

# Sustainable Funding for Watershed Groups

## W E B C A S T

Sponsored by EPA's Watershed Academy

March 22, 2006

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*River Network*



I'm Wendy Wilson, Organizational Development Program Director for River Network. My job is to help watershed groups become more **sustainable**. The problem with that job is that every watershed group is unique and what works well for one doesn't necessarily work for another. So, I like the title slide for this presentation, because like fisherman, fundraisers have lots of **general techniques and theories and secrets**. Today Pat and I are going to share some of ours with you. Pat has tried every one of the techniques and theories that we will discuss today and forgotten more than I'll ever know. But in the end this presentation will be successful if it helps you develop your own FR sense so that you can "**fish the river in front of you**".

# About River Network

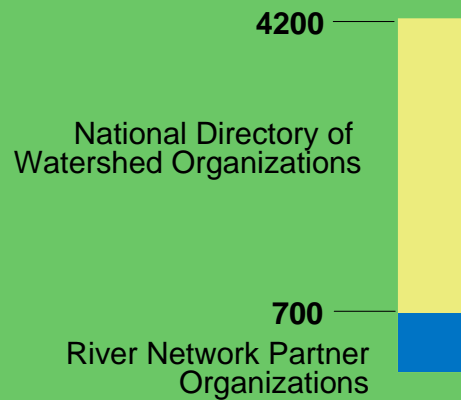
- *River Network is a national nonprofit organization dedicated to helping people understand, protect and restore rivers and their watersheds.*
- *We invite all watershed groups to learn more about us and join as a River Network Partner at [www.rivernetwork.org](http://www.rivernetwork.org)*

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River Network was founded 18 years ago to help start watershed-based organizations across the country. We do way more than that now to build the capacity of local WS groups to monitor WQ, enforce the law, and engage the public in protecting their home rivers and watersheds. At RN I lead the WSN which is a collaborative effort, including the Institute for Conservation Leadership and many state-based river councils, to meet the training and support needs of WS groups across the country. I have a list at the end of this presentation w/ contact information for the trainers in the WSN. And afterwards Pat and I will be available by email and phone to help you with specific questions. I'm at [wwilson@rivernetwork.org](mailto:wwilson@rivernetwork.org) and Pat is at [pmunoz@rivernetwork.org](mailto:pmunoz@rivernetwork.org).

## How large is the watershed community?



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RN maintains the list of Watershed Organizations across the country BUT we work more intensively with the blue groups, the cream of the crop that join as Partners of River Network for a \$100 annual partner fee. These groups are invited to the National River Rally which will be held in May in New Hampshire and learn from each other about what is working on the ground level of watershed conservation. There is a lot of learning going on between these groups and we invite you to join as a partner and share what you know as well.

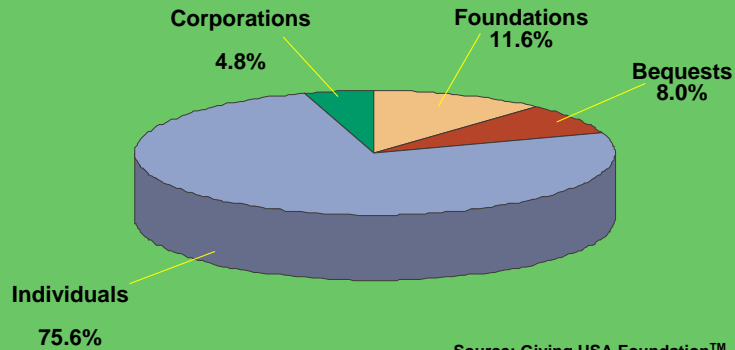
# I. Fundraising Basics



Slide 4. I learned how to FR as a girl scout and Earth Day volunteer. I've been an executive director and fundraiser for nonprofit groups for over 25 years. My perspective is that the most empowering thing a board can understand is their "unrestricted or general fund balance." This is the amount of money that they are truly free to spend in pursuit of the organization's mission with no strings attached. FR is part of everyone's life in America – if your group isn't doing it, you risk being run into the ground by the tyranny of project grants that don't quite pay for themselves. Project grants get you started, but they are loss-leaders for your organization. A board needs REAL discretionary income to implement their policies.

## Where do private charitable donations come from?

**2004 Contributions: \$248.52 Billion  
By Source of Contributions**



Source: Giving USA Foundation™ — AAFRC Trust  
For Philanthropy/Giving USA 2005

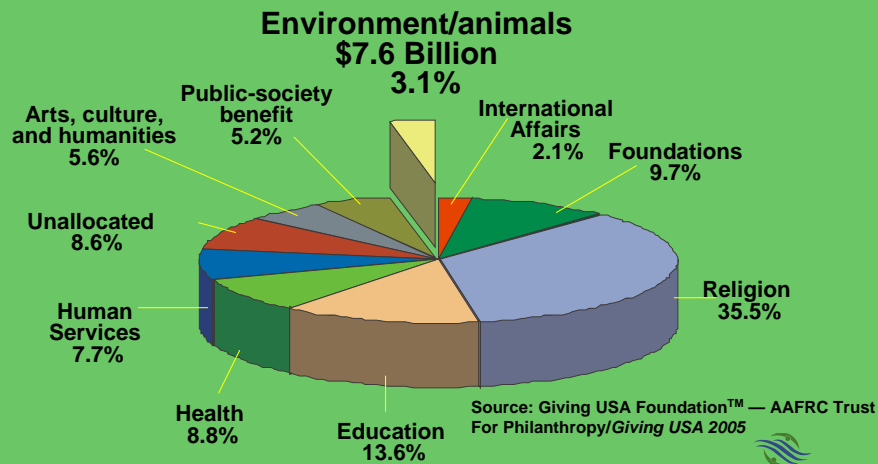


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Slide 5. So let's look at where charitable dollars come from in America today. This doesn't show government funding or earned income, both of which can be large sources of funding for some groups and we'll talk about their role in your sustainable funding plan as well. But just looking at GIVING or GIFTING, you see that individuals are the ones doing the heavy LIFTING in the nonprofit world. These percentages have remained relatively steady over the past 20 years.

## Where do private charitable donations go?

2004: \$248.52 Billion

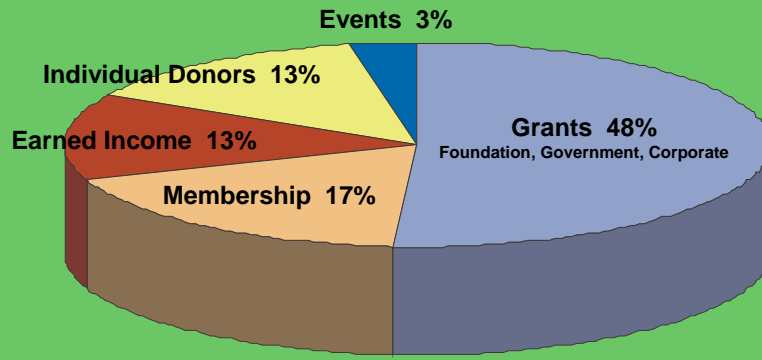


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So we know how churches get the \$ - they do a great job as does Education. Environment is just \$7.6 Billion a year! Poor us! But most of that goes to national organizations. Your competitors aren't churches and schools – they are national environmental and animal welfare organizations that know people in your community that care about the earth and they routinely ask them to help. The purpose of this session today is to help you compete for more of that slice of the pie – and to make the “pie higher” in your community.

## **“Typical” funding profile for staffed environmental groups\***



\*Source: Mott Foundation survey of 758 groups in the Great Lakes and Southeast States

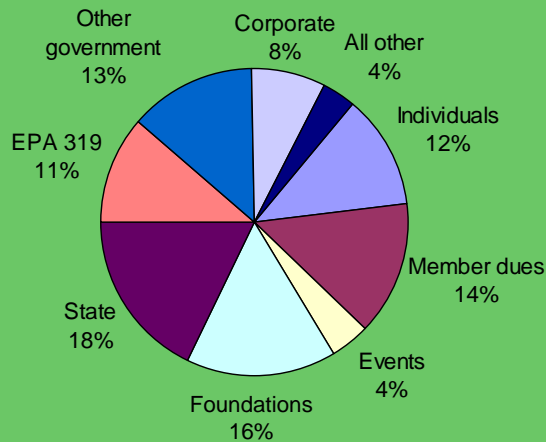
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Slide 7. So what sort of a pie are you making? This survey by the Mott Foundation shows that many land trusts and fresh-water protection organizations generally have a fairly diversified funding base, although somewhat heavy on grant income. Because so much of that “grant income” is restricted to specific projects, the typical board of directors doesn’t have much wiggle room for new programs, emergencies, or action-oriented campaigns.

# What's typical for watershed groups?

## Nonprofit Watershed Groups Sources of Income



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2005 Data for groups seeking assistance with River Network and other trainers in the Watershed Support Network



Slide 8. The Watershed groups that we work with face the same problems.

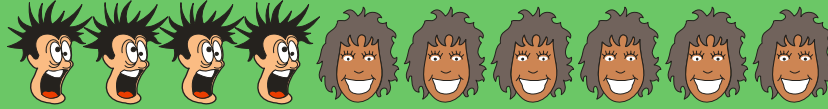
These budget numbers are from the watershed groups that sought training assistance from the WSN trainers in 2005. The median budget for these groups was \$45,000. This chart seems very diversified, but it combined data from 200 groups – Most groups are using just 4 to 6 of these 9 categories.

It also shows a heavy reliance on **restricted sources** of income, particularly government grants. I think most groups should build towards having less than 40% restricted income in the long run. So, how do you get there?



# Fundraising Readiness in the Watershed Community\*

Of groups seeking fundraising help...



40% don't have a budget



45% don't have an annual plan or workplan



74% don't have a fundraising plan

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\* Groups seeking assistance in 2005 from River Network

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Slide 9. Is your group ready to diversify and increase your income? The trainers in the WSN have been collecting data on the needs of WS group across the country. We've found that most groups asking for assistance with fundraising aren't fully ready to launch a strong FR program. We'd like to help them write a FR plan, but it's hard to do w/out a budget or annual program goals. So that's where we start.

If your group needs help taking these first steps, there is help! In ten states the WSN has an organization there to provide one-on-one consultation with groups, and in another 12 states there is at least an annual conference for WS groups where you can connect with others and attend workshops. I'll go over the list of WSN contacts at the end of the presentation.

Next slide.

*Do you have...*

# Fundraising Essentials

 **a clear mission and long-term purpose?**

*"To help people protect, restore and enjoy Minnesota's 92,000 miles of rivers"*  
*--Rivers Council of Minnesota*



 *"Work with citizens and government to restore the river's water quality to fishable, swimmable standards and to protect the river corridor"*  
*--Organization for the Assabet River*

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Slide 10. Do you have the essentials covered? Is your mission clear to you? A Mission statement should read as clearly as a petition. It explains WHO you are and WHAT resource you are trying to protect. It says HOW you work and WHERE you are trying to make an impact. At the end of any good mission statement you should be able to say "Does that sound like something you would be willing to support?" and get a positive reaction.

If your mission statement doesn't flow, spend time w/ your board on their "elevator speech" about WHO they represent, WHAT they want to do and HOW they intend to spend the money they raise.

Do you have...



an annual workplan with clear goals and objectives?

RHODE ISLAND RIVERS COUNCIL  
WORKPLAN SUMMARY 2006

(I) POLICY DEVELOP/COORDINATE RIVER AND WATERSHED PROTECTION	(II) SUPPORT and EMPOWER WATERSHED COUNCILS	(III) FOSTER PUBLIC INVOLVEMENT IN RIVER PROTECTION
Update RI Rivers Policy and Classification Plan revisions -- committee recommendations -- incorporate flow considerations	Recognize new Watershed Councils to achieve goal of 100% coverage of the state's watersheds	Organize Third Annual Land and Water Conservation Summit (March 11, 2006)
Participate in RI Boys, Rivers and Watersheds Coordination Team as advocate for river issues and the role of local watershed councils.	Provide Targeted Organizational Assessment and Capacity Building to recognized watershed councils	Celebrate Rivers Month with Awards Celebration and Rivers Month Calendar
Review state legislation, policies and regulations for river and watershed protection, identify gaps and develop strategies to address these gaps.	Provide assistance to Watershed Councils on the Implementation of the Notice Regulation	Organize Environmental Awareness Day at Narragansett Beach
	Develop back-office support services for conservation non-profits (Donor/member management and volunteer support)	Organize and host Watershed Stewards Program to attract new members for Watershed Councils and provide basic understanding of watershed protection
	Develop and implement grant making program for 2006 using Legislative Grant	Develop river trail conceptual plan for urban rivers

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Slide 11. An annual workplan says **who** will do **what** if you meet your **budget**. This should includes all your major goals, activities, and persons responsible for each activity, timing, and budget requirements. A workplan is obviously critical for managing watershed projects, and your internal organizational goals deserve the same attention. **And** you wouldn't want to be part of the 45% of WS groups that don't have one.

*Do you have...*

☒ **a Board of Directors, staff, and volunteers who are committed to and involved in the organization?**



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Slide 12. A small group of committed people working to change the world will be most effective if they are committed to raising the money to do it.

Ask your board to evaluate themselves: Do board members regularly attend meetings? Do you have enough people for committees (8 to 20 people)? Do they take on projects and complete them? Every board member should be willing to help with fundraising at some level – even if it is as simple as writing notes on thank you letters.

*Do you have...*

 **fundraising expertise on the board or staff?**

- recruit new board members
- seek training for staff and board
- hire consultant to provide guidance



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Slide 13. New ideas are energizing. In our work a leading indicator of how successful groups will be is their willingness to get outside help. You can find a fundraiser from a hospital or university. You can send a board member to the National River Rally or the Institute for Conservation Leadership's Complete Fundraiser course. Apply to The Environmental Support Center for funds to help get to these events.

Do you have...

an annual  
income and  
expense  
budget?

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Friendly Watershed Council Operating Budget

Revenue and Support:	Annual Budget
Foundation	\$75,000
River Festival	55,000
Corp. Giving/Sponsorships	40,000
Individual & Workplace Giving	40,000
Government Contract	34,000
Fees for Service	10,000
Board Contributions	10,000
Sale of Materials	5,500
Interest Income	1,000
In-kind Donations	5,000
Other	4,000
<b>Total Revenue:</b>	<b>\$275,500</b>

Costs and expenses:	
Salaries	\$108,275
Taxes & Fringe Benefits	26,550
Consultants	15,500
Workshops/Trainings	12,000
Printing	12,750
Staff Travel	4,000
River Festival	29,750
Telecommunications	8,500
Postage & Shipping	8,500
Materials & Supplies	13,125
Occupancy	11,000
Insurance	3,500
Donor Recognition	1,200
In-kind Expense	5,000
<b>Total Expenses:</b>	<b>\$259,650</b>

<b>Net Surplus (deficit)</b>	<b>\$15,850</b>
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Slide 14. Budgets are really very simple things. This example is for a fairly large group. If your group is smaller, start with writing down the FR history of your group and make sure everyone on the board understands your immediate needs. Discuss your FR HISTORY as compared to your intended WORKPLAN. Now plug the gaps with ## that you will flesh out in a FR plan. Discuss, Amend, Adopt. Now you are no longer in the 40% of groups without a budget!

Do you have...



a fundraising plan?

**SAMPLE FUNDRAISING PLAN-- ABC River Organization**

Strategy	Goal(s)	Action Steps	Who	When/How Much
1. New Member Acquisition	200 new members \$4,000	1. Do a direct mail campaigns to 5,000 prospects, 1.5% response=75 2. Each board members recruits 5 new members(45) 3. Participants in rafts trips become members(50) 4. Buyers of books of raffle tickets become members(30)	Staff with help of consultant Board Staff Staff	May & Sept/\$4,000 monthly/no cost summer/no cost fall/no cost
2. Renewals	100 out of 154(65%)(@ \$35 dues) \$3,500	1.Call last year's unrenewed members, asking them to renew 2.Do 3 mailings to current members, spaced 1 month apart 3. Call unrenewed members, asking them to renew	Staff & volunteers Staff Staff & volunteers	January/\$50 Jan, Feb, Mar/\$400 May/\$50
3. Special Appeals	454 names @ 10% response, \$9 ave. gift=\$4080	1.Prepare a special appeal to all members on lawsuit.	Staff	Mid-November/\$400

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Slide 15. A Plan isn't a Plan unless it is written down. There is no shame in admitting that you are part of the 74% of WS groups that don't have one written down. A fundraising plan tells you specifically what actions, timelines and responsibilities your group is agreeing to take on. Writing a FR Plan will be the topic of the last section of this presentation to be led by Pat.

**Do you have...**  **a database or other means for tracking donations?**



**Constituent Giving Summary Report**


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Slide 16. Before you start asking for donations, you need to know where to put the information on those people so you can send the Thank Yous. There are lots of “freeware” that can be modified for your own needs such as **Ebase** ([www.ebase.org](http://www.ebase.org)). For a few hundred dollars you can add onto a **filemaker** program or **fmserver** ([www.groundspring.org](http://www.groundspring.org)). For over \$2,000 you can purchase full package software such as **Donor Perfect** ([www.donorperfect.com](http://www.donorperfect.com)) **Paradigm** ([www.jjco.com/soft\\_paradigm\\_home.html](http://www.jjco.com/soft_paradigm_home.html)). If all else fails, get out the 3 \* 5 cards and don’t let this slow you down.




*Consider writing...*

 **a case statement which explains:**



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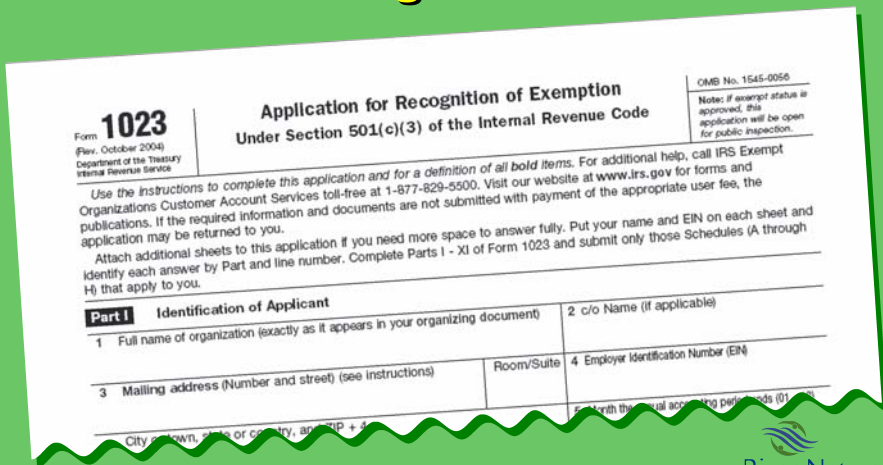
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Slide 17. Larger groups should consider writing a Case Statement as a Follow up document for your deeper-pocketed prospects. A Case Statement is the answer to the question "Can you send me more detailed information on that?" It can be two or more pages including:

- A description of river or watershed
- A description of the threat
- organization's mission and vision
- past accomplishments and future plans.
- organizational structure, methods, and philosophy:

Consider getting...

☒ **nonprofit 501(c)(3) status or a fiscal agent?**



Form **1023**  
Rev. October 2004  
Department of the Treasury  
Internal Revenue Service

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056  
Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all bold items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at [www.irs.gov](http://www.irs.gov) for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

**Part I Identification of Applicant**

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
3 Mailing address (Number and street) (see instructions)		Room/Suite	4 Employer Identification Number (EIN)
City, town, state or country, and ZIP + 4		5 Month the fiscal accounting period ends (01 = Jan)	

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Slide 18. In a free country **anyone can give money away to anyone** w/out government approval. Tax status is not essential to getting started w/ FR. Not having it limits you over time, but it costs hundreds of dollars and many months to get it set up. So don't wait. Many of the best strategies we will discuss (like auctions and events) aren't tax deductible to donors. And having a larger group accept you as "a project" and solicit tax-deductible donations for your charitable work can be a workable strategy.

NOW you've seen 18 slides of PREP WORK, STAFF WORK, and FR CHIT CHAT. And if you do everything I've suggested so far, you still won't have raised a dollar. Your board will have sat through many meetings about FR, but no one will have raised ANY money. So, who do we ASK?

**People** give out of self-interest!



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Does this slide seem crass? Is it true? Self Interest sounds bad.

But let's talk about **why people give** and **why they will give** to your group.

For starters, I want you to think about a specific time, you gave \$ to a cause?

Now, Why did you do it?

Hold that thought.

## Why do individuals give?



- \$ Because they are specifically asked
- \$ Because they are inherently generous
- \$ People give to positive enthusiastic people
- \$ To share a joy or loss
- \$ To be to part of a community or organization
- \$ To receive peer approval and recognition
- \$ To gain tax and financial planning benefits

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Slide 20. Does your reason for giving fit any of these categories? How did it feel when you said YES? Did it make you feel **good**? Or at least like a **responsible** contributor to society?

When you ask someone for \$\$ they have a chance to feel like that too.

It's like inviting people to a party, **if you don't ask them** and they find out later, they may **feel left out, disrespected**. Did you think they were too stupid to understand something important? They could feel bad! What, their \$ not good enough for you? SO IF YOU CARE YOU HAVE TO ASK THEM! It is ALWAYS in people's self interest to feel good about themselves!

So why don't we ask more often?

## Organizations give out of self-interest!



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Slide 21. Often we haven't thought of who could enjoy or benefit from our work. Your best **prospects** (both individuals and organizations) are those that can benefit from your success and feel good about it. Ask yourself a simple question: Who else wins if your group is successful? River outfitters? Agencies that are trying to enforce environmental laws? Local landowner organizations? That's who you ask.

# Why do corporations give?



- \$ To build a positive public image
- \$ To enhance their ability to recruit and retain employees
- \$ To improve the communities in which they operate
- \$ To reward employees by making contributions to their favorite causes
- \$ To find a useful purpose for surplus materials, supplies, facilities
- \$ To sell their products and services
- \$ To gain tax benefits

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Slide 22. And when you ask those prospects to GIVE, you can do it in a way that meets their institutional self-interests.

If it is a company they need to tie it to their company goals.

# Why do government agencies give?



- \$ To enlist the aid of nonprofits in reaching their goals
- \$ To connect with populations that are difficult for government to reach
- \$ To meet the mission and strategic goals of the agency
- \$ To meet the goals outlined in policy (e.g., Clean Water Act)

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Slide 23. If it's an agency, they need to tie it to their programmatic goals.

# Why do foundations give?



- \$ To further the causes for which they were established
- \$ To improve their communities
- \$ To provide a way for family members to contribute to their favorite causes
- \$ To comply with legal requirements to disperse 5% of assets each year

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24. If it is a foundation, they need to tie the request to the goals of their board of directors.



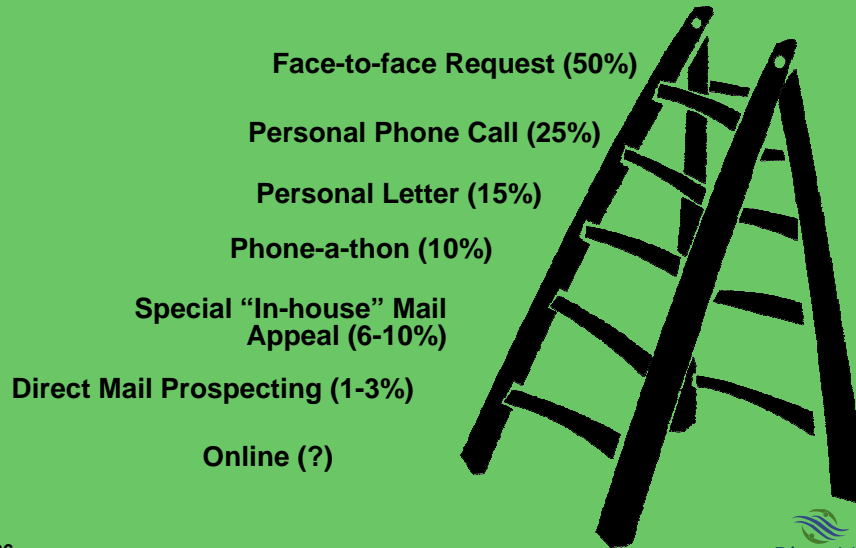


But none of them will come to you and offer you money. Your role is to **ask for it clearly**. They can say Yes or NO based on their own needs and interests – but you’ve done your job. Money is a taboo subject in our society – even though we all use it. If you have the “Fear of FR” bug, you’ll need to stretch a little. Start with some simple role-playing at your next board meeting. Becoming a GOOD ASKER is as simple as selling girl scout cookies.

- 1) Explain your motivation (My name is Wendy and I’m a girl scout)
- 2) Explain your goal (My goal is to sell 100 boxes of cookies so I can go to camp)
- 3) Specifically ask. (My favorites are the Thin Mints, would you like to buy some?)
- 4) Shut up and let them answer. (Show them the cookies!!)

A GOOD ASKER doesn’t figure out how many cookies someone should buy. They respectfully let the GIVER decide, smile and say Thank You!

## How to Ask: Ladder of Effectiveness



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Slide 26. Any girl scout using this simple 4 step approach will sell cookies at half the houses where people answer the door. Girl scouts making phone calls to neighbors will bat one in four. Putting up a flyer on a community bulletin board saying "call me about cookies" will probably get you less than one in a thousand people who walk by. As a group leader it's important that you set up an ANNUAL CAMPAIGN that uses many of these techniques, and the highest level of effectiveness the better. As a staff person you can set your leaders with the **prospects**, the **materials** and the **training** they need to have a successful campaign. Too many staff members, shy about asking board members to help, actually hurt their organization by sending out letters to the group's best prospects without any follow up from the board.

We can talk more about how specific strategies fall on this ladder after questions.

# Questions?



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Hello! I'm Pat Munoz, and I'm so glad to be with you today to discuss some strategies that may be useful to you in building a base of sustainable funding for your watershed organization.

Slide #28 heads a section in which we will briefly discuss eight funding strategies commonly used by river and watershed nonprofits to raise funds. More in-depth information on all of these strategies and others is available in publications and websites mentioned in the Resource Page at the end of this presentation.

Since our workshop today is focused on “sustainable funding” for watershed groups, we have selected strategies that are reliable and repeatable, diversified, susceptible to growth each year, that build your organization by increasing its visibility and donors involvement, and that are cost-effective. We have geared our discussions around strategies that raise “general operating support”, the hardest money for most nonprofits to raise, although we have included some more “project-oriented” strategies as well, since these are so commonly used by watershed groups and often produce large amounts of project funding. These eight strategies are certainly not the only strategies out there, but they are a good starting point as you craft a diversified funding base for your particular organization.

I DO want to mention one strategy for building a sustainable organization which is not included in these eight, because it is really a financial strategy, and that is budgeting a small surplus every year, and stashing that surplus away in a cash reserve for use only in times of crisis or opportunity. If you do this faithfully every year, you will eventually build up an operating reserve that you can use in times of need, and which will allow you to survive difficulties such as a change in leadership

# Top Strategies

1. Member Recruiting
2. Member Renewals
3. Special Appeals
4. Major Donor Program
5. Events
6. Corporate Grants & Sponsorships
7. Foundation grants
8. Government grants

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Slide 29 lists the eight funding strategies we will look at today, Member Recruiting, Member Renewals, Special Appeals, Major Donor Programs, Events, Corporate Grants & Sponsorships, Foundation Grants and Government Grants. The first five strategies rely on individual donors, since, as we saw earlier, over 80% of private charitable gifts in this country come from individuals. If your watershed group is not pursuing individual donations in some form, your organization is leaving money on the table. We will also look at institutional giving from private corporations and foundations, and finally at obtaining public funding from local, state, and federal government agencies.

## What do we know about individual donors?



- Volunteers tend to give more than non-volunteers
- Overall giving in the U.S. is about 2% of personal income
- Members of organized religious groups tend to give more than non-members
- Giving as a % of income tends to go up with age

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Before we dive into the strategies, let's talk a little more about individual giving. Slide 30 highlights some of the interesting data that has been gathered over the years about individual giving. As you read over these findings, think about how you might apply them to your own fundraising efforts. We have highlighted the first one to stress its importance—people who are involved in your organization in some way, whether as board members, monitors, project volunteers, committee members, etc., will tend to make larger and more frequent gifts to your organization than people who merely get your mailings! At most of the organizations where I have worked, our largest donors were almost always members of the board! And they gave those large gifts because they were involved and they cared deeply about the organization. (and don't forget about former board and staff!)

Independent Sector (2001). Giving and Volunteering in the United States: Key Findings. Retrieved November 21, 2005 from <http://www.independentsector.org/programs/research/gv01main.html>.

## Member Recruiting



### ***You need:***

- ✓ A compelling, long-term mission
- ✓ Commitment of board and staff
- ✓ Good prospects
- ✓ Well-written solicitation materials
- ✓ A good database for tracking response
- ✓ For large direct mails, professional advice

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Slide 31 shows our first strategy, Member Recruiting. To be successful at recruiting individual members you will need most, or all of the above. Successful recruiting strategies for small groups include:

face-to-face asks

personal phone calls

personal letters

Small mailings to targeted lists

special events

speaking engagements

web site

Be sure to build up your “house list”, your file of people (and their addresses) who have called for information, stopped by your office for a brochure, or volunteered at your events. These names are gold, and every so often, you should mail a membership solicitation to this list. You may get a response of 10-20% on a list like this, while a large direct mail to “cold” prospects who do not know you will produce only 1-2%.

Your best prospects for membership are those closest to you, your board members, your volunteers, your friends, colleagues, neighbors. Next come the people who benefit directly from your work, who use the resource for work, play or daily living, such as fishermen, boaters, hikers, rafting companies, and riverside landowners. Finally, there are those who benefit indirectly from your work, people who live in the watershed and drink the water from the river.

One list you may not have thought about are your “lapsed” or unrenewed members. When members fail to renew, don’t delete them completely. Save them on a separate list on your database and when you have a substantial number, send them a new member mailing. These individuals will join again at a much higher rate than a “cold” prospect list.

## Member Recruiting



- Builds organization
- Source of volunteers, event participants, special appeal donors, major donors
- Source of clout for organization



- Time consuming
- Requires significant initial investment
- Not appropriate for all groups



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Slide 32 shows some of the pros and cons of building a member base. A membership program may not be appropriate for every organization. It is not appropriate for a group with a short-term mission like removing an outdated dam or preventing an unwise development. It requires certain human and financial resources to implement successfully. It can be expensive—most organizations lose money on recruiting new members initially, although they get it back quickly through special appeals and renewals. But for groups who plan on being around for the long-haul, it provides an invaluable source of reliable, unrestricted income and a base of support that can be used to build the organization in other ways.

Be sure to thank all your new members for joining (and for any other gifts they may send), and consider sending them some kind of welcome package to make your group stand out in their minds.



# Member Recruiting



**Valley Stewardship Network**

## Become a Member

Home | About VSN | Projects | Membership | Resources | Newsletter | Calendar

Home -> Membership -> Become a Member

**View More About**

- Benefits of Membership
- Stewardship
- History
- Become a Member

Join your friends and neighbors in supporting a sustainable future for the Kickapoo Valley.

Standard Membership Levels:

Valley Steward	\$15 - \$25
Watershed Sustainer	\$50
Watershed Patron	\$100
Watershed Guardian	\$200
Visionary	\$500 and higher

All donations of any amount are very much appreciated!!

33



Slide 33 shows a member recruiting web site. Web sites are important tools for recruiting membership support. Draw people to your web site with interesting features such as listings of community events or cultural amenities in your watershed. Then provide people with an easy way to join your organization right online. Be sure you offer people choices as far as giving levels. You never know when someone will fall in love with your group and write that first \$1,000 check!

## Member Renewals



### ***You need:***

- ✓ Resources to maintain database, service and renew members
- ✓ Good program for informing and involving members
- ✓ Good system for sending out a series of renewal notices

34




Slide 34 illustrates the essentials for our second strategy, Member Renewals. Don't even think about recruiting members unless you are going to work hard to renew them! A good system for renewing members can result in repeat gifts (renewals) from 70-80% of your members, although renewal rates of 50% to 65% are much more common. To get good results, you will have to send out 3-5 renewal notices to your members, removing those who send in their dues from the list each time you send out a mailing.


The longer members stay with you, the more loyal they become. First-year members are the hardest to renew, so put a little extra effort into making them feel welcome and appreciated!

You must communicate regularly with your members in order to keep them. Try to communicate with them at least 6-8 times a year in addition to request for money (this includes welcome letters, newsletters, invitations to events, thank-yous, annual reports, and so on).


## Member Renewals



- Steady, reliable source of unrestricted income
- Renewal rate increases over time
- Source of volunteers, major donors, planned gifts, board members



- Time consuming



35

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*Connecting People, Saving Rivers*

The pros and cons of a Renewal Program are listed in slide 35. Hopefully, your base of loyal, committed members will grow larger every year! This is a challenge, because despite your best efforts, you will only be able to retain about 65% of your members each year (people move, lose jobs, etc.) To keep your membership growing, you will need an aggressive recruitment program as well as a top-notch renewal program.

Remember, don't throw those names of lapsed members away! Reclassify them on your database and use them as a new member recruiting list. This list will produce a better response than your "cold" prospects lists.

## Member Renewals



36

  
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Slide 36 shows a sample renewal letter. Renewal letters don't have to be great works of art, but be sure to stress the importance of "renewing your membership" near the beginning of the letter and again in the closing. Generally, response to "renewal" letters is higher than to simple appeals for funds, probably because people like the feeling a "belonging" to an organization or initiative.

Use your board letterhead on membership renewals and special appeals to add credibility to your request. Mentioning that a foundation or corporation has offered to match their gift can often increase response.

Be sure to thank your members every time they give, and consider recognizing them by listing them in your newsletter or annual report.

## Special Appeals



### ***You need:***

- ✓ Membership/donor base
- ✓ Compelling project or opportunity
- ✓ Well-written appeal letter



37

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Connecting People, Saving Rivers

Slide 37 lists the requirements for our next strategy, special appeals. Special appeals are one way to capitalize on your base of loyal members, although you can also send out special appeals to targeted lists of people who are nonmembers as well. The very best time to send out a special appeal is near the end of the calendar year, but you can use appeals successfully at other times of year as well, particularly when you have an urgent and compelling need.

Tips for writing good appeal letters (in addition to presenting your urgent need concisely and compellingly) include:

- Make your letters look as personal as possible
- Don't justify the right margin
- Never double-space fundraising letters
- Use sentences that have single thoughts
- Always indent paragraphs
- Avoid jargon like "TMDLs" or "riparian corridor"
- Always use a PS at the end of your letter to motivate the reader

## Special Appeals



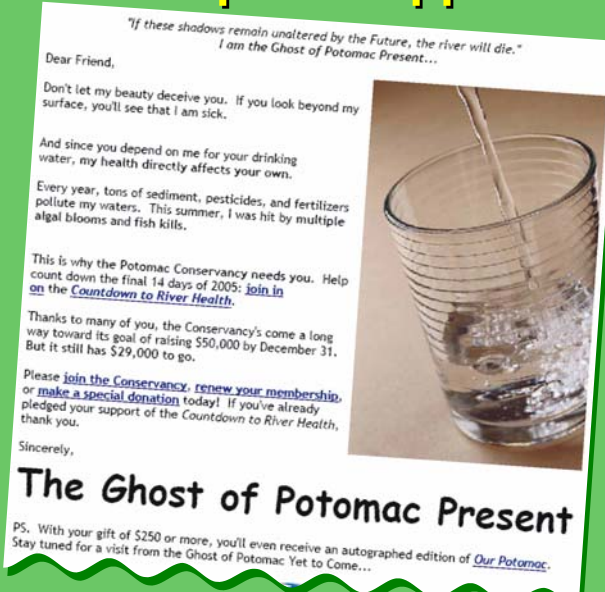
- Dependable \$\$
- Unrestricted \$\$
- Quick turnaround
- Good educational tool


38

  
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Slide 38 shows the pros (no cons) for using special appeals. Many groups with large memberships send out a special appeal every month to some segment of their membership. I advocate sending out one to three appeals each year. In addition to bringing in funds, special appeals are a great way to educate your members about key issues and concerns of your organization.

## Special Appeals





39



Slide 39 show an engaging online appeal, send out by the Potomac Conservancy. Commonly-used themes for special appeals include:

- End of the year accomplishments and challenges
- A special need or threat
- A matching opportunity
- An anniversary appeal
- A holiday or literary theme such as the one above

An appealing, easy-to-mail premium, offered for a specific amount, can often significantly increase the number of large gifts generated by an appeal (see PS in example above)

## Major Donor Program (including board)



### ***You need:***

- ✓ Base of members/contributors
- ✓ Credible “askers”
- ✓ Some research capability
- ✓ Strong board involvement a plus



40

  
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Slide 40 refers to our fourth—and the big-payoff strategy--major donors. This is where you really capitalize on your membership base—by turning a certain percentage (usually about 10%) of your members into major donors. Major donors are usually members who contribute from \$100 to \$1,000 or more annually. You need to decide for your organization (and community) what amount warrants this distinction.


Major donors tend to be extremely loyal, with renewal rates around 80% or more, and often increase their gifts year after year.

With major donors, the name of the game is developing meaningful relationships, involving the donors in the organization in some way, if possible, and finding out what aspects of your program interest them so that you can personalize your requests to them. Thinking back to our ladder of effectiveness in asking, this is where you want to make an in-person ask, or at least call them personally on the phone, or write them a personal letter.


Major donors should be promptly thanked and recognized in your annual report, newsletters and other publications (unless, of course, they ask to remain anonymous!)




## Major Donor Program (including board)




- Reliable \$\$
- Unrestricted \$\$
- Large \$\$



- Time consuming
- Scary (you have to ask)



41



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Slide 41 illustrates the pros and cons of a major donor program. In well-developed programs, major donors often account for 60% of individual gifts

## Major Donor Program (including board)



# of Gifts	Size of Gifts	Total Amount	# of Prospects Needed
20	\$100	\$2,000	(20x2)=40
10	\$250	\$2,500	(10x3)=30
10	\$500	\$5,000	(10x4)=40
5	\$1,000	\$5,000	(5x4)=20
2	\$2,500	\$2,500	(2x4)=8
1	\$5,000	\$5,000	(1x4)=4
48	\$100-\$5,000	\$24,500	142

42



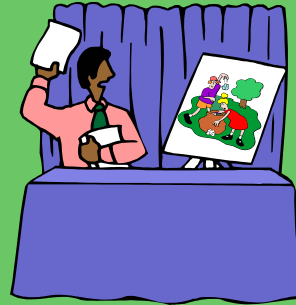
Slide 42 shows a “Gift Table” reflecting the need for many more prospects in the initial stages of building a donor program than actual donors. For example, to recruit 2 \$5,000 donor, you will need at least 4 good prospects. “Good” major donor prospects usually have three characteristics: A, the Ability to give; B, the belief in your cause; and C, a connection to you or to your organization. If you ask someone with all three of these elements for a gift in person, you have a pretty good chance that they will say “yes”.

Putting together a gift chart like the one above with actual names of individuals for each giving level is the kind of good fundraising planning that will help insure that you make your funding goals

## Events

### ***You need:***

- ✓ Member/donor base or good mailing list(s)
- ✓ Volunteers
- ✓ Financial resources/expertise to execute



43

  
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In slide 43, we see the requirements for holding a special event. Special events should be appropriate, repeatable, and have other benefits besides money, such as generating publicity or new members

Tips for events include:

- Start small
- Develop a budget, a timeline, and a “to do” list
- Keep your costs low to maximize revenue
- Engage a group of board members or volunteers to organize the event
- Be sure to evaluate what went right and what went wrong—so you can improve next year and bring in more money!

## Events



- Repeatable
- Unrestricted \$s
- Provide visibility
- Build goodwill, donor loyalty
- Can be informative, educational



- Time consuming
- Can be risky (weather or other factors can affect attendance)



44



Slide 44 shows the pros and cons for special events. Events can be great fun and very creative.

Amigos Bravos, in Taos, NM, does a paint-a-thon in which local artists donate paintings of the river to an auction at a local gallery.

The Potomac Riverkeeper does an elegant dinner party modeled after Renoir's "The Boating Party" at a lovely old boathouse located right on the river.

The Cahaba River Society holds a "Cajun Fest" each year featuring cajun food and lots of family fun and games. The list goes on and on.

This illustrates the idea of developing a "signature event" for your organization, one that is fun, exciting, educational and embodies many of the organization's principles, and that people look forward to every year. Make sure that the event you choose is appropriate for your cause and for your audience.

## Events



Local food made for delicious fare at Rural Action's November 16 fundraising luncheon. Photograph by Jenna Pempek.

### Rural Action features local food at annual fundraising event

By Charlie White, AmeriCorps\*VISTA

Providing a breakfast and lunch at an event for over 200 people can be a logistical challenge for any organization.

But Rural Action set the bar even higher when it decided to design menus based on food that was produced locally for its annual fundraising breakfast and luncheon on November 16.

45

  
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Slide 45 shows one feature of an event which often attracts crowds, good food! In this example, using local foods is a very appropriate strategy for a Rural Action organization, and even provides a “hook” for getting media attention.

Don’t forget to use your web site to publicize your event well in advance of the date to excite your members, create a “buzz”, and attract newcomers!

## Corporate Grants and Sponsorships



### ***You need:***

- ✓ Credibility
- ✓ Strong, non-controversial projects
- ✓ Visibility and other benefits for corporation
- ✓ Contacts within corporation can help



46

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**I'm going to go through the next three strategies starting on Slide 46 and tell some stories.**

#1) Business supporters like to make good investments. Have a clearly written package of materials for them with a Case Statements that tells them who you are and shows them how well-managed and balanced you are. Ask for **specifically what you need** and explain what they will get in return.

The “**cookies**” most businesses want are opportunities for public recognition. Explain it to them in **numbers** - How many flyers will you distribute? How many billboards will you put up? How many newsletters will you list them in. These are the real currency of business support.

Tip: Approach businesses **earlier** in the year when their marketing budget is biggest. You may need a “**lead business**” to get started and then other businesses will join after they see that corporate leadership

## Corporate Grants and Sponsorships



- Large \$\$
- Good partnerships
- May provide more than money (e.g., volunteers, facilities, equipment, etc.)



- Often restricted \$\$
- May affect your public image
- Not reliable

47



Just 20% of WS groups that we've studied have **any** business or corporate income at all. But for those who do it can be a large portion of their funds – up to 75% of some of the smaller groups. This is an area where many WS groups have seen success improving their FR performance by involving their boards and community-based partner groups. It's not unusual for a company to spend tens or even **hundreds of thousands of dollars** sponsoring a watershed improvement project. Tip: Consider your opportunities to use business donations to meet your match requirements on federal dollars.

# Corporate Grants and Sponsorships



**patagonia**  
committed to the core®

shop patagonia about patagonia customer service enter keyword or style # **SEARCH**

**grant guidelines** *enviro action*

Patagonia funds only environmental work. We are most interested in making grants to organizations that identify and work on the root causes of problems and that approach issues with a commitment to long-term change. We look for programs with a clear agenda for change and a strategic plan for achieving the organization's goals. Because we believe that true change will occur only through a strong grassroots movement, our funding focuses on organizations that build a strong base of citizen support.

**We fund work that:**

- is action-oriented
- builds public involvement and support
- is strategic
- focuses on root causes
- accomplishes specific goals and objectives
- takes place in communities in which we do business

**Grant Guideline Contents:**

- [What We Fund](#)
- [What We Don't Fund](#)
- [How to Apply](#)
- [Send Your Proposal](#)

**Shop Patagonia**  
**About Patagonia**  
**Sports We Do**  
**Enviro Action**  
Enviro Essays  
Grants Program  
Organic Cotton  
PCR Clothing  
Our Buildings  
Enviro Internship  
Conservation Alliance  
1% For The Planet  
Beneficial T's  
**Our Culture**  
**Design Philosophy**  
**Customer Service**  
Holiday Shipping Schedule

48


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Corporations can give funds and write it off as a business expense regardless of your tax status. There are some national companies that plan on giving away 1 to 10% of their pre-tax income, the best bests are in the “LOHAS” marketing sector. But your best business contacts are IN YOUR COMMUNITY. They may not have guidelines. They may not even have a contributions officer. In which case you go to the top.

Wendy story #1: Asking Idaho Power for \$. I couldn't get my wild salmon education program funded because companies were afraid it would be anti-dam. I was so desperate for \$ that I called the power company that built the largest privately owned hydropower dam in the country, the Hells Canyon Dam, which permanently cut off 1/3 of the wild salmon habitat in the Columbia River system and asked to get an appointment with the CEO. They were so desperate for good relationships with the community that he said Yes. Once they said yes, several other companies said Yes too. Moral: Have no pride. **Go to the person that can help you.**




## In-Kind Gifts



**WISH LIST:**

- ✓ office space in downtown area
- ✓ two desks and desk chairs
- ✓ bookkeeping services
- ✓ items such as artwork, jewelry, etc. that can be used as prizes in our spring auction
- ✓ a new or used computer
- ✓ GIS equipment
- ✓ water quality sampling equipment
- ✓ donated pizza/beverages for spring volunteer mailing party
- ✓ frequent flyer miles for program staff travel

49

  
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Slide 49. In many cases ALL you will get from business donors is in-kind donations. –It’s all good stuff. Keep an updated Wish List and print it in your newsletter, etc, and let people know you will give them lots of recognition if they want it. Always ask before you publicly acknowledge a contribution. Some companies (like print shops) may prefer not to encourage other community groups by being acknowledged for the materials they provide.

## Foundation Grants



### ***You need:***


- ✓ Credibility
- ✓ Some research capacity
- ✓ Strong proposals
- ✓ Good financial accounting system

50




Slide 50. By law, Foundations must give only to tax-exempt charities. Funds can't use any be used to promote any candidate for public office or other political activity including lobbying. These are important rules that the foundations cannot violate without losing their tax-status. However, there is a popular misconception that a tax-exempt charity such as a WS group can't lobby **and** seek funding from foundations. This isn't true.


## Foundation Grants




- Large \$\$
- Can provide general operating support
- Good partnerships



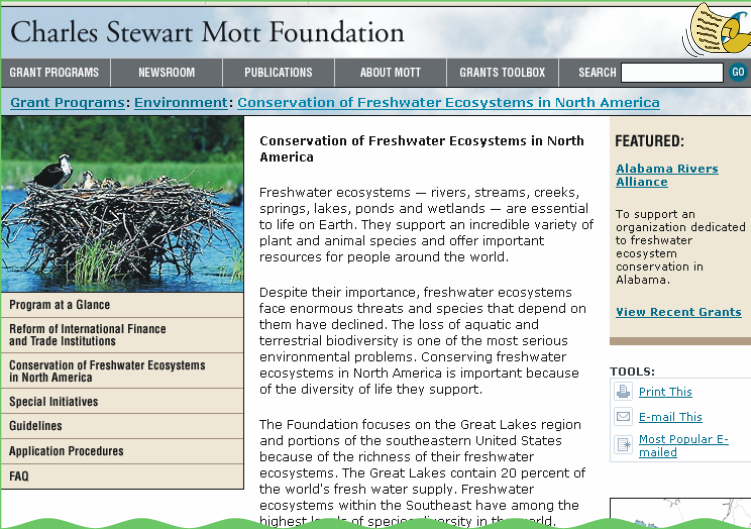
- Often restricted
- Not reliable



51


Slide 51. The best foundation grants are general support. Not all F can do it, and certainly not for more than a few years, but smaller or newer groups should ask for **General Support** first, projects second. (Heck, you can always allocate GS to projects if you have to). Use your board members to make contacts, your business donors, and your individual donors. Our tracking shows that only about 30% of WS groups currently are receiving foundation funds. Most national foundations shy away from local or regional proposals unless they are “cutting edge” projects. RN has a **quarterly FR alert** for Partner groups that includes deadlines for relevant foundations by state and region. The best bets are family or community foundations. Bold proposals can be well received.

# Foundation Grants



**Charles Stewart Mott Foundation**

GRANT PROGRAMS | NEWSROOM | PUBLICATIONS | ABOUT MOTT | GRANTS TOOLBOX | SEARCH  **GO**

**Grant Programs: Environment: Conservation of Freshwater Ecosystems in North America**

**Conservation of Freshwater Ecosystems in North America**

Freshwater ecosystems — rivers, streams, creeks, springs, lakes, ponds and wetlands — are essential to life on Earth. They support an incredible variety of plant and animal species and offer important resources for people around the world.

Despite their importance, freshwater ecosystems face enormous threats and species that depend on them have declined. The loss of aquatic and terrestrial biodiversity is one of the most serious environmental problems. Conserving freshwater ecosystems in North America is important because of the diversity of life they support.

The Foundation focuses on the Great Lakes region and portions of the southeastern United States because of the richness of their freshwater ecosystems. The Great Lakes contain 20 percent of the world's fresh water supply. Freshwater ecosystems within the Southeast have among the highest levels of species diversity in the world.

**FEATURED:**  
[Alabama Rivers Alliance](#)

To support an organization dedicated to freshwater ecosystem conservation in Alabama.

[View Recent Grants](#)

**TOOLS:**  
[Print This](#)  
[E-mail This](#)  
[Most Popular E-mailed](#)

**Program at a Glance**  
[Reform of International Finance and Trade Institutions](#)  
[Conservation of Freshwater Ecosystems in North America](#)  
[Special Initiatives](#)  
[Guidelines](#)  
[Application Procedures](#)  
[FAQ](#)

**52**

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Slide 52. Most large foundations have websites and guidelines for submitting applications. The Foundation Center has a very accessible online search engine for foundations based on interest area, previous grants, and geography. Don't let research suck up all your time.

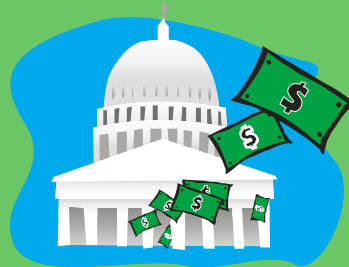
Wendy FR Story #2: Acting without research. Just theory. I used two theories to find the biggest donor of my life: 1) that **frequency** of donations is important and 2) anyone can **thoughtfully** donate up to **ten times** what they have **impulsively given you** if you approach them the right way. So, I cold-called a \$100 donor who had given to my organization three times in a row in response to my special appeal mailings. Said Thanks. Said I'd come see him if someday. I went one day having done NO RESEARCH and thinking I'd ask him for \$1,000. We chatted and when he mentioned that he had a family foundation, I asked "Oh, and what size of proposals do you consider?" He said "\$3,000 to 3 million, how much do you need?" I took the largest donation I had ever received, doubled it, and asked for \$80,000 right on the spot. He said yes. Turns out if I had researched it, I never would have asked him because the foundation "doesn't do environment".

## Government Grants



### ***You need:***

- ✓ A match between your project and government goals
- ✓ Measurable outcomes
- ✓ Good accounting system
- ✓ Good reporting capability




53


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Slide 53. Government Grants. 58% of WS groups we work with use some kind of government grants including state and local programs as well as USDA, EPA, DOI, and DOE. Over 20% of WS groups surveyed by WSN receive EPA 319 funds which are available in every state for non-point source pollution reduction. Some states restrict eligibility for 319 funds (such as in Kentucky). Government grant opportunities **vary widely** from state to state. In Montana, RN compiled a list of 19 different federal and state grants programs being used by Montana WS groups. State legislatures have allocated funds to WS groups in over 15 states (including West Virginia). A growing area of interest for WS groups across the country is local municipalities which may offer contracts and grants for projects such as Phase II Stormwater Community Information and Education. The Environmental Finance Centers and OWOW are two of the best contacts for new federal grant opportunities, other websites are listed at the end of this presentation under Resources.


## Government Grants



- Large \$\$s
- Good partnerships



- Matching funds usually required
- Payments often done as reimbursements
- Restricted \$\$s
- Detailed financial reporting
- Unpredictable from year to year



54

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Slide 54. Pros: Many WS groups that have “quasi-governmental” status w/ representatives from agencies and municipalities on their boards or advisory groups have very strong government grants programs. Since administrative and non-project costs are often very limited, it is even more important for these groups to diversify their unrestricted sources of income. Cons: The Dancing w/ the Bear Problem. While federal employees are often personally eager to work w/ local community groups, they work within large institutions that can easily change directions without regard for the consequences to their partners.

# Government Grants



**U.S. Environmental Protection Agency**

## Targeted Watershed Grants Program

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[EPA Home](#) > [Water](#) > [Wetlands, Oceans, & Watersheds](#) > [Watersheds](#) > [Targeted Watersheds in 2005](#)

### Targeted Watersheds in 2005

The Environmental Protection Agency will award over \$9 million to 12 of the nation's most outstanding watershed coalitions as part of the Agency's third round of Targeted Watersheds Grants (TWG). The Targeted Watersheds Grant Program is a relatively new EPA program designed to encourage successful community-based approaches and management techniques to protect and restore the nation's waters. These 12 organizations will join 34 others that have been selected over the past two years to help protect and restore some of the nation's most highly valued watersheds.

#### 2005 Targeted Watershed Grants

- Skagit River (WA)
- Willamette River (OR)
- Trinity River/Lower Klamath (CA)
- Upper Severn River (UT)
- Tule Creek Lake (NE/KS)
- Little River (TN)
- Tangipahoa River (LA)
- Vermillion River (MN)
- Presumpscot River/Casco Bay (ME)
- Lake Hopatcong (NJ)
- Huff Run (OH)
- Cheat River (WV)

55

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Slide 55. As an example of one of the larger federal programs, River Network is one of 4 awardees for Capacity-Building Assistance to WS groups issued under the TWIG at OWOW. Through that program we help over 100 groups a year with direct one-on-one assistance to build their technical and organizational capacity to clean up waterways and protect watersheds. There are also 12 to 15 groups a year that receive larger TWIG grants for community-based watershed projects.

## Workplace Fundraising



**PLEASE GIVE**  
Combined Federal Campaign of the National Capital Area

EPA Headquarters  
Combined Federal Campaign

Please consider supporting the over 3,200 charities in the Combined Federal Campaign.

EPA employees have a tradition of being extremely generous. Yet the need is great.

Your gift can change someone's life.

**BE AN EVERYDAY HERO.**

See your CFC keyworker for information on how to make a pledge.

<http://intranet.epa.gov/HQ/CFC>

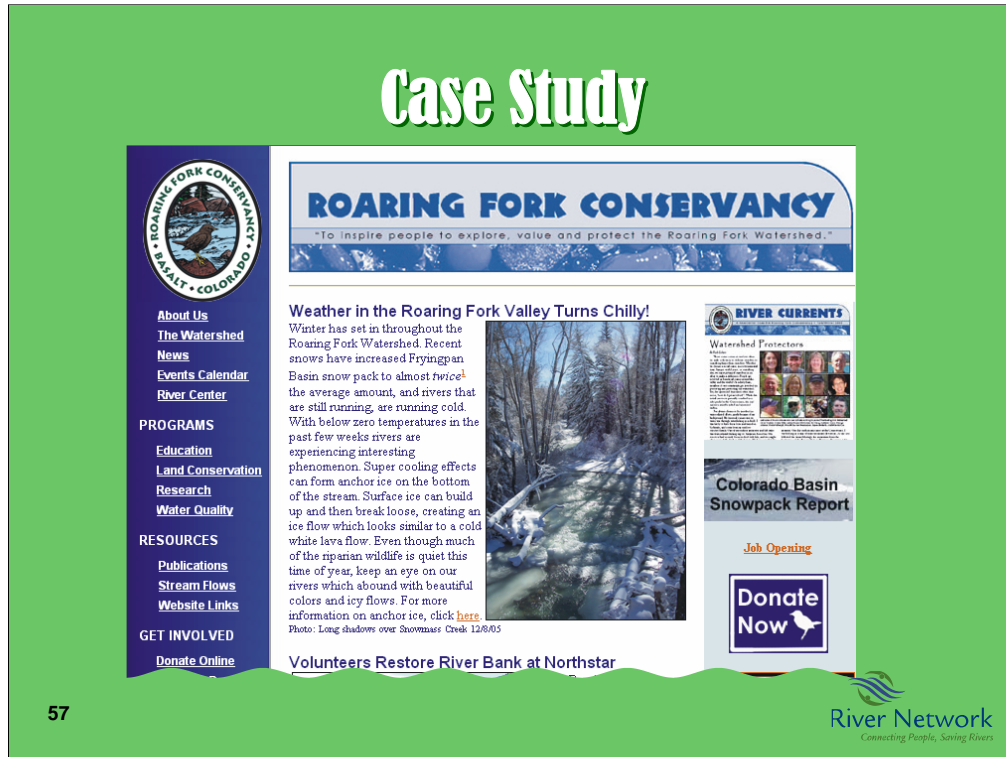
56

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Slide 56. For tax exempt groups with a strong administrative structure, joining the Combined Federal Campaign and other open workplace giving programs can add a small extra percentage to their annual FR plans. With some exceptions, United Way agencies normally exclude environmental groups from their campaigns. Earthshare and Community Share organizations work for equal access to workplace giving, but barriers to entrance are high for small groups. A good resource for groups ready to build this type of program is the **National Committee on Responsive Philanthropy** at [www.ncrp.org](http://www.ncrp.org) which tracks many of the best opportunities for social action groups and researches the controversies of corporate and foundation philanthropy.



# Case Study



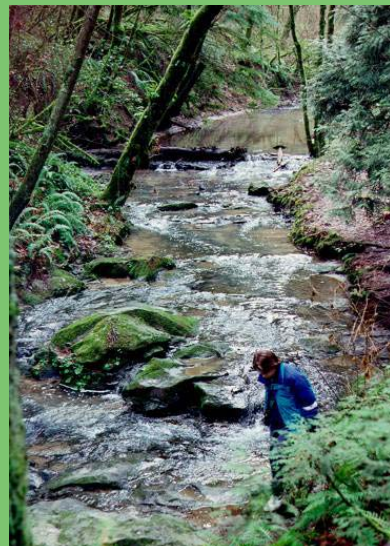
## Case study 1 – Roaring Fork Conservancy – Basalt, Colorado

- Group is ten years old.
- Big budget growth took place in years 3 and 4.
- Their budget leveled out around \$500K per year and is growing more slowly now.
- About 1/3 of their budget is from grants of various types that change every year.
- 1/3 of their budget is from individuals and another 1/3 from events.
- Their events bring the community together and “develop ownership” of the watershed.
- Their one big fundraising event, the River Rendezvous, capitalizes on that community support and brings in business donations and major donor support.
- Their major income growth opportunities are in FFS and business support, specifically contracting out their WQ monitoring expertise and establishing an “outfitter pass-through” with fly-fishing guides.
- They will be launching a capital campaign in the near future for an educational building.
- Rick Lofaro's advice: *“Let them in on the Passion. Not every communication should be about a crisis, but people need to understand about the watershed.”*

Case study 2 – Back on Slide 33 we saw the Valley Stewardship Project website from West Fork Kickapoo River, Wisc. You don't need to go back there....

- Group is six years old w/ a \$30K budget.
- Does WQ monitoring, cleanups, and community planning vision sessions.
- Part-time staff supports an active board of six volunteers.
- Has just \$12,000 in the bank (unrestricted) at the end of the year, but feels sustainable.
- They have about 50% of their budget from grants, but those change every year.
- Core funds come w/ end-of-the-year mailing, quarterly newsletters and auction events.
- Coordinator Jeremy Lopez says the secret to their success is that they bootstrapped off of a major investment by TU in the Home Rivers Initiative, while the national attention is now gone, *they inherited a great mailing list and a lot of community-based partners that really care about the river.*
- Future: new webpage about membership will help build their small donor base and are planning a benefit concert with a folk musician.

# Questions?



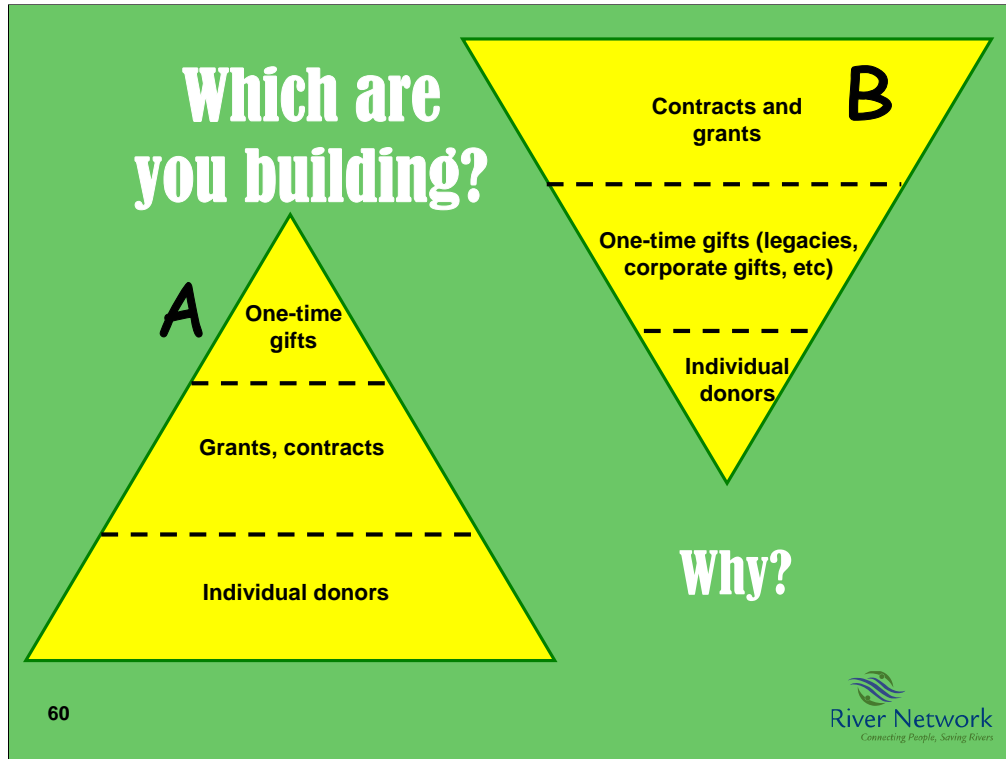
58



# III. Funding Planning and Resources

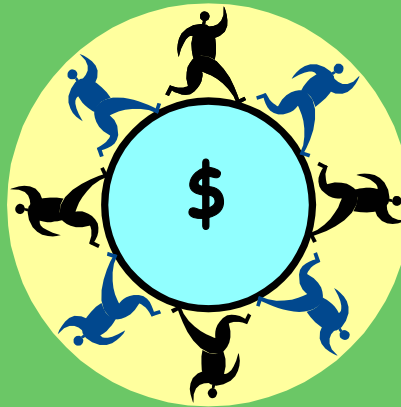


Slide 59 takes us into the Planning and Resources section of our presentation. In this section, we will discuss the importance of developing a fundraising plan for your organization, what are the components of such a plan, and what steps you need to take to develop it. AND we will provide you with some resources for further research and learning.



Slide 60 illustrates two different kinds of funding bases. Which of these does your organization's fundraising experience look like? Pyramid B shows a group that may make enough money this year, but is not very stable. It takes years of intentional effort to create a stable funding strategy for your group. Pyramid A shows a group that uses individual donors as its base of support, and has a very broad and stable base of unrestricted operating support.

# What does a fundraising plan include?



61

  
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Slide 61 takes us into the realm of fundraising planning. By creating a document that intentionally builds a base of reliable, diversified, unrestricted sources of support, along with other sources that may be restricted or not repeatable, you will be helping to guarantee the financial future of your organization.

Your annual Fundraising Plan will be built on two other vital documents, your expense budget and your annual work plan.

I would like to pause here and tell a personal story about my own experience with fundraising planning. I joined American Rivers in 1978 as the development director (we had a budget that year of \$30,000 and I was a volunteer for the first year) and for several years, worked dutifully to raise funds and develop our membership base by setting annual financial goals and working hard to meet those goals, but I had no idea what a detailed fundraising plan really looked like. In 1986, on the recommendation of an outside consultant, we developed our first detailed fundraising plan at American Rivers, and that year we almost doubled our income, from \$359,000 to \$680,000. We also hired a new Executive Director and made some other changes, but still, having a detailed fundraising plan like the one we will discuss now was a tremendous help in making this big jump!

## Strategies to consider for this year



- New Members
- Member Renewals
- Special Appeals
- Major Donor Program (including board)
- Events
- Corporate Grants and Sponsorships
- Foundation Grants
- Government Grants

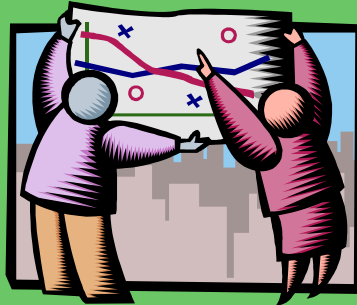
62

  
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Slide 62 lists the strategies that we have looked at so far and which you may want to consider as you do your fundraising planning. Obviously, if you are a new organization you will not choose all of these strategies at once. The trick is to choose a few of the most appropriate strategies and develop a good plan for carrying them out.

## For Each Strategy:

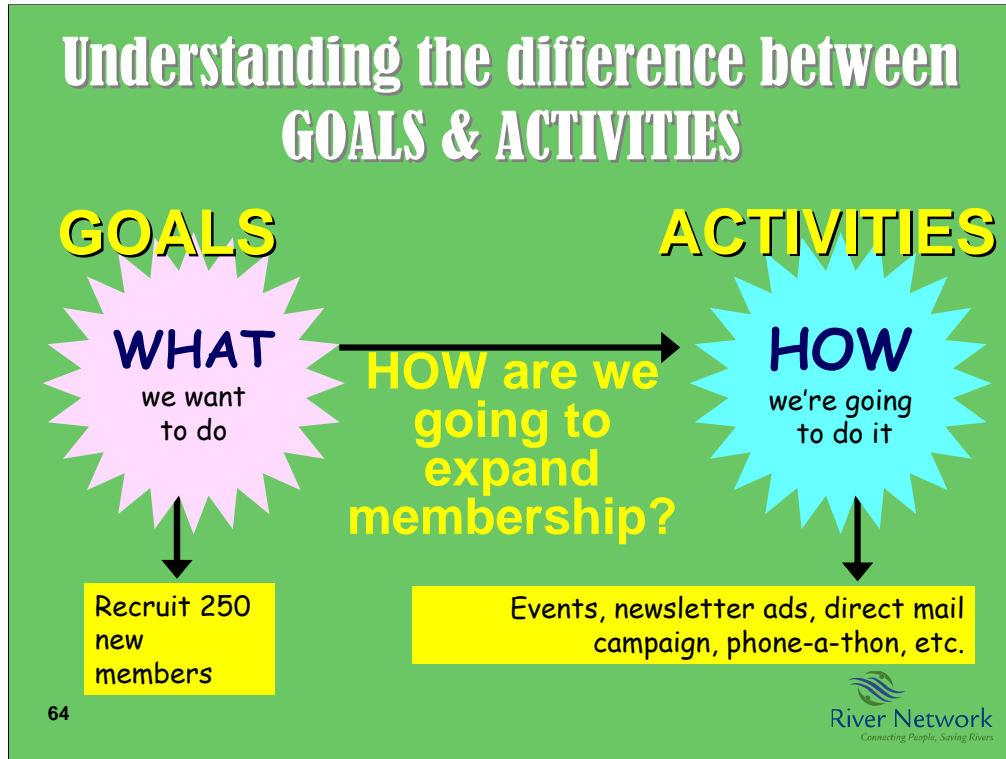
1. Goals
2. Activities
3. Responsible Person
4. When?
5. How much?



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In slide 63, we see the components of a fundraising plan—for each strategy we choose, we need to develop goals, activities, and other details such as who is responsible, when will the activities occur, and how much will this strategy cost.



Slide 64 illustrates the difference between goals—what we want to achieve, such as recruiting 250 new members—and activities—how we are going to reach this goal, such as conducting a recruiting campaign, asking board members to recruit 2 new members, holding a special event



# Annual FUNDRAISING PLAN

## ABC River Organization

Strategy	Goal(s)	Activities/How	Who	When/How Much
New Member Acquisition	250 new members	1. Do a direct mail campaign to 10,000 prospects (150 members)	Staff with help of consultant	August-Oct./\$7,000
	\$9,000	2. Each board member recruits 5 members (50 members)	Board	Monthly/no cost
		3. Participants in raft trips become members (20)	Volunteers	Summer/no cost
		4. Buyers of books of raffle tickets become members (30)	Staff	Fall/no cost

65



In slide 65, we see one example of what a Fundraising Plan might look like. Here, we have chosen Member Recruiting as one of our strategies, set goals—recruiting 250 new members and bringing in \$9,000, outlined the activities we will need to undertake to reach that goal, and specified details concerning who, when and how much. Carefully thinking through all these elements, and assigning a time and a responsible party, can be time-consuming but will pay off in the long run.

# Steps in Putting Together a Fundraising Plan

## Step 1: Review fundraising history.

CATEGORY	2003 actual	2004 actual	2005 at 11/15	2006
1. Renewals	\$7,190	\$5,135	\$7,245	\$8,500
2. Major Donors	\$4,870	\$6,585	\$7,000	\$8,500
2A. Memorial Gifts		\$5,663		
3. New Member Acquisition	\$1,320	\$1,870	\$435	\$2,500
4. Year-end Appeal	\$7,245	\$4,955	\$8,720	\$9,000

66



Slide 66 shows the first step in putting together a Fundraising Plan for your organization, reviewing your past fundraising history. Digging up this information on your past fundraising can be difficult, but it will give you a reality-based place to begin, if you can do it. Keeping good records and how much you raise in each fundraising category and how much it costs will help you greatly in forecasting future revenues and fundraising expenses.

## Step 2: Review/analyze past strategies and brainstorm new ones.

- Board
- Staff
- Volunteers



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Slide 67 show the next step in putting together your plan, reviewing past strategies and brainstorming new ones. Here is where you bring together your board, staff and volunteers to get their input into what worked last year, what might not have worked so well, and what new strategies you might want to add to the fundraising mix in the upcoming year.

### Step 3: Survey your fundraising assets.

- Categories of assets available:
  - ❑ Institutions/Groups (government agencies, banks, schools, civic organizations)
  - ❑ Individuals (volunteers, board members, politicians, scientists)
- Entities within each category are specific groups or individuals with a relationship to your organization
- Each entity---group or individual---has assets that can be used to achieve success

68



In slide 68, we see Step 3, surveying your fundraising assets. This is closely aligned with the previous step, and can be done at the same time that you are reviewing past strategies. Think about fundraising assets in two categories, institutions and individuals, then break them down further into entities and brainstorm the assets that each entity might have to offer.



Slide 69 further illustrates this process. For example, if you have a print shop owner on your board of directors, would she be willing to print your end of the year appeal for nothing? If you have clubs or churches who belong to your organization, would they be willing to publicize your event or funding appeal to their members?

Does one of your volunteers own a restaurant that might host a special event for your organization at a nominal charge? Etc. etc.

## Step 4: Select fundraising strategies and goals for the current year.

Strategy	2006 Budget Goal	Other Goals
New Members	\$5,000	100 new members
Renewals	\$10,000	60% renewal rate
Special Appeal	\$4,000	Generate 5 new \$100 donors
Foundations	\$18,200	Add 2 new foundations
	\$37,200	

70



Slide 70 illustrates Step 4, Selecting strategies and goals for the current year. Here, the organization in question has selected four strategies to work on and established goals, both financial and other types of goals, for each strategy.

Questions to ask:

Does this strategy represent a stable (repeatable) source of income?

Is this strategy flexible? Does it provide money for core operating costs, or is it restricted to project costs?

Does this strategy fit with the mission of our organization?

Is this strategy cost effective (will it bring in at least twice what it will cost)?

Will our target constituencies respond well to this strategy?

Do we have the skills/expertise we need to carry out this strategy?

Do we have the resources (money, people) to carry it out?

Does this strategy build our organization/staff/board/volunteers?

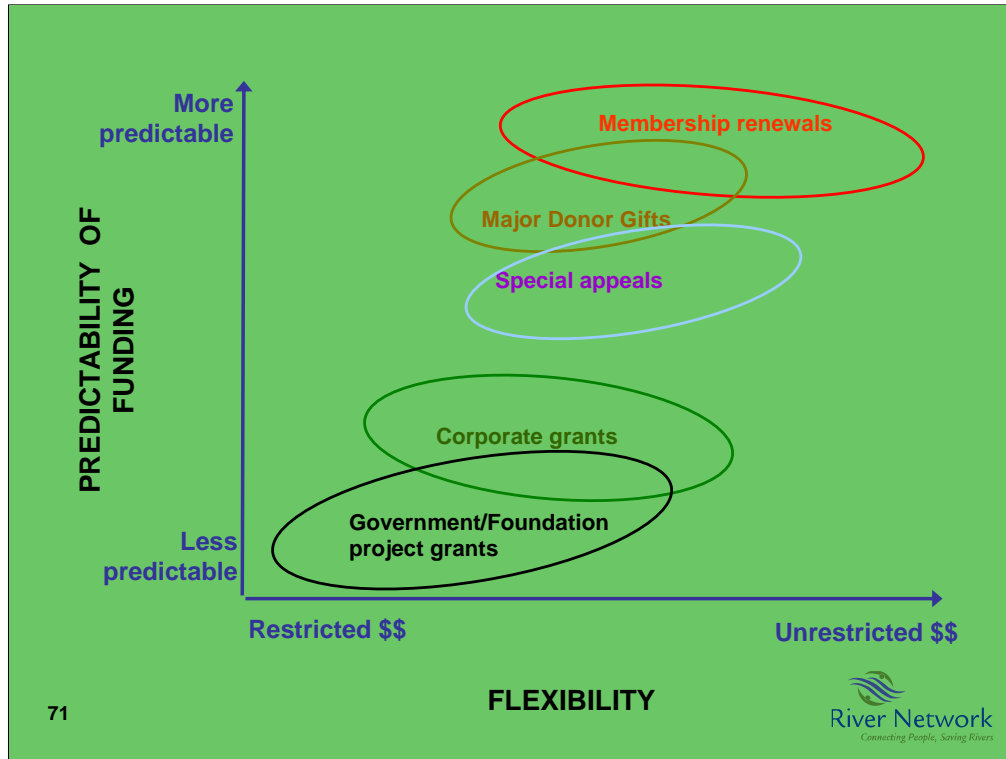
Can this strategy be integrated into program activities already planned?

Has this strategy worked well for us or groups like ours in the past?

Does this strategy take advantage of our special fundraising assets (a celebrity on the board, a member who owns a restaurant, a large group of volunteers, etc.)?

Timing: does this strategy fit well with other activities we have planned?

Are there other benefits accruing from this strategy besides money (media exposure, good will, etc.)?



Slide 71 is a graph which you might want to keep in mind in choosing your strategies. In building a sustainable organization, you will need to choose a mix of funding strategies which includes some which pay only for project costs, and some which are both predictable and flexible enough to provide sufficient unrestricted income to cover core operating costs. Achieving a good mix which achieves this goal may take many years.

## Step 5: Flesh out your plan.

Foundation	Amount	Project	% Chance	Forecast
ABC Fund	\$10,000	Lawsuit	50%	\$ 5,000
River Foundation	\$ 4,000	Membership Drive	80%	\$ 3,200
Watershed Trust	\$15,000	General Operating Support	50%	\$ 7,500
Black Family Fund	\$25,000	Training Program	10%	\$ 2,500
			<b>Total Forecast =</b>	<b>\$18,200</b>

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Slide 72 shows the kind of detailed information you need to include in your fundraising plan to connect it to reality. In the above example, we could stop at listing only the Black Family Fund for our Foundation Strategy. But since we've never made a request to this foundation before, there is no certainty that we will get a grant. So we estimate our probability of getting a grant from BFF at 10% and add four other foundations to our plan, also discounted at various levels, to get us to more certainly that we will achieve our \$18,200 goal.



## Step 6: Get input and approval of the plan from board, staff, and volunteers.



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Slide 73 shows our next step in developing our fundraising plan, getting the approval and buy in from board, staff and volunteers. Obviously, a plan that has the buy in from important stakeholders in the organizations is going to have a much greater chance of success than one which is developed by one person, in isolation. And it helps establish a “fundraising culture” in the organization in which all staff, board and even volunteers feel that that have a part to play in assuring the financial success of the organization.

## Step 7: Prepare a fundraising calendar.

Strategy	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Foundations	X			X				X	X	X	X	X
Major Donors	X	X	X							X	X	
Summer Event			X	X	X	X	X	X				
New Members		X	X	X	X							
Renewals			X	X		X			X			
Holiday Appeal									X	X	X	X
Newsletter	X	X							X	X		

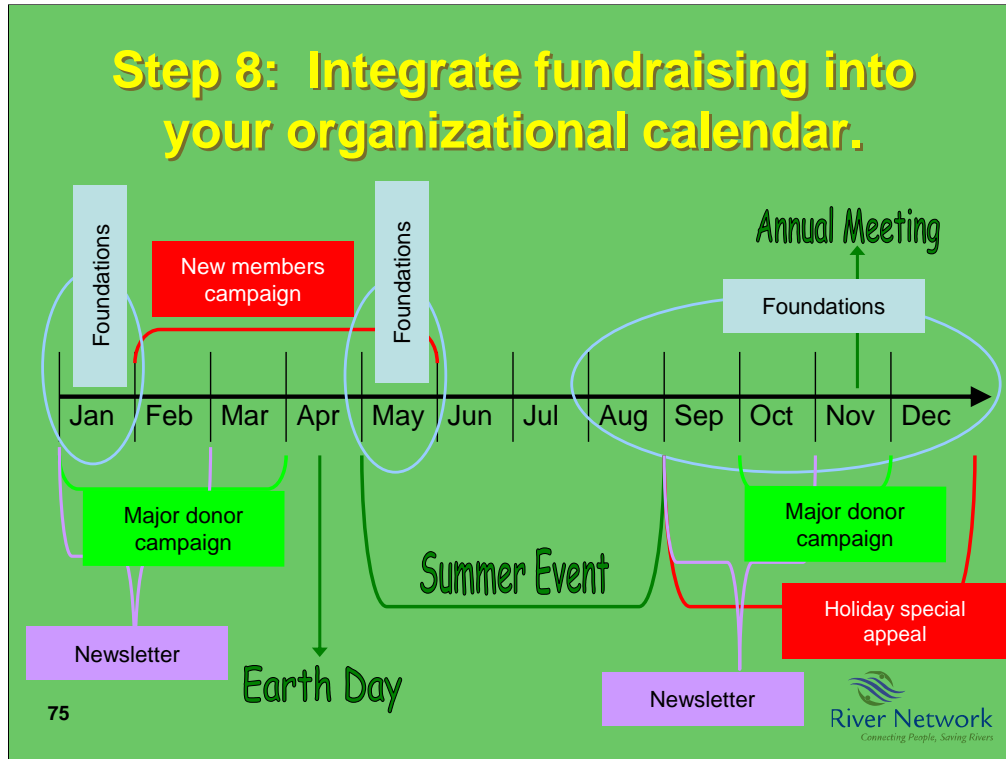
74



In slide 74, we see an example of a fundraising calendar, a very important part of any fundraising plan. The importance of having a calendar is obvious:

1. Scheduling at least one major income-producing activity per quarter (or better yet, per month) will insure that you will have a steady stream of income rather than having funds arrive in big bursts or all at once at the end of the year.
2. By spacing out the fundraising work, you will do a better job on each activity and be more likely to accomplish the goals your group sets.
3. The organization will establish a “fundraising culture” which regards raising money as an on-going, day-to-day part of activities. This puts you at an obvious advantage over groups with a “crisis mentality” who put fundraising off until there is no money, leaving themselves in the worst possible position to do effective fundraising.

This particular calendar is useful in seeing where various activities fall, but would be even more useful if it spelled out in detail what activities were scheduled for each month



Slide 75 shows how your Fundraising Calendar should then be integrated with your other activities. Plot your fundraising calendar on a timeline with major organizational activities to see where work is most intensive, to determine how best to allocate organizational resources, and to look for ways to combine fundraising and organizational activities.

For instance...How can we tie Earth Day activities to the New Members campaign? Do we have enough staff and volunteer resources to do a good job on all the activities between August and December? How can we use the fall newsletter and the Annual Meeting to expand the Holiday Appeal?

## Step 9: Evaluate, Evaluate, Evaluate!

EVALUATION CHART					
Strategy	Number Of Prospects Asked	Response: Percent And Number	Amount Raised (Gross And Net)	Who Participated And How Many (Staff, Volunteers, Board)	What Worked and What Didn't (Did We Accomplish Our Goals?)
Direct Mail to New Prospects (Acquisition)	Two mailings: total of 5,000 letters sent	1.2%, 60 new donors	Gross: \$2,100 (average gift: \$35) Expenses: \$3,000 Net: -\$900	Development associate, with assistance from executive director	The rate of response was within the range we expected (1-2%), although we hoped to get closer to 2%. We planned this strategy as an investment, as a way to bring in new donors, so we didn't expect to have a net profit at this point.
Mail Appeals to Current Donors	500 donors (giving less than \$250), each asked twice during year	55% on renewal letter; 15% on special appeal	Gross: \$18,000 Expenses: \$750 Net: \$17,250	Staff - 2 Board - 5 helped with mailing	The first time board members added personal notes to some of the letters. Hopefully they will get more comfortable doing phone calls and donor visits in the next campaign.
Phone Solicitations to Current Donors & Qualified New Prospects (to ask for gifts between \$100 and \$250)	100 donors who give between \$100 and \$250 were called as a follow-up to personalized letters	Reached 30, left messages with 50 others: A total of 40 sent in a contribution	Gross: \$7,200 Expenses: None (beyond phoning costs and staff time)	Ran it as a phone bank over several evenings: 3 staff, 2 board members & 2 volunteers participated	It's always hard to reach people by phone, so we always do this one over several nights. The first year, we only reached 15% of our donors; by adding several nights, we've gradually increased the total number reached. We have received more gifts at higher amounts than with just a letter.
Personal Asks for Major Gifts (\$250 & Up)	65 (40 were current donors, some at less than \$250; 25 were new prospects)	30 gave \$250 or more; 8 gave less than \$250	Gross: \$25,000 Expenses: \$500 (for some meals, local travel & long distance calls) Net: \$24,500	ED and DD did most of the asks, 2 board members participated and one of them brought in a \$5,000 gift.	Still working on getting more board members and other volunteers to work on major donor campaign. Too many of the donors have a relationship only with the executive director.
Special Events* Annual Dinner	750 invitations sent to current and prospective donors	200 people attended event, 100 in \$1,000+ bracket	Gross: \$12,700 Expenses: \$7,200 Net: \$5,500	Dinner committee (5 volunteers, 2 board members)	We had hoped to get 250 people to the dinner and generate \$10,000. We

76

Slide 76 reminds us of the final step in our process, Evaluation! Keeping good records of all your fundraising activities so you can compare them from year to year and make improvements is the secret to successful fundraising. Consider keeping a three-ring binder with copies of all your fundraising letters. Note on each letter when it went out, how many pieces were mailed, how much money each one generated, how many responses, etc. It is also very important to do a debriefing with your committee after a special event to find out what went right and what went wrong while the event is still fresh in everyone's minds.

# Resources

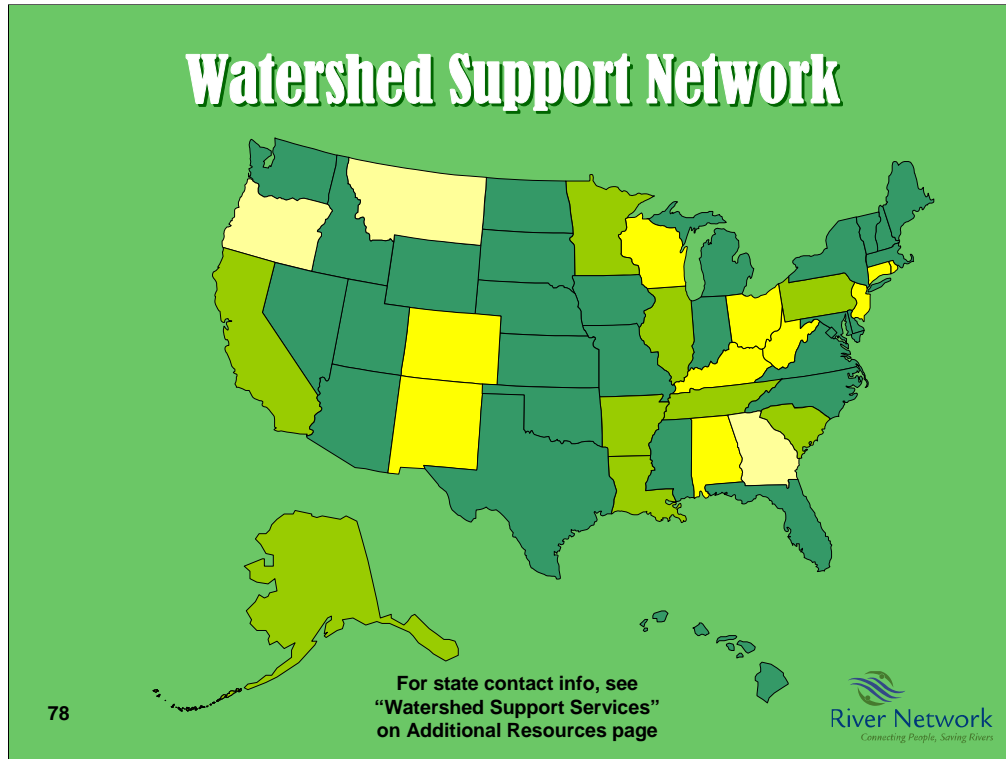
See “Links to Additional Resources”  
associated with this Webcast:

<http://clu-in.org/conf/tio/owsusfund/resource.cfm>

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Slide 77 provides a Web site with more fundraising resources that you can use to further explore the funding strategies that we have looked at today, as well as other strategies that may be appropriate for your organization.



Does your group need some **personalized help or training** in FR? The Watershed Support Network is a collaborative effort between capacity-builders helping watershed organizations. River Network leads the effort which has been funded in part by the U.S. EPA Targeted Watersheds Initiative Grants Capacity Building Program. If you are in one of the yellow, light yellow or lime green states, I have a contact person listed for you on the resource page. If you are in a dark green state – contact me. We’d love you to take our “short form” needs assessment and we’ll try and find someone that can advise you or get you involved in a training program.

Legend: Dark Green = Primarily national and/or regional support services.

Yellow = Watershed Support Network “Pilot State” or other state-based training available now.

Light Yellow = Some state-based support services available now with more available soon.

Lime Green = Some state-based support services available now.

# Acknowledgements

- We would like to thank everyone who helped pull this presentation together but especially the team at Tetra Tech for their great visuals and content suggestions, and Karen Fligger and Tim Jones of the Sustainable Finance Team for their support and coordination.
- Thanks to Baird Straughan of the Institute for Conservation Leadership for his assistance with the Watershed Support Network fundraising statistical analysis.
- Thanks to all of the trainers listed in the Watershed Support Services document (see “Links to Additional Resources”) who are working to build the support services for watershed groups across the country.

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Final pep talk. You are doing important work. Local WS groups are nature's way of saying the "EARTH WILL GO ON" regardless of national and international politics. Hundreds of groups have successfully done what you are trying to do. Your community needs you and wants to help. Give them a chance by asking them to contribute. Do good work. Stay in touch. Let River Network know how it goes.

# Questions?



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