



RAISING CHARITABLE GIFTS FROM INDIVIDUAL DONORS ***"The Three-legged Stool"***

Picture a stool with three-legs; take one of them away and what do you have? A very unbalanced place to sit!

And thus it is with fund development work, that we must strike a balance in our efforts to cultivate and raise funds from individuals; a balance that enables us to continue to do the good work that is mission driven while building relationships with individuals in a manner that is both respectful and positively assertive.

To do so, we must concentrate on first raising funds for our everyday operations; then on money dedicated to taking care of major capacity building efforts (facilities, equipment, etc.) and then finally, on creating a savings account for future needs, a sort of rainy day fund. Together they form a solid base on which we can rest our organizational laurels.

And we must convince ourselves and our boards that we must begin, not with foundations and corporations, but with ourselves and individual spirits like us who are inspired to generosity when the right mix of why (case for support – something positive), how (appropriateness of ask/amount and by whom) and when (situation in which ask occurs) are aligned.

The following compendium outlines aspects that need to be taken into consideration in planning to raise funds from individuals.

Annual Gifts

- Source of money: typically from person's cash flow
- Size of gift: dependent on interest/intent of donor and financial capacity
- Cultivation of donors: special events, newsletters, tours, volunteer opportunities
- Methods of solicitation: annual mailing, telephone or email campaign, ongoing website and newsletter giving opportunities, some personal solicitation
- Use of funds: general operating funds budget; larger gifts may be tied to a specific program or project

Capital Gifts

- Source of money: cash flow, investments or a combination

- Size of gift: usually dependent on interest/intent of donor and financial capacity AND the 'WIFM principle' (i.e., 'What's In It For Me')
- Cultivation of donors: special events, targeted cultivation events
- Methods of solicitation: special capital campaign - mainly face-to-face solicitations and some targeted mail solicitations
- Use of funds: special project or program – 'bricks and mortar' as well as other capacity building needs (equipment, renovations, upgrades, etc.)

Endowment Gifts

- Source of money: usually from investments or an estate (bequest) or another planned gift enabler (e.g., insurance, Trusts)
- Size of gift: often dependent on long-time relationship with organization
- Cultivation of donors: special events, targeted cultivation events and ongoing bequests program
- Methods of solicitation: special endowment campaign, '3 in 1 ask' or '2 in 1 ask', bequests program
- Use of funds: deposited in an endowment fund account(s) - policies established by board on how to use corpus and interest generated by fund(s)

So – remember to balance that stool you're about to sit down on – or one of those legs will give way and you'll find your organization falling flat on its "you know what"!

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