



How to Increase the Financial Stability of Your Nonprofit

TMC | consulting

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Create a Monthly Donor Program

With the current economy it's difficult to secure large, one-time donations. Monthly giving provides donors an easy way to make a major donation to your organization. It's easier to give \$41.67 a month than it is \$500 at one time.

Why start a monthly giving program?

- Great way to convert an annual \$50 donor to a \$120 donor
- Monthly donors give on average 2 to 3 times longer than single gift donors
- Monthly giving builds stronger relationship with donors
- Your donors can help you without ever having to write another check!
- You can still solicit one-time gifts from monthly donors

How?

- Attend the next session for details on how to do this and other ideas...

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Increase the Number of Foundations Where You Apply

Does this 'to-do' list look familiar?

1. *Update last year's grant to the Blue Cross and Blue Shield of North Carolina Foundation for this year's grant cycle*
2. *Re-Apply to the Kate B. Reynolds Foundation*
3. *Ask Board who knows a Duke Endowment Trustee*
4. *Research the Z. Smith Reynolds Foundation*

Meanwhile, there are 4,367 other grantmaking foundations in North Carolina
How do you locate more foundations that might be a good match for your organization?

Foundation Finder: www.foundationcenter.org/findfunders/

Use this site to research the tax returns (often called 990's) of foundations. A foundation's 990 provides the names of trustees, grant application requirements, and a complete listing of grants.

Visit www.mikecrum.com for an easy-to-read 'how-to' on analyzing 990's.

The Foundation Center also offers a fee-based subscription service that provides more detailed information in an exportable format. You can utilize this service for free at the 11 public libraries and locations across North Carolina.

You might also explore purchasing a subscription to Grant Explorer which is offered by GuideStar. For more information visit www.guidestar.org

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Grow Your List of Prospects

One of the most essential elements to building a successful and sustainable fundraising program is educating, messaging, and soliciting as many prospective donors about your organization as possible.

There are many ways to go about adding prospects to your database for fundraising purposes. Some of these methods include:

- ❑ Collecting names through research
 - Major / donors to sister organizations

This data will usually only include the names and levels of donors, without any contact information. It will be up to you to find the contact information.

- ❑ List brokers
 - Names in the News (www.namesinthenews.com)

No matter how you gather the data for your lists you must seek out only those prospects that have a likelihood of donating to your organization. If you do not think the prospect will find your organization relevant – then the “prospect” is not a “prospect”!

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Involve and Leverage Your Board of Directors

Is your Board 100% giving?

READ: Does everyone on your Board of Directors make a **PERSONALLY SIGNIFICANT** annual financial contribution to the organization?

- ❑ Have Board Members solicit each other
- ❑ The Board Chair, not the Executive Director, needs to have a critical conversation with each Board Member that is not making an annual financial contribution

Board Members should serve on at least 1 Board Committee.

- ❑ Committees an excellent way for volunteers to *audition* for the Board

Take Board recruitment very seriously.

- ❑ Develop a Governance Committee
 - Board recruitment and orientation are two key tasks for this committee

Have Board Members sign an annual Board commitment letter outlining their responsibilities and deliverables for the year.

Is your Board large enough to meet the governance and fundraising needs of your organization?

Develop a Resource Development Committee which coordinates the organization's fundraising activities.

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Treat Major Donors Differently

What amount does the organization consider a major gift?

Your organization does not have unlimited resources and must allocate its time to target those funders that could have the biggest potential payoff to the organization.

10% of donors will provide **90%** of the organization's funds

Differentiating a strategy to message and involve each prospective donor based on their interests is fundamental to your organization's success. The most difficult gift to get is the first gift, but by stewarding the donor's investment and communicating that return on investment to the donor, you can maximize the donor's joy of giving and ensure a mutually beneficial relationship.

Based on any information you currently have about donors and prospects, develop a brief profile of each major donor / prospect. Determine the key information to be included in this initial profile.

- ❑ Identify the donor's motivational triggers when considering a gift

Always remember:

- ❑ Donors give for their reasons, not ours
- ❑ Donors give to solutions and outcomes, not to problems