Where it All Starts:

Annual Giving
The Role of Annual Giving

- Consistent Source of Funding
- Provides Unrestricted Dollars (but not always)
- Creates an Affinity with the College
- Involves, Informs and Bonds the community to the College
- Promotes Giving Habits
- Builds a base of donors for future major gifts
The Role of Annual Giving

Creates a connection

Inspires

Creates a sense of urgency

Creates pride in the College
Who Gives to the Annual Fund?

- Former Students
- Parents
- Friends
- Faculty and Staff
- Students
- Boards and advisory committees
THE IMPORTANCE OF STUDENT GIVING
Annual Fund Initiatives

Segmented and personalized direct mail
Email
Personal solicitations
Online giving
Automated phone-a-thons
Phone – Text
Special Events
Let’s Put on a Show!

- Golf tournament
- Gala

Opinion Zone
Annual-Giving Best Practices

- Clear, measurable and documented goals
- The Annual Fund is maintaining healthy growth in participation
- The Annual Fund has a strategic focus to manage the dollar goal
Annual-Giving Best Practices

- The Annual Fund is a visible priority across the organization
- The Annual Fund has highly visible and engaged volunteers
- Annual Fund gifts are stewarded well
- The Annual Fund has strong leadership and management
What You Can Do

- Emphasize the importance of all support including annual giving and acknowledge the Annual Fund as an important contribution to the College.
- Communicate regularly to your boards the importance of annual giving.
- Define a strategy for the use of Annual Funds and include it as part of general operating funds.
What You Can Do

Provide:

- Focus
- Passion
- Leadership
- Courage
FUNDRAISING INFRASTRUCTURE
POP QUIZ

1. Total dollars raised last year?

2. Size of your fundraising staff?

3. Your total endowment?
For example

**Median staff size = 3**

**TABLE 18.** How many dedicated staff do you have for your foundation?

<table>
<thead>
<tr>
<th>Staff Groupings</th>
<th>Median</th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Sum</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Among those reporting any staff and/or volunteers</td>
<td>5.0</td>
<td>12.8</td>
<td>1.0</td>
<td>224.0</td>
<td>1,489.9</td>
<td>116</td>
</tr>
<tr>
<td>Among those reporting any staff, not including volunteers</td>
<td>4.0</td>
<td>5.3</td>
<td>1.0</td>
<td>33.0</td>
<td>605.9</td>
<td>115</td>
</tr>
<tr>
<td>Types of staff reported, not including volunteers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time employees at the foundation only</td>
<td>3.0</td>
<td>3.9</td>
<td>1.0</td>
<td>16.0</td>
<td>336.0</td>
<td>86</td>
</tr>
<tr>
<td>Full-time employees but part-time at the foundation and part-time at the institution/district</td>
<td>2.0</td>
<td>2.6</td>
<td>0.4</td>
<td>9.0</td>
<td>120.9</td>
<td>47</td>
</tr>
<tr>
<td>Part-time employees at the foundation only</td>
<td>1.0</td>
<td>1.5</td>
<td>1.0</td>
<td>6.0</td>
<td>56.0</td>
<td>38</td>
</tr>
<tr>
<td>Students</td>
<td>1.0</td>
<td>1.5</td>
<td>1.0</td>
<td>5.0</td>
<td>32.0</td>
<td>22</td>
</tr>
<tr>
<td>Other paid employees</td>
<td>3.0</td>
<td>5.5</td>
<td>1.0</td>
<td>24.0</td>
<td>61.0</td>
<td>11</td>
</tr>
<tr>
<td>Volunteers</td>
<td>10.0</td>
<td>35.4</td>
<td>1.0</td>
<td>220.0</td>
<td>884.0</td>
<td>25</td>
</tr>
</tbody>
</table>
TABLE 47.
If yes, what was the value of the endowment at the end of your most recent fiscal year? (N = 101)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Mean</td>
<td>$7,357,037</td>
</tr>
<tr>
<td>Minimum</td>
<td>$18,456</td>
</tr>
<tr>
<td>Maximum</td>
<td>$79,088,391</td>
</tr>
</tbody>
</table>
**Operating budget**

**TABLE 27.**
What was your foundation’s annual operating budget in FY2009? (N = 110)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>$250,000</td>
</tr>
<tr>
<td>Mean</td>
<td>$438,410</td>
</tr>
<tr>
<td>Minimum</td>
<td>$5,000</td>
</tr>
<tr>
<td>Maximum</td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>

* Foundation budget only*
Structuring the Organization

- As you think about a fundraising structure think about the following:
  - Who are the leaders within your College
    - You?
    - Your Cabinet?
    - Deans?
    - Faculty?
  - Who is driving the fundraising effort
    - You?
    - Board?
    - Deans?
    - Fundraising Staff?

- What is the desired outcome of the fundraising Effort?
  - College Unit autonomy?
  - College Unity?
  - Establishing greater role for College President?
  - A strong presence from your Foundation
Centralized Development Operation

- Professional fundraising staff report to the Vice President for Development (Advancement) and are compensated by the College and/or Foundation budget
- Professional fundraising staff are “assigned” to units or areas of interest

• Strengths
  - Unified effort
  - Quality control
  - Staff allegiance to fundraising/presidential vision

• Weaknesses
  - Risk losing of support/allegiance from deans and faculty
  - Risk some areas being ignored or underrepresented
Decentralized Development Operation

Professional fundraising staff report to both the Vice President for Development (Advancement) and the Unit Dean. Dollars raised are shared between the College and Units.

- **Strengths**
  - Shared responsibility/immediate ownership creation
  - Engages Deans in the process
  - Both parties hire the professional fundraising staff

- **Weaknesses**
  - Allegiance to president’s vision may be challenged
  - College vs. Unit dynamic may occur
  - Two managers can be challenging
Funding & Budgeting It

- **Elite fundraising operations with over 150,000 alumni**
  - .05c - .09c needed to raise $1.00
  - 200 – 600 professional and support staff

- **Mature fundraising operations with over 150,000 alumni**
  - .10c - .12c needed to raise $1.00
  - 150 – 200 professional and support staff

- **Developing fundraising operations with over 150,000 alumni**
  - .13c - .17c needed to raise $1.00
  - Approx. 100 professional and support staff

- **Immature fundraising operations with over 150,000 alumni**
  - .20c - .25c needed to raise $1.00
  - Under 100 professional and support staff
Funding & Budgeting It

- Funding budget outright
  - Likely need Board support
- Taxing gifts
  - 1% - 10% tax (administrative fee) on incoming gifts and pledge payments
- Redirecting unrestricted gifts
  - All unrestricted gifts to College are directed towards fundraising effort
- Seek donor support to underwrite budget
  - Patriarch/Matriarch of College
  - Plan to use a naming opportunity to recognize gift
- Combination of any of the above
Staffing the Operation

- Hire people that believe in community colleges and their mission
- Hire the best Vice President for Advancement you can find and afford
  - Experience in higher education fundraising a MUST
  - Experience in building an operation
- Professional fundraisers
  - Consider sales/marketing/lawyers/investment bankers
  - If they have fundraising experience look for those with higher education background
- Consider hiring a professional search firm
- Ask the questions
  - What do you like most about fundraising?
  - Do you like to ask for money?
  - Why your College?
  - Have them walk you through a successful experience
Role of Volunteers

- Identify donors
  - Business networks
  - Social networks
- Make solicitations
- Tell the story – A champion of the College
- Be clear with expectations
- Keep them informed and busy
**Benchmarks, Measures & Accountability**

- Set fundraising goals
- Set activity goals
  - President
  - Units, Deans, etc.
  - Professional fundraising staff
- Compare against peers
- Fundraising is sales, the harder you work, the more effort you give, the more money you raise
- When managing professional staff, be patient not complacent
The glass is half-full
What you can do?

Forgive your Fundraisers for their enthusiasm!

• Keep naysayers from preventing action.

• Identify and remove barriers to progress.
ADVANCEMENT OPERATIONS
What is Advancement?

- Technology Systems
- Research
- Gift Processing
- Gift Acknowledgement
Where do you fit in?

- Median # of donor records: < 5,000
- Median # of active donor records: 1,000

**TABLE 52.**
How many donor records does your foundation have and how many are active? (N = 102, for each category)

<table>
<thead>
<tr>
<th>Number of Donor Records</th>
<th>Active Donor Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>4,176</td>
</tr>
<tr>
<td>Mean</td>
<td>24,487</td>
</tr>
<tr>
<td>Minimum</td>
<td>50</td>
</tr>
<tr>
<td>Maximum</td>
<td>418,547</td>
</tr>
<tr>
<td>Sum</td>
<td>2,497,664</td>
</tr>
</tbody>
</table>
What’s the quality of our database?
What’s the quality of our data?
When’s the last time our data was “scrubbed” for NCOA or wealth screening?
Technology Systems

- One reliable source for all information
- Official Records for events
- Ability to easily generate reports from the technology
- Identify Key Data that will be input
- Managing the System – Specialized Staff
Research

- What do we know? Why is that important?
- Research provides wealth indicators for fundraisers
  - Internet services, feedback from fundraisers who meet with donors, feedback from volunteers/alumni on donors
- More information gives a specific profile of a donor
Gift Processing

- Staff, and Procedures to Process Donations
  - Dollars
  - Online contributions
  - Wire transfers
  - Stock transfers

- Consistency in handling your donors generous contributions
Gift Acknowledgement

- What is a Gift Acknowledgement?
- Why is it important?
  - Good Stewardship of the Donation starts immediately
- Letters, Emails, Phone Calls
- Recognition Societies
- Allows positive contact with the donor
Reporting

- Reporting to College Leadership and Boards
  
  Transparency
  
  Informational
What You Can Do

- Involve College leadership and Advisory Boards in the fundraising operations and encourage ownership of unit fundraising goals
- Facilitate data sharing and cooperation between units
- Support technology and research needs
What You Can Do

Provide

- FOCUS
- PASSION
- LEADERSHIP
- COURAGE
Break

- Next: Board Development
The Role of Annual Giving
“Alumni Relations”

Creates a connection
Inspires
Creates a sense of urgency
Creates pride in the College
Creating a Connection

- Creating a connection
  - Between former students
  - Back to the institution
  - “Lifelong learning”

- Used as a tool for engagement
  - Intellectual content
    - Faculty
    - Communications
  - Relevant engagement opportunities
    - Consider affinity groups
      - athletics, honor societies, programs, etc.

- College Boards
- Homecoming/Special Events
- “Non-financial” value
  - Advocacy
  - Recruitment
  - Partnerships
- Alumni Career Services
- Should add value & work strategically with fundraising
A Frank Discussion

The Evolution of Alumni Relations to Fundraising

Opinion Zone
A Frank Discussion

Who’s an Alum?

Opinion Zone
Next: Taking the Long View: Investing in Advancement
CULTIVATION AND STEWARDSHIP
The Development Cycle

- Steward
- Identify
- Cultivate
- Solicit
- Engage
- Acknowledge

THANK THANK THANK AGAIN
IDENTIFY PROSPECTS
ASK FOR SUPPORT
CULTIVATE AND INVOLVE
Moves management
Individual Donor Fundraising
Building a donor pipeline: Identifying potential prospects

WHO:
- Grateful Learners
- Parents
- Board Members
- Business Leaders
- Corporations
- Foundations
- It is important to find partners/investors whose interests align with institutional priorities

HOW:
- Events
  - Your own events
  - Other people’s events
- Networking & Discovery Initiatives
- Public Information
  - Media sources
  - Online interaction via your web-presence
- Prospect Research
Cultivation: An alignment of values and priorities

- Visits and other interaction to understand objectives, priorities, values, and situation of prospective donor
- “Programming” to deliver content and build relationship as needed
- Interaction with university leadership to deliver content
- Listen & learn from prospect about their philanthropic priorities and past history
- Learn about the potential size, scope, and timing of solicitations
Individual Donor Fundraising
Mechanics of the Development Cycle

- **Solicitation:** *Asking for financial support*
  - Should be in the form of a proposal where the donor provides support for a program or initiative
  - The amount, payment method, payment schedule, and designation should be determined
  - Depending on the size of the gift, you may wish to utilize university leadership – “craft the ask”
  - Volunteers may be helpful – peer to peer dynamic
Individual Donor Fundraising
Mechanics of the Development Cycle

- **Stewardship: Thanking the donor**
  - Determine the appropriate person and way to say “thank you” based on the size of the gift
  - Can be a postcard from a dean, the president or naming a building

- Important to show the impact of the gift
  - *Return on Investment (ROI)*

- Good stewardship will help set up your next gift
What You Can Do

Provide:

- Time
- Focus
- Passion
- Leadership
- Courage
WHERE IT CAN ALL LEAD

The Campaign
Fundraising Campaigns
Transformative Power of Campaigns

- Campaigns goals far exceed annual giving goals
- Enable the university to accomplish specific goals
- Clearly-defined timetables
- Are volunteer intensive
- Boost the university to a higher level of effectiveness and are transformative

- Campaigns are cost-effective ways of raising money
Fundraising Campaigns
More than just Money

- Campaigns draw people closer, extending and strengthening the university
- Campaigns strengthen the university’s internal fundraising organization with experience and confidence
- Campaigns increase the university’s visibility and stature

- It’s hard work – when well-planned the university will strengthen its leadership, increase donors, build momentum and improve finances
Fundraising Campaigns
Donor Readiness

Complete a checklist for the university’s top 25 potential major gift donors

✓ Has an active interest in the university’s mission
✓ Has history of involvement with organization
✓ Feels a kinship with others in the university
✓ Is knowledgeable about the proposed project
✓ Is or was served by the university

People with fewer than three checks are unlikely to be ready to make a major gift
Campaign Fundraising
Organizational Readiness

- Do you have a full, committed, effective board?
- Is your board involved in setting policy and working to implement it?
- Do your board members make contributions?
- Is your university recognized and well-respected in the community?
- Has your university developed an effective strategic plan and related campaign goals?
- Is the university leadership excited about the campaign?
## Fundraising Campaigns

### Types of Campaigns

<table>
<thead>
<tr>
<th>TYPE</th>
<th>PURPOSE</th>
<th>PROS/CONS</th>
<th>TYPES OF GIFTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Building projects</td>
<td>Clear goals</td>
<td>Cash, gifts-in-kind securities</td>
</tr>
<tr>
<td>(Bricks and Mortar)</td>
<td>Building projects</td>
<td>Easy to articulate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clear goals</td>
<td>Compelling results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equipment</td>
<td>Clear &amp; specific</td>
<td>Cash, gifts-in-kind securities</td>
</tr>
<tr>
<td>Special Projects</td>
<td>Equipment</td>
<td>Easy to articulate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Start-up funds</td>
<td>Immediate results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Guanteed funds for the future</td>
<td>Long-term results</td>
<td>Cash, deferred gifts securities</td>
</tr>
<tr>
<td></td>
<td>Guaranteed funds for the future</td>
<td>Long-term results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Small construction</td>
<td>Small return on investment</td>
<td></td>
</tr>
<tr>
<td>Combined</td>
<td>All of the Above</td>
<td>Complex, harder to articulate, larger goals, greater visibility</td>
<td>Cash, gifts-in-kind, securities, deferred gifts, Annual fund income</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>All of the Above</td>
<td>Complex, harder to articulate, larger goals, greater visibility</td>
<td>Cash, gifts-in-kind, securities, deferred gifts, Annual fund income</td>
</tr>
</tbody>
</table>
Fundraising Campaigns
Patterns of Giving

- **Narrow base of support — Young, highly specialized**
  - 70% General Gifts
  - 20% Major Gifts
  - 10% Lead Gifts

- **Mid-sized base of support — More mature with broader appeal**
  - 60% General Gifts
  - 25% Major Gifts
  - 15% Lead Gifts

- **Broad base of support — Mature with extensive donor base**
  - 50% General Gifts
  - 30% Major Gifts
  - 20% Lead Gifts
Fundraising Campaigns

Building a Campaign Team

- **Executive Director of the Campaign:** Internally sets tone and standard; Externally supports the efforts of key volunteers ensuring their success

- **Directors of Development:** Carries out the plan of the campaign

- **Campaign Chairperson:** Volunteer leader who is the primary motivator and solicitor

- **Campaign steering committee:** Key leaders in the community who build visibility and authenticity

- **Campaign Consultant:** Experience in designing and overseeing campaigns; Is an excellent teacher
## Fundraising Campaigns
### Stages of the Campaign

<table>
<thead>
<tr>
<th>Phase</th>
<th>Time Period</th>
<th>Goal</th>
<th>Activities</th>
</tr>
</thead>
</table>
| **Organization Phase** | 2008 to 2010  | $75 million | - Build strong development program.  
- Conduct feasibility study  
- Sell case for campaign.  
- Solicit ready prospects.  
- Expand donor constituency. |
| **Leadership Gifts Phase** | 2011 to 2012 | $100 million | - Focus on the top fifty prospects.  
- Expand ongoing development efforts.  
- Prepare for broad-based campaign. |
| **General Campaign**    | 2013 to 2015  | $100 million | - Approach top 1,000 alumni.  
- Broad based friends push.  
- Enlist support from Northern Virginia corporations and foundations.  
- Ask for support from all alumni. |
| **Completion/Celebration** | 2016         | $25 million | - Special final push to all alumni to give during this campaign cycle.  
- Re-approach key prospects.  
- Use campaign success to position future fundraising. |
Fundraising Campaigns
Beyond the Campaign

- Important to spend time and resources celebrating the campaign successes
- Recognize volunteers for hard work
- Applaud donors for generosity
- Acknowledge staff for making it possible
- The final report reinforces the university’s image and reputation in the community
- Stewardship! The campaign created a large group of major donors that now have a strong voice in the organization. Maximize donor relation activity.
What you can do

- Identify a clear vision for the future of the College
- Clearly and consistently state the priorities of the campaign
- Engage and listen to constituents
What you can do

Provide:

- Time
- Focus
- Passion
- Leadership
- Courage
Next: Stories from the front lines. Your “Asks”