Build a Strategic Fundraising Plan for Your Nonprofit

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**SPEAKERS**

Cecilia Landor, Sameena Usmani

**Sameena Usmani** 13:56:02

Good afternoon, everyone. Welcome to T’aproots webinar, build a strategic fundraising plan for your nonprofit. My name is Sameena Usmani and I'm the Content Manager here at taproot. And before we began just a few logistical notes, I am joined here by my temporary colleague, Megan Gillette, who will be covering the chatbox. During the presentation, all attendees will be muted. So if you have any questions, please chat them, write them in the chat box. And go ahead right now and introduce yourself in the chat. And the webinar, also, the webinar is being recorded. So we will share the recording in an email just later today. Now, as you can see, oh, sorry, as you can see that we have turned on closed captioning. But if you would like to turn them off, you have the option to do so basically, in the right sidebar, next to AV pod, you can click on the gear icon, you can toggle off turn on captions. Now, I'd like to introduce our speaker, Cecilia landour. She has worked in public serving nonprofits for over a decade, primarily in grant writing, fundraising and strategy. And Cecilia, thank you so much, and welcome.

**Cecilia Landor** 13:57:30

Thank you, Sameena. Um, thank you all for being here. I'm really excited to talk about this with you. So let's get started. So what is a strategic fundraising plan? And how is it different from budgeting? I feel like for myself, budgeting just conjures up nightmare visions, and strategic fundraising is kind of a way to get out of that and put yourself back in the driver's seat, get out of the responsive nature of responding to new funding, unlocking new funding, unlocking new relationships, kind of making fundraising and development a little bit more relaxed, helping your organization be more sustainable. So what is budgeting? How is it or what is strategic planning and how is it different from budgeting. So your annual budget, if it's X number, your strategic fundraising plan is going to be your map to getting to that number. And it really is a way to keep your organization focused on your ultimate goals of serving the population that you're serving, being creative and serving that population, creating new programming, but also keeping the sustainability and the stability of your organization for your participants making sure you're going to be there in the future to serve them.

So kind of it's when we're creating a strategic plan, the first place we want to do is kind of do an overview about where the organization is going, where, and this is where you're going to be kind of involving other players, other people, other players in your organization, external partners if you have them. And it doesn't have to be extremely formal, you know, you might want to go to your executive director to your programs and say, We want to create, we want to kind of transition from being a little bit more responsive to a little bit more proactive. And this is kind of what we're envisioning. But I know sometimes making things formal can actually make them work slower. So this is kind of a Your mileage may vary for your organization, how it works. But it can be a good, a good starting point to think about, where are we going to be doing the same kind of work are we going to be growing in new areas, especially as you know, we've kind of moved through the pandemic and things new funding opportunities pop up, and new areas need more, be more focused, I think the beauty of a strategic fundraising plan is that it allows you to think about those things ahead of time, and to involve other people in your plan. Because it really is, I think development can feel a lot of times like you have this huge weight on your shoulders, you have to fundraise for your whole program. But this, it really is like it's about working together and in partnership with the other players in your organization. So taking kind of a 30,000 foot view is a good place to start. So in terms of actually creating your strategic fundraising plan, we've broken it down into six kind of major steps today. So just to give you an overview, we're going to reflect on what's working and what's not defined consistent sources of support, review goals and programmatic areas and align them make sure they're aligned to your fundraising goals, setting objectives a little bit into the future, using those objectives to identify new targets.

And throughout this making sure that your organization is cultivating a strong presence, that people who are interested in funding your organization can go find they know where to find you. They know how to find information. About you, they're seeing you in local news and press mentions. So let's dive in. Okay, so the first step is going to be reflecting on what's working and what's not. And the place I think is the best to start is doing an audit. That's just the most horrible word now that it's tax season. But I think that this using this as a starting place and getting your whole development team, whether that's you and another person, or there's a whole bunch of you, getting everyone involved in what is their focus area. So if you have individual giving, if you have crayons, major donor is events, what just figuring out what's happening in those areas? What, and really getting honest assessments from the people who are working there, you know, where, where are their obstacles, like what feels like it's not working for them, what feels like it maybe has a lot of potential. I think a lot of times, we have ideas about where we want funding to go. And that doesn't necessarily reflect what is actually happening, especially now funding has changed so much. And so this is kind of like the empirical data gathering step, what, like, where what are your employees struggling with when they're trying to raise money, what's coming easier to them, but figuring this out, will be a really good place to start. And so the other thing about fundraising is, one year is essentially a one cycle. And so it can feel like it's happening really slowly. But doing an audit of your organization's incoming funding, analyzing different funding streams, that gives you time to learn from the patterns.

And when you're creating a strategic fundraising plan, you want to be going a few years out. And so you kind of have this backward looking and forward looking data sets that you want to you implement the backward looking to create, how can we create this sustainability in our organization coming up? So using your audit, you're going to define where your consistent sources of support are, where are you, or maybe your organization is getting a lot of grant funding. But you know that the program that you're getting funding for is going to be doing some changes, and they're going to be serving a different type of population. It's the source that you're you've been receiving funding from, is that going to be the source for the long term? If you have monthly individual donors? Are there patterns that you can exploit there to think you know, okay, we've see that we're getting a lot of donations from people in this neighborhood, is there something that they saw that makes them interested in giving. And that's really where you get the research. analyzing the data, you can make use of interns to write thank you notes to individual donors, that's a really good use of use of kind of the hands on capacity to increase connections, increase donors, by using what you already have, and what you already know about who's giving to your organization, where you're, where you're receiving more support and less support and where you'd like to kind of tap into to try and get to try to increase support in certain areas.

So this, reviewing programmatic goals is going to be a really important step for making sure that you are having alignment with what you are looking for funding for and what you are actually getting funding for. Because I think a lot of us have experience in fundraising where you're kind of following the money in a direction you maybe don't want to go perhaps, you know, you if you serve people who are experiencing homelessness, and you know, a funder, a potential funder is really interested in providing health care for the homeless population you're serving, but you're more interested in getting some, you know, housing for using some housing first principles, getting them housed, before doing potentially like substance use, treatment and outreach, that is really important to make sure that you and your program staff are on the same page. I think we all fundraisers, you know, we want to be able to persuade funders that we can get that what they want is what we do, and sometimes we can and sometimes there is a lot more flexibility there. But a lot of times, it's going to be easier when you start knowing having a very strong sense of what your program staff is doing. And you can tell your funders, this is actually what our people on the ground are doing and having kind of the infrastructure where you say, you know, okay, we have quarterly meetings with our programs have I have quarterly meetings or monthly meetings, we get weekly update emails, however that looks for your organization, making sure that you're just been really constant, meaningful contact with your program stuff will just help your assets be so much stronger. So making sure that you when you're doing your budgeting process thinking about how much money do we need to raise for fiscal year 2024?

What is happening in the program as well? And what can you use there to get people excited about fundraising in future years. And I think this is where that looking at three to five years out, can be really helpful. Because it's really hard, it can be really hard to go to funders and say, you know, we need to meet this budget shortfall, we need to fill $40,000. But if you go to funders and say, This is what we want to do with our program, this is what we're currently doing, you know, we want to serve more people. How can we get how can you help us get there, then they know you're looking down the line, you're looking into the future, and you're not just trying to kind of fill a gap, even if for ourselves, I think that, you know, those are both important things like we need to keep the lights on, we need to pay our staff. But I think for funders, it helps to have that long range view. And they know there's a plan here. So this ties into that. I like two to three year objectives.

I think when we talk about strategic planning, your organization might have a strategic plan that's five years or 10 years. And that's thinking about how your organization is going to grow or be situated within its current context. The thing with fundraising, and I think we saw this a lot in the pandemic is it changes so quickly, people respond, people respond to things that are happening, just in current events. And so planning too far in advance, and planning, like, especially being a nonprofit, where you're no, we're not allowed to actually kind of create that profit unless you have an endowment. We've set your sights too far in advance, it just, it will make it harder in the long run for you to have an accurate sense of what kind of funding you were coming in, especially because these foundations, you know, a lot of things, they're not experts in the work they do, you guys are the experts and they are kind of a bit more going where the wind blows in terms of giving out money. And so I think it can create a lot more frustration to think several years in advance. But at the same time, thinking more than one year in advance is really helpful. Because you want to be able to take risks, you want to be able to actually do the programs that you want to do. And a lot of times that requires getting in more funding that requires, you know, hiring on new staff members to do new work that you haven't done before. And so that can for sure feel scary. But I think the good news is that funders like new, for good or for worse, you know, they like what's new and exciting. And so when you look at when you set up a plan, that's two or three years, I think gives them the confidence, okay, you have a plan, and you know where you're going. And it also gives you the flexibility to see what's working and what's not.

I think we have this sense of everything has to be perfect when we start it, especially when we're presenting a plan to a funder, but they really might have thoughts about, you know, they're if they're in this space, if you're working in homelessness, or health care, or food insecurity, the funder, even if they are not an expert, they will have thoughts. And so being able to say, you know, we want to look at this longer term and going to them that they will really appreciate that. And I think it will create a space for you to have an even more fertile relationship with them. When they know you know, here's what, here's what we're, here's where we're going. But we need your help getting there. So to that point, one of my favorite pieces of advice someone told me this several years ago, and it totally changed. How I thought about asking for support from funders is asking for advice rather than money. So in terms of identifying new targets, that you're going to approach, you're going with the work that you've done in the previous steps, you know, seeing what's working and what's not seeing where you're consistently getting support. Seeing where seeing where are you seeing where you can be successful. I'm seeing where you know, potentially where in the current landscape of current events you have a an entree to go and do more, do more work. Figuring out where you are going to be asking money from that is going to be kind of your, this like the you're setting out on your journey, you've packed everything really well. And now you're getting ready to go out into the world and find your fortune. So, identify a realistic number of new funders to approach. So don't say, we're going to apply for 30 new grants we're going to apply for or we're going to get, you know, 100 new monthly donors, news, what you found, maybe you have had a lot of individual donors, and you didn't think you would, and that actually might be a good place to put your focus. Or you there's some new grant opportunities that are coming down in the next year or so in your local government. And they really look like they're a good fit.

That's now's the time to reach out to those people plan how plan how you want to share your work with them. And that is where it's about your work, rather than about asking them for money. And so the thing about asking for advice, rather than money that I really like, is, I think we think of asking funders for support, as you know, they're kind of like the Benefactor we need them to do the work. But the thing is, we're doing this work together, and they need us just as much as we need them. Um, you know, they want to be able to brag about the work that you're doing. So how can you include them in that process? And a lot of times, you know, I think, funders don't understand necessarily just how much money it takes to run an organization. And so, you know, if we, what we need is general operating support, and they feel like, well, I want to get your program support. I'm asking them for changing that conversation to be one about asking them for advice. Well, how would you, you know, how do you suggest that I do this? Or how would you? How can I do this better in my community? How can I do, what am I trying to do in my community, but that will engage them as a partner in this work, and they will want to give you money. So this when you're planning this out with this, having a timeline of two to three years can be really helpful in terms of using this style of solicitation, because you're planning on purpose, to not ask them for money for a specific amount of time. And you can say, okay, we're starting in Year Zero, here, we're going to year three, and year three, I know I'm going to ask you for money, but years zero to two, I want to just talk to you, I want to talk to you about how we can improve people's lives in the child welfare system, or whatever your specific work is engage them in that as a partner, and it will pay dividends in terms of getting actual funding from them further down the line. So almost lastly, but not least, cultivating a strong presence.

I think the work your work should and will speak for itself a lot of the time, but put it out there have I think we think people will find it when they're looking for it. But make sure that it's people who are interested in your work are going to or see going to physical places or on the Internet. They are coming across your work if they're coming across or going to other related things. So how can you take advantage of similar organizations? How can you make connections with people local to you who might be interested in this work? Getting press mentions? Just different places? Are there small businesses that you can connect with? Just making sure that your name is out there and your work is known, will go really far in terms of word of mouth, creating connections, and just creating more exposure for your organization as a whole. I think we think social media is obviously huge these days. But really having like a physical geographic locality where people are aware of you then the work that you're doing and creating community there is really just as important as having that online community.

And finally, the most important thing and all of this will be centering your mission and making sure that you are putting your organization first in everything you do and I think this kind of goes back to the asking for advice, rather than money. When you Um, you know, it's very, it can be very anxiety producing to be a fundraiser, you know, there feels like a lot of pressure, you want to be making sure that your organization has the support. But don't forget why you're asking people for money. And a lot of the times, I think we expose, we're explaining, we kind of fall all over ourselves trying to say how important it is to donate to our organization. But a lot of times, just, especially in this day, a lot of times we just tell what you're doing, people will be interested, and people will want to support you, just knowing just hearing the organization's work here about the organization's work. And so I think this is something that I always try to remember for myself is, what is the organization doing for its participants? Not so much, what do I need from you, but let me tell you about the work that we're doing. So I'm gonna stop there. And I think we're gonna do a little q&a. So I'm going to hand it over back to Sameena. And we'll answer some of your questions.

**Sameena Usmani** 14:17:09

Great, thank you so much, Cecilia, this is excellent information. And keep adding those questions in the chat on the chat box. And we'll see if we can get to them. We have some some time. The first one comes from Jennifer is an annual budget and strategic plan needed before forming a nonprofit, or can you register and then figure this thing out?

**Cecilia Landor** 14:17:34

Definitely, you can register before figuring it out. So the process of registering a nonprofit is an involves 501 C three tax forms, I would on the website GuideStar. It will have a lot of helpful information about how to get that process started. I think you'd want to have an idea of what you want your annual budget to be just in terms of the scope of your project, but I think a strategic fundraising plan doesn't have they don't have to necessarily one has to come before the other. I think you want to be strategic about your fundraising and creating a strategic fundraising plan is a way to kind of formalize that. But I don't think I wouldn't want you to feel like you were locked into or you had to do one or the other. I think it's more of a helpful tool to kind of take this some of the stress away from fundraising, then you have to have this at step one of your nonprofit.

**Sameena Usmani** 14:18:33

Okay, um, next one comes from Lisa. I'm new to the organization and the database used, how can I get help to mine this funder data from the database?

**Cecilia Landor** 14:18:44

Sure, that's a great question. So yeah, funder databases are going to be super helpful. So depends on what you use. razor's edge or Salesforce or two of them most common ones. There are very, very helpful staff support at both of those places. And I'm sure any other I don't know any other databases that are used like those, but I'm sure that they if there are, they have some I had have done a lot of trainings with razor's edge and they have a really great, really great chat function. So I, I always love research, Googling everything, and they are your acumen, Google for razor's edge. So definitely make use of those because using having a funders database will provide you with so much helpful data about who your funders are. And then if you have access to something like Lexus, or some sort of like wealth management tool, then you can use that even more to level it up. So yes, I really recommend making making use of all the research tools you have and all the people power you have available to you.

**Sameena Usmani** 14:19:52

Great on next one is from Emily, Do you have suggestions about how to find new prospective donors beyond our membership?

**Cecilia Landor** 14:20:01

Yes, so individual donors, I think individual donors are hard especially because we're in a recession are facing one but I think that one good thing is a few things. If you live in a city or a town or midsize town, you know, you can do things like join up with a business and have them we used to do a lot of this one drink at a bar will get donations or this you know you kind of have like one product at if it's like a food, drink establishment, that kind of thing. Or just making your like presence more physically accessible in a geographical space because people especially if you if your work is done in a physical geographical space, like people want to know what's going around in their community and want to support that and I think we're like seeing that more and more So I would say trying to partner with, or establishments that want to support your work and figuring out how you can make your make your work visible would be a great way to start getting some of those people to know about your work.

**Sameena Usmani** 14:21:20

Okay, Latoya asks, what is the best strategy to identify corporate donors, and the best person within the corporation to connect with?

**Cecilia Landor** 14:21:31

Sure. Okay, so corporate donors are another little bit of a black box. If you have a subscription to a Grants database, or, you know, like, candid instrumental Foundation Center, Foundation Directory Online, you can use those to search for corporate opportunities as well. The thing with corporations is that they're much, much more often they're gonna give smaller amounts. And they're going to give in a specific field, like Home Depot, I think is only veteran like they almost exclusively give to veterans. So if you don't want to, it's it's going to be a little bit more defined. Who gives, who is going to give or not give, it's like a little going to be a little less flexible than foundations. But nearly every company will have a corporate social responsibility program. And so doing some research about who is engaged in work similar to yours will be really helpful. And then they all will have sponsorship people essentially, so kind of like a program officer, but just in their corporate social responsibility programming. So it does have kind of similar similar infrastructure a little bit harder to get into. And I wouldn't, I wouldn't spend as much time on corporates, corporations that you don't already have a relationship with because of that, because it is harder to break into them.

**Sameena Usmani** 14:23:02

Okay, next question comes from Melissa, is it critical to have a good charity rating with Charity Navigator?

**Cecilia Landor** 14:23:09

That's a good question. Um, I am not. I think Charity Navigator is a helpful tool. It probably is not a good idea. It's probably not great to have a bad rating. I know. Like, I'm aware of some nonprofits that don't have very good ratings on Charity Navigator because of kind of some internal stuff that is somewhat negative. But I think that you don't I think that many people, their first instinct is not going to be to go on Charity Navigator, so I wouldn't worry about that unless there is something specific where it's like, okay, we someone's bringing this to our attention, we have to fix it, but I wouldn't worry too much about that.

**Sameena Usmani** 14:23:51

Okay, and Lindsey, as I've been self funding my organization, we became a 501 C three and it backdated to when we incorporated, can I count all the costs that I have been paying as tax deductions?

**Cecilia Landor** 14:24:07

I should think, yes, I would. I would look and potentially ask a tax person just because I'm not a tax lawyer. But I, I think that that does sound to me. Like the thing is like we want to be we don't want to be or like we want to take advantage of the 501 C three. Tax Division. So yes, it's my tentative answer to that.

**Sameena Usmani** 14:24:32

Okay, great. Um, we have one other one from can't read the name of any strategies to garner press or media coverage to broaden exposure to your mission?

**Cecilia Landor** 14:24:44

Yeah, I would. So reach out see who on like Twitter, as long as we have, it is a good tool to find people who, you know, in your area, there's I think we think of New York Times like Boston Globe, Washington Post, but there's still so many smaller, smaller outlets and people who are who people who you find who are passionate about your work will go to bat for you. I think journalism is a great way to get ourselves out there like people, you know, we want to read things that are interesting. And so getting in touch with local people, students, lots of schools, like journalism schools will have students who want to do work internships. So I think be creative in terms of what you're thinking about, you know, it doesn't just have to be New York Times op ed, but we can people, different people will have different audiences and that is a really great way to get more exposure.

**Sameena Usmani** 14:25:43

Great. So we've come to the end but keep adding those questions because Cecilia will answer them later after the webinar. We will email you back. She gave such excellent information and just want to let you know our taproot volunteers are here to help you I'm not just with developing the strategic fundraising plan strategy, but with all of your nonprofit needs, please just go to taproot plus.org To get started. And I wanted to just, I wanted to tell you all about our next webinar on March 8 tips on hiring and onboarding your nonprofit staff in the new era of work. And on behalf of top taproot, I'd like to give a huge thank you to Cecilia landour. And we'll be sending an email later today with help for resources from Cecilia and the recording of this webinar along with her LinkedIn profile. So thank you so much and have a great day, everyone