HELPING YOU RAISE MORE MONEY — OUR 20TH YEAR!

Grassroots Fundraising Journal

VOLUME 20 · NUMBER 3 · MAY/JUNE 2001

Featuring: **PLANNING A CAPITAL CAMPAIGN**
by Kim Klein

Also in this issue:

- CREATING A CULTURE OF FUNDRAISING IN YOUR ORGANIZATION
- WORKING WITH PRINT PRODUCTION PROFESSIONALS
- MY FIRST MAJOR DONOR VISIT

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Contents

VOLUME 20 / NUMBER 3 ▪ MAY/JUNE 2001

On Our Cover PURCHASED IN 1981, THE WOMEN'S BUILDING OF SAN FRANCISCO HOUSES WOMEN'S NONPROFIT ORGANIZATIONS, PROVIDES SERVICES SUCH AS INFORMATION AND REFERRAL AND DROP-IN CHILD CARE, AND IS A VENUE FOR COMMUNITY EVENTS. A RECENTLY COMPLETED $6 MILLION CAPITAL CAMPAIGN PAID FOR RENOVATING THE BUILDING AND MAKING IT EARTHQUAKE-SAFE. THE BUILDING'S MURAL, NAMED "MAESTRAPEACE," WAS PAINTED IN 1994 BY JUANA ALICIA, MIRANDA BERGMAN, EDYTHE BOONE, SUSAN CERVANTES, MEERA DESAI, YVONNE LITTLETON, AND IRENE PEREZ.

Grassroots Fundraising Journal

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LETTER FROM THE PUBLISHER

Fair and Progressive Taxation

KIM KLEIN

From his environmental policies to his disregard for the rights of workers, from his plans for expanding faith-based delivery of social services to his proposed tax cuts, President Bush is giving me enough material to fill this entire issue of the *Journal* with a critique of his anti-justice approach to public policy.

To me, the most galling of Bush's proposals is the repeal of the estate tax. By the time you read this, the Senate will have voted on the tax reduction bill. Even if it keeps estate tax, the forces that want it abolished will no doubt try again and we will have to keep the pressure on. If it abolishes the tax, we will have to work to have it restored.

Estate tax was created by President Theodore Roosevelt in 1916, making it our nation's oldest tax. Along with other prominent Americans, Roosevelt felt that large inheritances should not be allowed to create a permanent aristocracy through a concentration of wealth and power that could threaten our democracy.

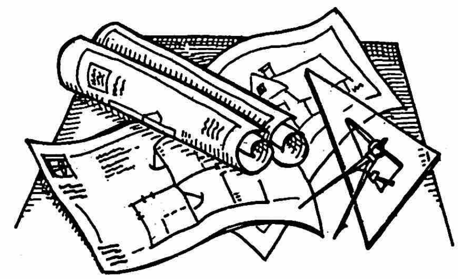
The estate tax is raised from the wealthiest two percent of Americans — those who leave more than $675,000 to their heirs. Bush's proposal to repeal the estate tax would provide as much money in tax reductions to the heirs of the 4,500 largest estates — each of whom would save $6 million — as his entire plan to cut taxes for all would provide to 81 million families — whose 142 million people would each save $341.35.

Without the estate tax, charitable contributions will decrease dramatically. The Treasury Department estimates that repealing the tax would reduce charitable contributions by $5 billion to $6 billion a year; others say the amount would be even greater. However, the damage to private philanthropy from the estate tax repeal would pale by comparison to the damage in the public sector. In 2001, the federal estate tax is expected to raise $30 billion, an amount equal to the entire budget of the Department of Housing and Urban Development. Over the next two decades, the loss of estate taxes to the federal treasury would be more than $850 billion. How would this loss be made up? By increasing taxes on those less able to pay? By cutting Social Security? By reducing Medicare coverage?

All nonprofits must work for fair and progressive taxation. Estate tax is only one example. Please tell your senators and the president that you will work for fair taxation because fair taxation and appropriate use of tax revenue are intricately tied to your ability to operate as a nonprofit.

For more information, visit these Web sites: *www.ufenet.org* (United for a Fair Economy), *www.ctj.org* (Citizens for Tax Justice), and *www.cpbb.org* (the Center for Budget and Policy Priorities). The statistics cited here come from these sites.

Planning a Capital Campaign



BY KIM KLEIN

THREE SMALL NONPROFITS ARE CONSIDERING CAPITAL CAMPAIGNS:

An advocacy organization whose annual budget is $150,000 pays monthly rent of $600 for a two-room office with a shared bathroom and kitchen. Their landlord tells them that at the end of their lease their rent will increase to $1,000. As a result, the group is pondering whether to buy a small house that could be converted to office space.

A modern dance company with a yearly budget of $300,000 rents a loft for $1,500 a month. The company managing their building tells them the building has been bought by an Internet company and they have two months to move. Desperately searching for space, they are invited to join other arts organizations in buying a large building. With so little time, they don't know whether to move to a temporary space and continue to look for a rental or take the plunge and help buy a big building now.

The elderly owner of ten acres of forestland on the outskirts of a small town has been approached by a developer wanting to build a mini-mart and parking lot on the property. A local land trust wants to convert the property to a park. The owner would sell to the land trust for less than the developer is willing to pay, but still the price tag is far more than the land trust can afford.

All three of these organizations find that thinking about owning property is both exciting and terrifying. They have no idea where to begin their planning process and how to figure out what is realistic for them.

Rising rents, paving over of open space, and the sheer number of nonprofits competing with for-profit businesses for space have led a large number of relatively small organizations to explore buying and owning property. The rental situation is, of course, worse in fast-growing cities with already high property values, but all over the country, finding affordable quarters has become an enormous need. Even for nonprofits with secure locations, seismic safety requirements, the need to remove asbestos and lead paint, and making buildings fully accessible may put them in the position of needing to embark on some kinds of capital improvements.

For grassroots groups like those in the examples above that have their hands full making ends meet from year to year (or even month to month), a capital campaign can seem daunting at best and impossible at worst.

Over the next several issues of the *Journal,* we will discuss how small groups can conduct large capital campaigns, with profiles of some successful organizations that have bought buildings, built playgrounds, renovated historic landmarks, and the like. This article will help you understand what you need to have in place before you begin to plan a capital campaign.

PUTTING THE CAMPAIGN IN CONTEXT

First, let's remind ourselves of the fundraising context for a capital campaign by reviewing what organizations need financially and what donors can provide.

Organizations have three types of financial needs:

Annual Funding. The money they need every year. For most grassroots groups, raising this money consumes all their fundraising time.

Capital Funding. From time to time, groups need something that they don't need every year. Items such as computers, a new phone system or furniture, or maintenance, such as rewiring or installing carpeting, are all capital improvements. For these, additional money needs to be raised beyond a group's annual budget. For small capital needs, a group may just add the items to its annual budget and raise the money with an extra appeal, or submit a proposal to a foundation or an appeal to a generous major donor. When the capital improvement involves buying, retrofitting, or renovating a building, however, the group usually needs to conduct some kind of campaign to raise the money from a number of sources.

Endowment Funding. Organizations that think they will be needed forever, or at least as far into the future as they can project, will want to invest some of their money and use only the interest from the investment as part of their annual income. The principal that is set aside to be invested is usually referred to as an endowment.

Donors can provide income for these various funding needs through a few different vehicles:

Gifts of Income. The majority of people earn money every year from a job, investments, a pension, or some combination of these. About seven out of every ten people give some of their earned income away. These gifts generally provide for the annual needs of the organizations they donate to. In other words, some of my income as a donor becomes some of your income as an organization.

Gifts of Assets. In addition to their income, many people have saved or inherited assets that are in various forms of savings or investments — stock, property, bonds, art, insurance policies, and so on. A donor can also give these assets to an organization, which generally uses them for capital. In other words, I give some of my savings, or my capital, to increase the capital of an organization.

Gifts from Estate. Everyone eventually dies, but they control what they own even in death through the terms of their will. Through their will, a trust, or other estate planning mechanism, a donor can arrange for nonprofit organizations to receive some or all of their estate. These gifts are most often used for endowment. In other words, the last set of gifts I give, which form my legacy, are used for the group to exist long after I am gone.

Unless restricted by the donor, organizations can, of course, use gifts of assets and estate for their annual needs. In the case of very small gifts, or when donors regularly give stock as their annual gift, this may be appropriate. But for the most part, using assets and estate gifts for annual purposes is unwise because these gifts will not recur.

Similarly, but probably less obvious, using gifts made from a donor's income for capital or endowment purposes is also ill-advised. First, you don't want to raid your annual income for funds to pay for capital costs (which many groups do), and second, any amount that a person can afford to give from income they should be encouraged to give every year and not just for a one-time event such as a capital or endowment campaign. I hope that it goes without saying (but I will say it anyway, just in case) that if a person wishes to give a gift from their income to a capital or endowment effort, a group should not turn that gift away but accept it and thank the donor appropriately.

When contemplating a capital campaign many groups will say, "Our donors don't earn that kind of money." However, the donors' earnings are less important than their savings. I have seen groups mount successful capital campaigns with lead gifts from older donors living on fixed incomes who have some highly appreciated stock or a piece of property they are willing to give. Because the donor can deduct the fair-market value of their gift, they avoid the capital gains tax on that part of their savings, enabling them to make a much greater gift than they might have thought they could and at considerable tax savings.

Keep in mind, then, that in capital campaigns you are not asking donors to make extra gifts from their income; you are asking them to go to a whole new level with your organization — giving assets and often paying their gift as a pledge over a period of several years.

THE CAPITAL CAMPAIGN CASE STATEMENT

Once you are clear on the kind of money you are trying to raise, you will need to develop a case statement for the capital campaign. The capital campaign case statement is a variant of the case statement every organization should have, so we begin with a discussion of the general case statement.

All fundraising should start from a clear and compelling case statement. (See the sidebar on the next page for components of a case statement.)

The case statement justifies the existence of the group and answers the question, Why should this organization exist?

The case statement for a capital campaign justifies the need of the organization for whatever will be bought or built with its capital campaign funds. The capital campaign case statement says, "To do our work properly, we must have this."

The capital campaign case statement will use much of the language in the organizational case statement, but the goals and objectives will be specific to the capital campaign. They will describe why having the building is imperative or why the renovations will make the group able to fulfill its mission better. The capital campaign case statement may also describe how savings generated by the work of the capital campaign will be plowed back into program.

If your capital campaign is to create an endowment, the case statement must justify the need for the group to exist in perpetuity. It takes little commitment or even knowledge of a group to donate $25 to it; it takes a little more to donate $100 and quite a bit more to donate $1,000. Capital and endowment gifts usually begin at $10,000 and can go into the millions. The more that is at stake for the donor, the clearer the group needs to be about why the need is so critical and what it is going to do with the money.

The Capital Campaign Budget

Probably the trickiest part of the case statement is the budget, which will be the basis of the fundraising goal of the campaign. This is because there are a lot of variables and some of the them are hard to estimate ahead of time. Let's look at all the components that go into a capital campaign budget:

- ***Cost of a building,*** renovation, property, or whatever is the actual capital expense.
- ***Cost of furnishings,*** including new computers, new phone systems, and wiring for these.
- ***If you are moving, include transition costs*** such as movers and staff time spent setting up the new space. If you are renovating, you may need to move out of your office for a period of time, which may mean including the costs of renting a temporary office.
- ***Cost of the capital campaign itself*** (staff, equipment, events, recognition items for donors such as plaques or certificates, etc.). Generally, for campaigns seeking less than $1 million, budget 15% of the goal for this item; for campaigns of $1 million to $3 million, budget 10% of the goal; if you are trying to raise more than $3 million, add 7%–10% of the goal.
- ***Maintenance fund.*** Add some money to the campaign for big repairs and updating equipment. This fund is not for general operating costs of the building. This money should be invested like an endowment. You want to have enough in this fund that you can pay for most repairs with the interest generated by the fund, or at least so that you will not deplete the whole amount with one large repair.
- ***Debt service on bridge loans.*** Money pledged during a capital campaign comes in over a period of time and usually accrues more slowly than the expenses associated with the capital project. As a result, groups often have to borrow against the unpaid value of the pledges. Banks recognize pledges as collateral and will loan money against a certain percentage of their value. Debt service is the interest on these loans. This amount can vary widely and may be hard to determine in the very beginning of your campaign.

  Remember, you can change your budget if necessary, but it is much better to lower it than to have to raise it. Of course, you will not have this item if you choose to wait for all the pledges to be paid before you start spending any money. Also, a generous donor may loan you the money you need at no interest, but don't plan on that unless you know for sure it will happen.
- ***Cost overruns.*** Building projects inevitably run over their estimated costs. A contractor may be able to suggest a percentage of the total to add to your budget to cover such overruns. Also, ask other groups and individuals what their experience has been on this point.
- ***Discount.*** Not all pledges made will be paid. Sometimes stocks aren't worth as much by the time they're sold as when they were transferred; some donors cannot pay their pledges despite their good intentions; and once in a while a donor simply does not pay. Most groups build in 13% for loss of pledge income. This is a conservative estimate, which means you would almost never lose more than this amount.

Components of a Case Statement

All of the items below brought together in one document comprise a case statement. From this document you will take information, language, and ideas that you will use in foundation proposals, direct mail appeals, brochures, speeches, and the like. None of your marketing and fundraising material will contradict the ideas and information in the case statement, even though the information may be presented in very different ways for different purposes.

MISSION/PURPOSE: This is a one- or two-sentence statement describing why the organization exists. A mission statement generally begins with the words, "We believe..." or "Because...." Here are two sample mission or purpose statements:

We believe reading is fundamental to a full life. (literacy program)

We believe in the power of art to change the world. (political theatre company)

GOALS: These are broad statements of what you are going to do about why you exist. Goals start with the word "To..."

To eliminate adult illiteracy in Greene County.

To bring Ourtown the best in cutting-edge political theatre.

OBJECTIVES: Objectives describe very specifically how you will go about meeting your goals this year. Objectives are specific and time limited.

We will conduct ten 15-week classes for illiterate adults each spring and fall.

We will perform three new plays from three different countries every year.

HISTORY: Your history includes accomplished objectives and the lessons you have learned that make your group qualified to do the work you have described. If you are a brand new group, your history will be the history of the people who are starting the group and the history of other groups or movements like yours.

STRUCTURE: This section tells who is involved in the group and how people get involved. The structure makes it clear that the right people are in the right places to accomplish the goals of the group.

BUDGET: The budget shows where you get your money and how much money you need.

When you add up all these costs, you will see that the total budget can be twice as much as the cost of the building itself.

Beyond these hard costs, you should factor in loss of annual income. A good capital campaign will not cause a decrease in annual income, but during a capital campaign it is unlikely that annual income will rise significantly. If you normally count on being able to raise 10% more every year from your donors, during the two or three years of your campaign you will probably not be able to do that. So, you will experience a "loss" of the increase in annual income you would normally count on. This means you either won't be able to expand programs during the capital campaign, or you will need to put some money aside for one or two years before beginning the campaign to cover your needs.

The good news about annual fundraising is that a well-run capital campaign will always produce an increase in annual income after the campaign is over. People will be excited about the new facility, many people will have realized that they can afford to give more than they had been giving, and you may well have attracted some donors to the capital campaign who then become annual fund donors.

WHAT ELSE YOU NEED TO HAVE IN PLACE

Beyond the case statement with its detailed budget, you will need a number of other things in place before you can begin planning your capital campaign.

A Good Database and Systems for Gathering and Entering Data

All groups should have a workable database and organized donor records. Your database needs to be easy to use, able to retrieve and sort information easily, and fast. Find a database that you like and spend the money to buy it and a computer that can handle it. Above all, take the time and money to train yourself and your staff in how to use it. This does not mean you need to spend thousands of dollars on a database — there are a number of inexpensive or free databases. The next issue of the *Journal* will review some of these.

Of course, a good database is only as good as the data entered in it. A capital campaign requires systems in place to gather and record donor information. These systems are more often what's missing, even if the software and hardware needed to use them are present. As an example, I met with a 50-year-old independent school that had had one development director for the previous ten years. When he died suddenly of a heart attack, the new development director came into an office full of scraps of paper with donor information noted on them. The very expensive database that the previous director had bought had never been installed. Instead, he had used a simple mailing list database for mailings. This list undoubtedly had all the school's donors on it, but it also had about 2,000 other people who were on the list for no apparent reason.

It took almost 18 months before all the paper was fully sorted and the donor history of the school reconstructed. Fortunately, helpful board members and longtime active alumnae were able to fill in many details; even so, the new development director remarked that she was only truly able to start her job after she had been at the school for a year and a half. Getting this system together delayed the capital expansion the school had been on the verge of planning when the longtime development director died.

In another example, an organization with only one staff person was offered a chance to buy the house they had been renting at considerably below its market value. The owner had died, her children did not want to displace the nonprofit, and they asked only that the group retire the mortgage. The executive director and two board members leapt into action to buy the building, soliciting enough gifts to pay off the mortgage.

However, within weeks there were problems. Donors were being sent pledge reminders for the wrong amounts, many donors were not thanked, a check for $10,000 was found by the husband of a board member in his wife's pocket as he was folding clean laundry — unfortunately it had already gone through the wash and the donor had to be asked to rewrite it, and so on. Because neither the lone staff person nor the board had established systems to handle the gifts the committee was generating, the group ended up with a number of disgruntled donors.

An incomplete or inadequate database may (barely) be used to manage an annual campaign, but such an underpowered system will not work as the organization moves into capital and endowment campaigns. Before you even think about capital campaigns, make sure that all your systems are in place and that you can deliver on the back end what you promise on the front end.

Gift Acceptance Policies

Many groups already have gift acceptance policies; if you don't, you will need to create them. These are policies approved by the board that spell out what kind of gifts you will and will not accept. You may be wondering what kind of idiot would turn down a gift, but here are some examples of gifts given for capital campaigns that didn't work out:

> A small organization was given a house that they decided to sell. The house was several miles from an EPA Superfund clean-up site, but after the organization accepted the house, the contaminated area was discovered to be much larger than originally thought. Although neither the house nor its property was in danger, the presence of the

site discouraged buyers. While the house sat on the market for seven years, the group had to pay insurance and property tax on it. In the end, they sold the house, but for much less than they had been forced to invest in it.

A group accepted a painting valued at $25,000 and expected to be able to sell it for that amount for their capital campaign. However, they could not find a buyer willing to pay that much. In need of whatever cash the painting could bring, the group sold it for $10,000. This angered the artist, who then complained to the volunteer who had solicited the gift in the first place; in a domino effect, the volunteer decided not to pay her pledge of $50,000 to the campaign.

A group was offered $100,000 as a lead gift by a corporation known for its anti-union activities. After much heated discussion, the group's board decided to accept the gift, only to be severely criticized in the press, by unions, and by other nonprofits. The board then reversed itself and turned down the gift, but the damage was done. The development director estimated that this controversy cost the group more than $150,000 in potential donations beyond the $100,000 they turned down.

Grassroots groups should be very careful about accepting complicated assets such as real estate, art, or privately held securities, and they may also want to discuss a framework for thinking about accepting gifts from corporations. Although a group's policies can allow it to decline gifts that could be more trouble than they're worth, the board always has the right to override its policies in order to accept something they have deemed worth the exception.

There are two easy ways to create gift acceptance policies. One is to adopt an all-purpose policy that simply says, "The board of directors reserves the right to review all gifts and to decline gifts that it feels our organization is unable to handle appropriately or are not in the best interest of our mission." The other way is to find another organization that you trust that has developed a more detailed policy and use parts or all of theirs, substituting your name for theirs.

Having the policy is important, but having the conversation is more important. It is much easier to have a theoretical conversation about accepting a gift horse than to look a gift horse, who comes with his own pasture, in the mouth.

An Active, Motivated Board of Directors

In order to have everything you need for your capital campaign in place, your board must understand how serious a capital campaign is and must be willing to do its part to help raise the money. In fact, board members should make the first gifts to the campaign. Traditionally, board members contribute 10% of the goal, but that amount is too high for most grassroots groups. Rather than setting a specific percentage or dollar goal for the board as a whole, it is important that each board member give what is, for him or her, a significant gift over and above the significant gift they should already be giving to the annual fund.

Almost more important than making their own gift is board members' willingness to help ask for money and to find volunteers who will ask. A capital campaign cannot be done by a few overworked staff people. Even if it is possible for the staff to raise the money, it will be at the price of program or other fundraising. Moreover, with staff doing the work, the organization misses a great opportunity to involve the larger community in their goals, which will strengthen the group in ways other than financial. Without a good board or a strong set of volunteers who take the place of the board, a capital campaign is not going to get out of the starting gate.

As you can see, everything that an organization needs to have for a capital campaign it needs to have in place anyway. Getting ready for a capital campaign often helps a group strengthen its annual fundraising by instituting necessary elements or updating ones already in place. Any weakness in your annual fundraising program will be 100 times more debilitating in capital fundraising. GFJ

NEXT ISSUE: DEALING WITH ENDOWMENT ELEMENTS OF CAPITAL CAMPAIGNS, SETTING A TIMELINE FOR THE CAMPAIGN, AND IDENTIFYING PROSPECTS.

KIM KLEIN IS CO-PUBLISHER OF THE *GRASSROOTS FUNDRAISING JOURNAL*.

Creating a *Culture* of *Fundraising* in your Organization

BY STEPHANIE ROTH

Monica, the development director of a small legal services organization, called me recently. She had just received a grant to pay for some board development training with a focus on fundraising. Many of the group's board members have been on the board since the organization was founded eight years ago. They are very committed to and involved with the work of the organization. However, they have never done any fundraising, and the executive director felt they shouldn't have to since they were making a contribution in other ways. Monica asked me if I would conduct a one-day training to try to persuade board members to participate in fundraising.

My friend Estelle is development associate of a women's health organization. Prior to taking on this fundraising position, Estelle was an activist working on a variety of women's health issues. She has experience in organizing and public speaking and knows the issues well. When she was hired by this organization, she expected she'd continue to be involved in the issues — discussing program plans, writing about the issues for the organization's newsletter, and participating in various organizational projects. Eight months later, she is disillusioned. She barely interacts with staff outside of the development department and the only conversations she has about the work are related to the content of fundraising appeals and grant proposals. Her opinions about political strategy and program priorities are not solicited. Estelle feels that she is losing touch with what excited her about the work in the first place.

These two situations may sound familiar to you. They point out two sides of an issue that many fundraising staff struggle with: the separation of fundraising from program. Creating a culture of fundraising means understanding that fundraising must be integrated into all aspects of an organization's work and structure. However, it also means not isolating the fundraising staff from program discussions, plans, and activities.

In my work with organizations around the country, I find that one of the biggest obstacles to fundraising success is groups' inability to mobilize diverse people in the organization to participate in fundraising activities. Staff and board members come to trainings to learn the skills and strategies, but only a handful of people end up actually doing any fundraising work. As consultants like me make their living trying to entice board members and others to participate in fundraising, we often leave out the bigger picture — the need to integrate fundraising and program work.

There are two aspects to the problem of getting people to raise money: one is people's socially conditioned reluctance to ask for money; the other is the status accrued to "program" versus "fundraising" work. Program staff are often seen as having a deeper understanding of the issues and of the political terrain in which the organization functions. Fundraisers, on the other hand, are seen as technicians with skills to carry out specific tasks that have little to do with the mission of the organization.

As organizations grow and create not just fundraising positions but whole development departments, the problems increase. Fundraising gets more professionalized. Not only do the program staff not want to be part of the development team, the fundraising staff come to feel they're the only ones whose role it is to bring in the cash.

Turnover in fundraising staff is often far higher than for non-fundraising staff. I frequently hear complaints about how hard it is to find a good person to fill a fundraising position. Well, no wonder! Fundraisers are seen as doing the work that no one else wants to do, but not as having the programmatic skills, political vision, or connections to the issues that would make their jobs more interesting and their contributions to the work more powerful. By ignoring these potential strengths, an organization loses some valuable input from key staff people as well as a way to decrease turnover in their development department.

When an organization embraces a "culture of fundraising," in which fundraising and program responsibilities are shared among staff and integrated with each other in their planning and implementation, these problems lessen, if not disappear.

The following are ten ways organizations can start to build a culture of fundraising.

Ten Tips for Creating a Culture of Fundraising

1. Send staff and board to fundraising trainings — not just once, but periodically as the need for greater skills arises. Helping staff and volunteers get the basic skills from a one-time training is extremely useful, but providing regular opportunities for trainings in specific areas — such as asking for money, organizing house parties, or writing effective letters — will build more skills among a broad group of people in your organization.

2. Don't segregate fundraising from program activities. When planning for either fundraising or program work, invite input from people whose primary work is in the other sphere. It is important that fundraising not be relegated to one or a few people in a development office, but distributed among board members, non-fundraising staff, and volunteers. This is a practical approach, as it increases the opportunities for money to be raised and distributes the workload among more people, but it is also a political one, as it recognizes that asking people to support your group's work through their financial contributions is a form of organizing a constituency. People who give you money can also be called on to take political action on behalf of your group — whether by writing letters, attending demonstrations or other actions, or talking about your work to their friends, neighbors, and colleagues.

Another part of this equation, however, is giving fundraising staff opportunities to share in the program work by actually having responsibilities traditionally associated with program or by being part of the planning, problem-solving, and evaluation that goes on around program work.

3. Set aside time once or twice a year at board or staff meetings to discuss some aspect of money and our society's attitudes about it. You can start with an old favorite: "What are your earliest memories of money and what were the messages you got about money from your family, your community, or your school?" From there, the group can come up with topics they want to pursue, such as whether money can be considered "dirty" or "clean," the role of taxes and the government in funding the work we do, and so on. These conversations are extremely useful in helping people become more forthcoming about money in general and more comfortable when talking to donors. Greater comfort among board and staff in speaking about money will not only give your fundraising a boost, it will also increase your level of engagement with each other about issues that affect your work. This helps build morale and a sense of shared involvement.

4. Make sure you have representation of staff, board, volunteers, and members for each fundraising activity. Special events are one type of fundraising activity that often involves a volunteer committee of board members and others along with staff support. But what about direct mail campaigns, or small-scale phone-a-thons to a targeted part of your list? Major donor campaigns, too, will raise more money if you make sure to include people on the committee who represent different constituencies of your organization.

5. Develop specific ways for people to get involved. One of the biggest mistakes I see groups make is to bring a fundraising consultant in to conduct a training with the board but not have a campaign or project for board members to get involved with immediately. Telling board members or volunteers that they must engage in fundraising but leaving it up to them to figure out exactly how doesn't work. For folks who are reluctant to have anything to do with fundraising, find simple tasks that aren't so threatening, such as adding personal notes to letters or making calls to thank donors for their gifts. Later they can move on to ask for money or plan a house party.

6. Create an annual pledge form on which board members indicate what they are willing to do that year in the area of fundraising (and giving). In addition to specifying various activities they can choose from — such as joining the special events committee, participating in phone-banking or a major donor campaign, or selling raffle tickets — you can give board members the option to decide for themselves how they want to participate. This often gets more positive results than giving them a pre-selected, non-negotiable set of tasks to carry out.

7. Leadership from the executive director and the chair of the board are critical. They both need to support the notion that fundraising is a shared responsibility among all members of the organization. If the executive director believes that the development staff are responsible for doing all the fundraising for the organization, then other staff will follow that lead. Similarly, if the board chair is not doing their share of fundraising and of encouraging and motivating other board members, it is unlikely that you will have much participation from the board as a whole.

8. Celebrate your fundraising successes. Make sure people are recognized and rewarded for their contributions, even if there isn't a lot of money to show for them initially.

9. Use an organizing model to get people involved. If you're starting with a completely resistant group of people on the board or staff, don't try to recruit everyone to the cause at once. Approach those who seem most open and use them to help convert others to the work. Don't worry so much about the people who complain and argue that they shouldn't have to raise money; concentrate on those who understand why it's important to be involved and others will eventually follow.

10. Make a commitment to create a culture of fundraising, knowing that it may take some time. Keep in mind that changing an organization's culture can sometimes take years. Don't give up too fast. GFJ

STEPHANIE ROTH IS CO-PUBLISHER OF THE *GRASSROOTS FUNDRAISING JOURNAL*

Looking Good...

Developing Effective Written Materials

Working with Production Professionals

BY NANCY ADESS

Better-looking and better-written materials will improve an organization's visibility, broadcast its message more widely, and ultimately generate more support. The first article in this series described how to give your written materials visual impact. This article covers how to manage the production of your materials. The final article will review the basics of good writing.

PRODUCTION PROFESSIONALS

Working effectively with production people is key to getting the final printed product you want. Each person in the sphere of graphic design and production is a professional with a large body of knowledge and skills that can be useful to the final impact of your printed piece. However, in order to make maximum use of both their time and yours and to make sure you and they are on the same track, it's helpful to know the language they speak. The two production professionals you are most likely to deal with are graphic designers and printers or their representatives.

Even if you design much of your materials in-house, include some money for professional graphic design in your publications budget for pieces that need to have maximum impact. If you factor in the time that paid staff spend fooling around at their computer trying to get materials to look good, you may find that going to a professional designer saves both time and money.

Here are some suggestions for working with designers and printers.

Graphic Designers

Graphic designers are skilled and experienced in placing text and artwork on the page to best effect. They know how different elements — text blocks, pull quotes, illustrations, photographs, headlines, subheads, etc. — should be balanced. They know what should be on the right-hand side of a page and what should be on the left-hand side, and they know how to keep the top and bottom halves of the page in balance and proportion so that the eye is drawn to each element without one or another getting more emphasis than it needs. Finally, they are familiar with design techniques to give your piece some flair.

However, a word of caution: To be sure your piece reflects your group, be very communicative in working with your designer. Don't assume the graphic designer shares your perception of your educational message. Not being as familiar with the content, they may be tempted to emphasize graphic elements at the expense of the educational message. In my very first experience working with a graphic designer, I was persuaded to let a photograph dominate a poster, subordinating the educational text to small type accompanied by obscure cartoon characters. The graphic designer and I had not "seen" the elements of the message in similar ways.

You can avoid such expensive and frustrating experiences by thoroughly discussing with your designer at the outset which elements you hold to be most important. This is as true for designing newsletters and brochures as for posters or public service ads.

Graphic designers have a host of fun things they can do to make a piece look spiffy and sophisticated, and they understandably want to try out their techniques when they can.

Tints and screens, overlays, additional colors, special treatments of photographs, colors or photographs "bleeding" off the edges of the page, type reversed out of black or colored backgrounds — all of these can make a piece dramatic — and they all cost money when you get to the printer.

Because it's in the graphic designer's nature to expand their creative vocabulary and to produce visually interesting pieces, be sure you and the designer have an understanding at the start of every job about its cost limitations. This understanding should include an estimate of what the design job will cost, with an agreement to renegotiate if the designer begins to exceed the estimate by more than 10%; an understanding of the maximum you want to spend on printing (this will help determine how much you can invest in "special effects" at the design stage); and a time line. Beyond cost agreements, you should discuss with the designer at the outset the "look" or "feel" you want the piece to convey and what you see as its most important messages.

Proofreading

You are responsible for thoroughly proofreading material before it goes to print. Any errors are your responsibility to find and have corrected, not the designer's. This means that you must allow enough time in your production schedule (usually a couple of extra days) for proofreading and for corrections to be made. When the corrections come back from the designer, these must be proofread as well.

Proofreading is a skill in itself, and people who are trained as professional proofreaders know how to look for the types of mistakes that occur most frequently. Do not count on your computer's spell-check function alone to proofread material you send to design. Spell-check programs will not question anything that is a word, even if it is the wrong word at that point. So, for example, if you type "and" when you meant "an," "he" when you meant "the," or "our" when you meant "your, " no spell-checker will alert you to those mistakes.

You can do an adequate job of proofreading your materials if you follow a few simple rules. First, two different people should proofread all materials. Regardless of how careful a reader one person is, they are likely to miss at least one or two errors. Second, if possible, at least one of the proofreaders should be unfamiliar with the text; their mind will not race ahead of the type, knowing what's to come and skipping over what's actually on the page.

Third, the proofreaders should become familiar with proofreaders' symbols to indicate what's wrong in the type, taking the guesswork out for the person who is correcting errors. The most common symbols are the following:

.... **Delete one letter**
.... **Delete entire word**
^ .... **Insert**
.... **Make this letter capital**
¶ .... **Start new paragraph**
.... **No new paragraph here (run on)**
.... **Insert space**
.... **Period**
.... **Hyphen**
.... **Comma**
italic .... **Italic**
bold .... **Bold**
.... **Apostrophe**
.... **Transpose**

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The illustration shows a piece of copy marked for corrections. You can find full listings of proofreading symbols in standard copyediting texts such as *Copyediting, A Practical Guide*, by Karen Judd (Los Altos: Crisp Publications, 2001) and *The Chicago Manual of Style* (University of Chicago, 14th Edition, 1993). Speaking the language of the designer by learning basic proofreading symbols will ensure that the corrections you want are the corrections you get.

Printers

As with choosing any professional, you need to get the right printer for the job. One criteria is how many pieces you are printing. According to one printer the *Journal* has worked with extensively, for jobs of less than 500 pieces, photocopying is often the best choice. Jobs of 500–2,000 pieces can be done by "quick printing" or "instant printing" shops (which use less durable paper printing plates). Larger jobs, up to 10,000 pieces, are best done by offset printing (which uses metal printing plates), and jobs even larger than that are usually run on a web press, which prints from large rolls of paper.

Printing prices vary widely, depending on many factors beyond the print run, including the type of machinery the printer uses, the number of colors on the job, the final size of the piece, whether folding, stapling, or gluing are involved, the turnaround time needed, and the type of deal the printer can get on paper (the cost of paper is a major, and constantly changing, variable). In addition, using a union shop may cost more; this is where your political decisions can affect costs. (For example, the *Journal* uses union printers on principle and willingly pays the extra cost to do so.)

Always get at least two bids on your print jobs and, where possible, visit printers to look at paper samples and samples of their work. The lowest bid doesn't necessarily come from the best printer, so let price be only one element in your choice.

As with the graphic designer, be very specific with the printer about what you want your finished product to be. When you deliver your job for printing, tell the printer *in writing* the following information:

- The quantity
- The direction of the fold — for example, if you have a legal-sized sheet being folded into four vertical panels, do you want it folded in half and then in half again, or do you want an accordion-style fold?
- The exact color(s) — most printers use colors from the Pantone Color Formula Guide (also called PMS)
- The specific paper — the printer should show you several weights and colors of paper and tell you the difference in price and quality
- The delivery date and address for delivery

Like the rest of us, busy printers are always juggling many projects and some of them may go past the agreed-upon deadline; if your job can't wait a few days past its delivery date, make sure the printer knows that. Similarly, if there is some flexibility in when you need the job, the printer will be grateful to be able to build that into their press schedule and may be particularly considerate in the future if you need something in a rush.

PRODUCTION PEOPLE: WHERE TO FIND THEM

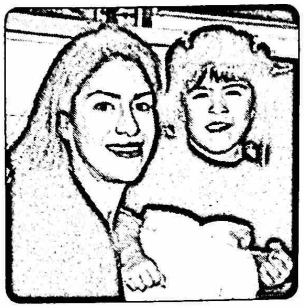
You find competent, efficient and affordable production people the same way you find other consultants: ask people in other organizations whom they recommend; interview potential vendors, asking to see samples of their work and discussing their pricing policies; check their work style and reliability with their references.

ENOUGH TIME TO DO THE JOB RIGHT

The designer and printer are the last people in the flow of getting your printed materials out to your audience. As often as not, the development of the piece has taken longer than you anticipated: the annual report is now a month overdue, the newsletter has to get out in the next two weeks, and the fundraising letter really should have been in the mail already. As a result of our own delays, we often unwittingly end up saddling production people with the final urgency for getting a job completed. This puts them at a disadvantage in doing their best work, frazzles their nerves and yours, and can contribute to misunderstandings that will show up in the finished product.

If you've taken an extra week, or month, or more to get your work done, don't expect your production people to make up that time for you. Give them enough time to do their job right, and next time build more leeway into your planning so that everyone can accommodate those unexpected but inevitable delays. GFJ

NANCY ADESS IS EDITOR-IN-CHIEF OF CHARDON PRESS AND THE *GRASSROOTS FUNDRAISING JOURNAL*.



MY Adventures IN Fundraising

First *Major Donor* Visit

BY SONYA GARCÍA

Although I had worked with nonprofits for more than a year, when I began an internship with the Grassroots Institute for Fundraising Training (GIFT) I had very little fundraising experience. It had never been my "job" to fundraise. I was always busy organizing, attending meetings and events, and building relationships with community members. It never occurred to me that fundraising is about building relationships, that a good fundraiser is a good organizer, and vice versa. I also had no idea that there was a realm of fundraising beyond grantwriting and working with foundations.

Needless to say, I was blown away by the information I received, during my training with GIFT, concerning where money comes from, who gives, and who receives. I was exposed to a whole new way of thinking about philanthropy, community activism, and grassroots fundraising.

At GIFT, I learned that nonprofit organizations receive funding from a variety of sources, including foundations, corporations, government agencies, and, most important, individual donors. And that individuals give far more money than foundations and corporations combined. But, for a variety of reasons, community organizations don't always take advantage of the potential of individual donors. Building an individual donor program does not happen overnight. It is a long process that takes hard work and dedication, but it definitely pays off.

I also came to realize that people have a lot of issues around money and asking for money. For many of us, feelings of anxiety or embarrassment accompany seeking funds for our organizations, especially when we are asking our community members, friends, or family to contribute. It is known, though, that individual solicitations, that is, asking an individual for a contribution face-to-face, are the most successful way to fundraise. Statistically speaking, you have a 50/50 chance of receiving a gift when you ask someone directly for it. For a fundraiser, these are pretty good odds.

During my training, a variety of fundraising techniques were covered. The most esteemed and frightening of these was "the ask." We prepared for a major donor solicitation by developing a plan of action, role-playing (which included hearing the word "no" over and over again), and understanding the psychology of asking for money. Every intern knew that at some point, no matter how much it was avoided, we would all have to go on a major donor visit.

I was about halfway through my internship when I received the call. My supervisor informed me that he would like me to visit with a GIFT donor, by myself, and ask her for a contribution of $500. The donor had given previously to GIFT and was a personal friend of our director, which put me at ease. I didn't hesitate to accept the assignment. When I hung up the phone I was excited that I would get a chance to sit down with someone and talk about the great work GIFT was doing, as well as my experiences as an intern. I called the donor immediately, let her decide when and where the meeting should occur, and set the plans for my first major donor visit.

As the day approached, I began to feel more and more anxious. When or how should I ask for the contribution? What should I wear? What if she says no? How long do I meet with her? All of these questions, and many more, occupied my thoughts in the days leading up to our meeting. That morning, I asked my fellow co-workers if I could "practice" on them. We role-played throughout the day, as my nervousness continued to grow. It was time. I left the office and headed over to the low-key coffee shop where my visit would take place. The last thing I wanted to do was add stress to my situation by rushing or arriving late, so I made sure to give myself plenty of time.

The donor arrived several minutes after me. We greeted each other warmly, got something to drink (I bought), and settled down at a round table to visit. Before discussing the organization, programs, structure, etc., I though it would be a good idea to talk a little about myself and try to find a common aspect between us. It so happened that we are both parents of small children, which automatically created a strong connection. We talked about our kids, being parents, and being politically involved in our communities. I shared a lot about myself and how I had come to work with GIFT.

Although she was a previous donor, my prospect wasn't very familiar with our programs and goals, so these were discussed in depth. She also asked me a number of questions concerning my personal feelings about the organization and how my internship would influence or benefit my future. I was very open with her, and always honest. When she inquired about specific aspects that I couldn't address (budgets, breakdown of income, etc.) I never pretended to know or made up an answer. But I told her I would get back to her with answers as soon as I could.

We talked for about 45 minutes, and then I knew that my moment had come. I asked for the $500, and then was silent, completely silent, as she pulled out her purse, took out her checkbook, wrote a check, and slid it across the table. Oh no, what do I do now? I had prepared myself for the ask, but I didn't prepare for the check. Should I look at it? Do I put it in my pocket? My anxiety had reached its pinnacle. I looked. I know my eyes grew larger, and I gasped slightly as I saw the check was for $1,000. I wanted to jump up and start screaming, but I knew that I couldn't do that. So, I gained my composure, thanked her very much, and sat there trying to continue our conversation with the check still staring at me.

It became somewhat uncomfortable. I felt the urge to leave as soon as possible without cutting her off short. We soon said our goodbyes. I folded the check and put it in my purse, and then left. I felt like I was going to hyperventilate. I got into my car and immediately called my supervisor, my mom, and several friends who were also involved with GIFT. It was amazing!

Fundraising's most coveted prize was mine. Not only had I received the contribution I had asked for, but I was given double. Double! Was this normal? I couldn't believe my feelings of accomplishment and pride as I left with a check for $1,000 in my pocket.

I was hooked. Right at that moment I realized that my future was in fundraising. I was addicted to "the ask" and couldn't wait to do it again. Every time you ask, you learn, get better, and become even more hooked. I know that not every visit goes this well, but for every "no" there is a "yes," and the feeling of a "yes" is well worth the let down of a "no." GFJ

SONYA GARCÍA IS NOW THE INTERN & DEVELOPMENT MANAGER FOR THE GRASSROOTS INSTITUTE FOR FUNDRAISING TRAINING, AS WELL AS A DEDICATED MOM AND ACTIVIST IN THE FIGHT FOR SOCIAL JUSTICE.

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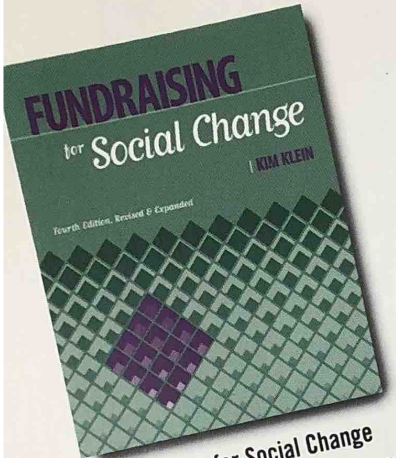

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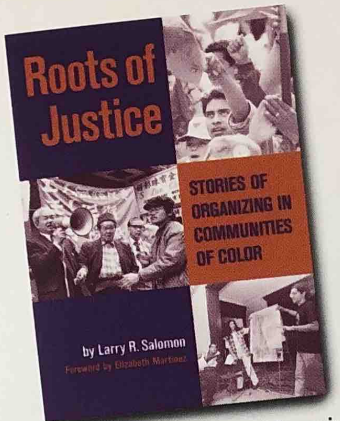

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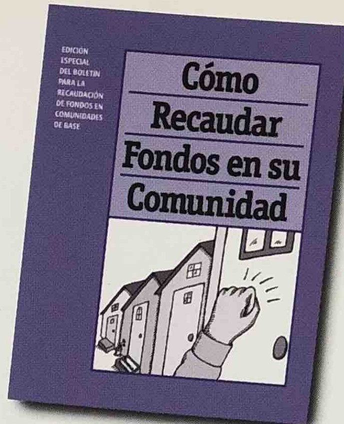

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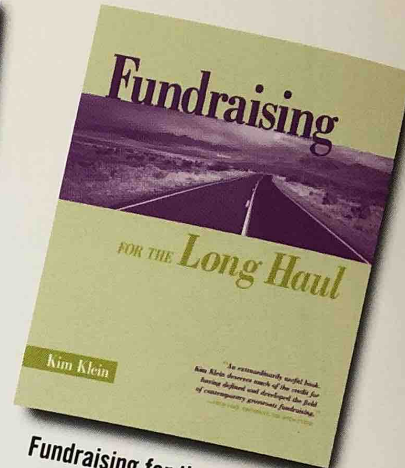

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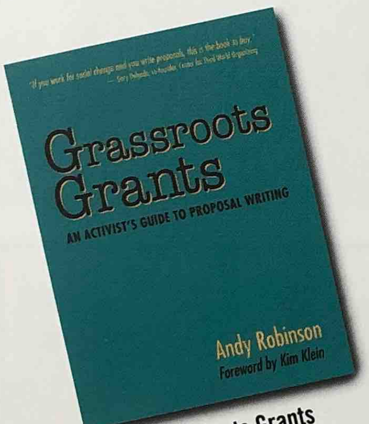

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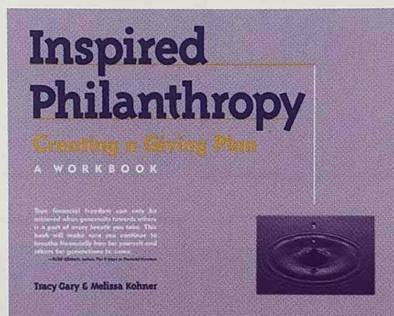

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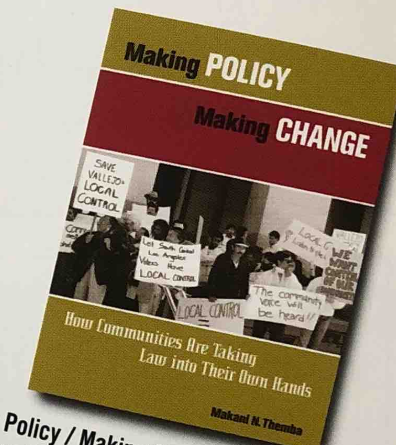

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