a volunteer?

Just like the beat, the list goes on! Sometimes, I create two or three different plans of cultivation. If one does not work, I move on to the next. Or sometimes, I even engage them all at the same time.

In creating individual cultivation plans for major donor and major donor prospects, you should take one truism very seriously: The closer the linkage, the greater the likelihood. Always determine who in your organization is best suited to cultivate the relationship, as well as who in your organization is the best fit to solicit funds from that major donor or prospect. Just because you are the Executive Director or Development Director does not mean you are the best person for the job. Seek to orchestrate the best possible outcome.

Count Your Marbles

Let's face it. Outside of not enough hours in a day, the number one deterrent to asking others for money is the fear of rejection. A few years ago, I learned a concept that single-handedly prepared me to solicit funds with ease (relatively speaking). This concept works whether you are working through a list via the telephone or meeting with donors face to face.

Imagine that you have a bag full of 100 marbles. In this bag there are eighty black marbles and twenty white marbles. You want those white marbles! So, reach into the bag and pull out a marble. Of course, the odds are that it will be a black marble. In fact, on average, you will pull out four black marbles for every white marble preciously obtained. However, when you get a black marble, do you have to feel emotional turmoil or rejection? No! Simply toss the black marble over your shoulder and reach into the bag for another one.

The point is this: when soliciting financial involvement from others, you are going to hear the word "no" many times. Your concern is not how many "no's" you get, but how many times you get a "yes"!

Would You Like to Leave a Message?

A few words about the telephone. Use it! I have found I can raise a ton of money just by consistently touching base with my major donors and prospects. Not every donor needs the hands-on approach, particularly if he/she is already fully supportive. Here are a few guidelines:

1) Never assume someone is going to call you back. People are very busy. I leave messages for three days straight, and then every other day until a connection is made. Be sure not to cross the line to stalking this person.
2) Use a script. You do not have to read it word for word, but a script helps to keep you focused and respectful of their limited time.
3) Be happy! Years ago, I used to keep a mirror at my desk so that I could monitor the expressions on my face.
4) Consider joining Toastmasters International. I believe Toastmasters helped improve my phone skills by 60%. Toastmasters forced me to think and speak on the fly with brevity of words and laser-sharp conciseness.
5) Make that gatekeeper your friend. Just be honest with his or her secretary or assistant: "I have been trying to reach so and so for two weeks. Can you give me a time when he or she is most likely to be available to take my call?"

If you have any questions regarding major donor development or need a "pep-talk," give me a call or send an e-mail. God bless your efforts as you passionately seek to obtain the resources necessary to fund your pregnancy care center.

Participating in Workplace Giving Campaigns

by Matthew J. Waters

If you are asking yourself, "What is a workplace giving campaign?" then this article is for you. Before proceeding any further, you and your Board of Directors should answer the following two questions regarding your participation in state and local workplace giving campaigns:

1) Is your pregnancy center a member of the local United Way or other federation? If so, which one?
2) Does your pregnancy center participate in any state and local workplace giving campaigns? If so, list all campaigns your pregnancy center is currently participating in. If not, why?

If your center is not a member of the local United Way or other federation, and you make the decision to participate, the first thing you must do is contact your local United Way office and request an application to participate in the local and state workplace giving campaign.

While this may sound like "more work", the application (which is different in almost every local area) is fairly basic and has a reward for finishing it - more contributions and more visibility in the community.

Workplace Giving Campaign

What exactly is a workplace giving campaign? Workplace campaigns, sometimes called workplace employee charitable fund drives, are charitable solicitation programs conducted at places of work. Most gifts are made in the form of pledges for automatic payroll deduction, as contributions are deducted from an employee's paycheck over the course of the next year. Some gifts are one-time contributions. Below are listed some of the workplace giving campaigns your pregnancy center may be eligible to participate in.

Donor Choice or Donor Option Campaign

In some campaigns, donors have the opportunity to "write-in" a nonprofit 501(c)(3) organization that is not listed in campaign materials that they would like to contribute to. This is called donor choice or donor option. The donor option is not permitted in the Combined Federal Campaign or CFC (the campaign that solicits from federal employees, explained below). Donor choice or donor option campaign is usually part of local United Way campaigns.

Combined Federal Campaign (CFC)

The federal government's campaign for federal employees is known as the Combined Federal Campaign (CFC). Participation is open to a large number of charitable organizations. Your pregnancy center must apply and receive approval by the individual jurisdictions that manage the CFC in your area. There are approximately 370 geographic areas at this time running local campaigns that make up the CFC nationwide. Only the CFC is authorized to solicit employees in the federal workplace on behalf of charitable organizations, so this is the only way you can introduce your ministry to this segment of donors.

You can find out how your pregnancy center can be part of the Combined Federal Campaign (CFC) in your local community by logging onto www.opm.gov/cfc <http://www.opm.gov/cfc>. Once you get to that website, scroll down to and click the button "Local Campaign Information." You will see a link for "Local CFC offices." By clicking that button, you will then receive a CFC local directory in Microsoft Word with all the contact information you will ever need to get the application process started for your pregnancy center. At this website you may download the list of local contacts in your state where you can inquire about participation in the current year's Combined Federal Campaign.

State and Local Campaigns

Another type of workplace giving campaign is directed and managed by individual states, cities, counties, etc. Through this campaign, state employees can to contribute to their favorite charitable organization.

These potential donors are employed by state agencies and range from sanitation workers to college professors. They include law enforcement agents, transit employees, and clerks. Because the state and local application process can often be overwhelming and confusing at first, I would recommend that you direct questions to an organization called *Share America! Share America!* is a nonprofit federation that represents charitable organizations in state and local workplace giving campaigns. Their staff is extremely knowledgeable about the ins and outs of the various campaigns.

If your pregnancy center is located in one of the following states, the staff at Share America! can help you:

Arizona	Michigan	Rhode Island
California	Missouri	Utah
Colorado	New Jersey	Texas
Connecticut	New York	Vermont
Florida	North Carolina	Virginia
Maine	Ohio	Washington
Massachusetts	Pennsylvania	Wisconsin

If your organization is not currently participating in any state and local campaigns in any of the states listed above and is interested in applying during the current campaign season, please call me at Care Net or contact *Share America!* (877-841-6839 or www.shareamerica.org), and we can help.

The Application Process

The first time you fill out the application will probably take you longer than it will in following years. (In fact, in some states, you need only fill out the application once and your pregnancy center is eligible to participate in local and state giving campaigns each and every year your center is in business.)

The following are some of the items and information you will need to provide in order to complete your application:

- Legal name, Employee ID number, local telephone number
- IRS Form 990
- Web site address
- Annual report
- Mission statement
- Articles of Incorporation
- By-laws
- Letter from IRS determining your 501(c)(3) tax status
- Newsletter

You will be required to give some, if not all, of the following information on the application as well.

- Program description - Describe your programs/activities in 25 words or less.
- Overhead verification - You must calculate your overhead using your IRS Form 990. Your center's overhead (fundraising, management, and general expenses) cannot exceed 25% of your total revenue. If you are over 25%, you can submit a statement explaining why your pregnancy center is over the 25% threshold.

- Beneficiary statistics - You may be asked to estimate the number of clients served in certain geographic areas close to you. For example, in northern Virginia, a local area pregnancy center must list the number of clients served who live in Alexandria, Arlington, the District of Columbia, etc.

Some obvious reasons your pregnancy center may be deemed ineligible for participation in your local area workplace giving campaign could include a failure to turn in all of the required attachments, or missing the deadline to return the application. A not-so-obvious reason your pregnancy center could be deemed ineligible is that many local area workplace giving campaigns require you to be in business for at least one year.

The Reward

Many pregnancy centers count on regular, annual contributions to meet budget goals year in and year out. Workplace giving campaigns can be an additional source of needed revenue.

In the fiscal year 2000/2001, the Combined Federal Campaigns reached a new high in giving--$3.91 billion. The top five highest performing workplace giving campaigns were:

1) National Capital Area (Washington DC Metro)
2) Overseas Area
3) San Diego Area
4) San Antonio Area
5) South Hampton Roads (Norfolk, Virginia)

If you did not notice the trend in the above geographic areas, let me help. Each area has a high concentration of federal employees, many in our nation's armed services. And because we are pro-lifers, our cause is generally looked upon favorably by many military personnel.

Let me share some statistics released by *Share America!* regarding last year's workplace giving campaigns. In workplace giving campaigns generating over $2 million, the highest percent dollar increase was the Peninsula Campaign (Newport News, VA). The two campaigns that had the highest percentage participation were Greater New Orleans and San Antonio Area Campaigns. The campaign with the highest average gift was the King County Campaign (Seattle, WA).

In workplace giving campaigns generating between $1 and $2 million, the highest percent dollar increase was the Greater Pensacola Campaign (FL). The campaign with the highest average gift was the Greater Chattanooga Campaign (TN).

Other geographic areas performing well for non-profits were Snohomish County(WA), Central Alabama, Indian Wells Valley (CA), Henderson-Davies (KY), Jefferson City Area (MO), and the Ozarks Area Campaign (AR/MO).

Wrap-Up

In order for your pregnancy center to participate in workplace giving events, first answer the two questions at the beginning of this article. If it is determined that your center is able to participate in workplace giving campaigns, then log onto www.opm.gov/cfc to begin the application process to participate in the Combined Federal Campaign (CFC). If you are interested in participating in the state and local workplace giving campaigns, then contact me or *Share America*! at 877-841-6839 or www.shareamerica.org. When calling the folks at *Share America!*, mention that you are part of the Care Net family and they will be happy to assist you.

Gifts-in-Kind: Going Beyond Cash to Meet the Center's Needs

by Donna Warner

It is 10:13. The board meeting has just finished and your mind races as you drive home. The board and staff seem to be incredible visionaries with powerful ideas for ministry growth and expansion, yet you wonder how you are going to fund all those ideas.

There are several ways that center ministry can go about meeting center needs, either for maintenance or expansion. The easiest gift to go after is good old-fashioned cash. However, if that is not enough, you may want to also consider seeking gifts that are worth money as well as seeking plain money itself.

Gifts-in-kind are non-cash gifts such as property, services, products, or incentives. It may take a little more creativity, but through them you can reduce the cost of fundraising events, client services, and new programs. Truly there is no limit to your ingenuity in getting the job done when you simultaneously seek in-kind gifts along with cash.

Non-cash gifts can be used in many ways. We will review several types, and how they can be used specifically in your center operations. They are incentive gifts that get others to give, sponsorship gifts given to reduce expenses of events or activities, benefactor gifts that directly benefit the client or the center, and what I call unconventional gifts that are not directly useful for the center but have cash value so they can be sold for cash.

Gifts that Get Others to Give

If a supporter cannot afford to personally give as large an amount as he would like, he may be able to motivate others to give through incentive gifts. Incentive gifts include things such as products given to donors who give above a certain level, discounts given to center donors, or services given free of charge to those who give.

As an incentive gift for a center's walk-a-thon, a travel agent offered free domestic plane tickets to any walker who raised over a certain large amount in pledges. That year the center raised more money than they ever had before. A university pregnancy center in California has students offer all sorts of gifts-in-kind such as babysitting, yard work, haircuts, car washes, and many other items or services. Supporters "bought" these services through a donation to the center. It was a fundraiser with almost no expense.

Gifts that Reduce Expenses for Events

"You must spend money to make money." If you are familiar with that phrase, gifts-in-kind will help you to reduce the amount of money you must spend to make money. Many centers attempt to find corporate sponsors to underwrite the cost of their events through gifts of cash. Having your banquet completely underwritten can be accomplished more effectively if you are able to find sponsorship gifts-in-kind to help defray expenses in addition to cash. Think of the breakdown of the expense line item in your budget for a certain event. Is there an individual, church, or business that could help you meet those expenses?

The possibilities are many and varied. An upscale law firm in Chicago annually offered their luxurious penthouse/banquet/meeting facility to an inner city ministry to children for their fundraising banquet. The owner of a golf club offered use of the course for a center's golf tournament. In exchange for the ability to advertise their company, a car dealership offered to valet park cars at a center banquet (using their own insurance). Many centers are also able to get printing services donated or paper products given to them by large paper companies.

In addition to any sympathy that the donor may have to your cause, often an additional motivation for a business to help the center reduce expenses is the ability to receive a positive public relations image through their community involvement. Sometimes it is advertising opportunities through the center, or perhaps in response to a relationship that they may have with a center worker.

Diapers on a Larger Scale

When a supporter has had their heart drawn toward the ministry and the women you serve, many times this is the area that the supporter desires to place his or her in-kind donation. We see this most often in the donations of diapers, infant sleepers, and Bibles. The thought of their gift being directly beneficial to clients is inspiring. These benefactor gifts that directly benefit the clients or the center can be duplicated on a larger scale in order to meet the needs of a growing center.

After having his heart moved by the plight of women in crisis, and developing a relationship with the leaders of a local center, a donor convinced some friends to join him in donating a thirty-six foot Recreational Vehicle (RV). This RV was used as a mobile center that traveled to some of the more remote towns in the area.

Another center had moved into a new office just as a hot summer was beginning. The office was much larger than the last; however, there was no air-conditioning. A supporter who owned a heating and cooling company was asked to bid to do the work, and was also asked if he would be willing to give the center a discount. Moved by the clients sitting in the waiting room still sweating even with fans, he gave a substantial discount on the system - 100%.

What Do We Do with a Boat?

If your center was in the middle of a desert and you were given a boat, would you accept it? If a gift given has monetary value, accept it! There are many things such as vehicles, antiques, or other unconventional gifts that your center may not be able to directly use. However, these are gifts that you can use either to generate further income for your center (auctions, raffles, or if it is property to rent it out), or to sell for cash.

Be sure to have a tax advisor on hand to help decide what to do with an unconventional gift. You may need their expertise to figure out what your options are, as well as which option is best. The high cost of insuring a gift may make keeping it for the center's use prohibitive (especially in the case of a car or artwork).

For any non-cash donation of more than $500, the donor is required to file Form 8283, "Non-cash Charitable Contributions," with the IRS. If your center sells or trades the contribution in the first two years, it is required to file Form 8282, "Donee Information Return," with the IRS.

Getting Gifts-in-Kind

So, how can your center go after gifts-in-kind?

<u>Find out who can give what.</u> Ask questions. What does the company do that no one else can do? What does the company do best (consider products as well as services)? Think big.

<u>Ask for what you need.</u> Once you have found out where your interests and values match that of a company, then choose what you will ask for and prepare your presentation. Call to double check the exact spelling of names and titles. Then send off your presentation with a cover letter saying you will call in two weeks. (For interest, you may send off a PowerPoint disk explaining the center ministry and how they can help.) This gives the recipients a week to open and route the mail to the right person. If they are not able to help, you can move on to other sources.

<u>Befriend business owners.</u> An effective way to increase your exposure to business owners is to have your center join the local Chamber of Commerce. You will be amazed how sympathetic business owners are to organizations that target helping women and children. Usually, these members are also eager to gain positive public relations through helping you.

Related Articles

Honor gift-in-kind donors just as you do cash donors.

Go beyond cash! Gifts-in-kind are donations that can simultaneously benefit your donor as well as your center. As you plan your fundraising strategy, pursue incentive, benefactor, sponsorship, and unconventional gifts-in-kind as well as cash to help meet the center needs.