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## FINANCIAL FOCUS



*Accountants & Advisors for a New Economy*

## Raising Money in a Falling Economy

Not-for-profit organizations have always had a love/hate relationship when it comes to fundraising. It is often the most difficult, labor intensive, and least rewarding part of their job. But at the same time, your organization's fundraising endeavors are what make everything else possible. By changing your approach you may find you can be more effective in your efforts while at the same time enjoying the process a whole lot more.

### **Research**

The first step of any successful fundraising campaign is research. You wouldn't jump into the ocean with a blindfold on, and you shouldn't begin fundraising without first doing your research or you could quickly find yourself in over your head.

Your first step should always be to determine how much money you will need to raise. This may sound like a simple thing, but you would be surprised how many organizations begin the process without a clear goal in mind. When determining your fundraising goals, don't forget to factor in the costs of putting on your fundraiser. When all is said and done you will need to raise enough money to pay for the campaign as well as providing your organization with a sufficient operations budget.

Once you've established your goal create a gift range grid to determine how many donations on each gift level you will need to meet your fundraising goals. Blackbaud offers an excellent, free online gift range grid calculator at [www.giftrangecalculator.com](http://www.giftrangecalculator.com). Simply type in your fundraising goal and the calculator will do the rest.

Next, you should assemble a prospect list. Experience tells us that on average you will need 4 to 5 prospects for each donation you receive. Research your prospects. Don't underestimate the power of Google. Use all the tools at your disposal to find out as much as you can about your prospective donors before approaching them.

After collecting a solid prospect list bring in others from your organization to review the list. They can be a valuable resource and may even know many of the prospects you plan on targeting.

Be sure to go over your list at a board meeting. Review each prospect one at a time and rate them on a scale of 1 – 5 (5 being the highest) in each of the following categories:

- Capacity – A prospect’s ability to make a donation.
- Philanthropy – A prospect’s history of making charitable donations.
- Interest – A prospect’s personal investment in your organization’s cause.
- Connections – A prospect’s personal connection to anyone on your board, in your organization, or to your cause.

Any prospect who scores a 15 or higher should take priority.

### **Courting**

When you contact your prospects tell them about your cause, but don’t forget to take the time to get to know them as well. Be relaxed when you’re speaking to them. Don’t act as if you’re on a schedule. People are more likely to donate if they believe you have a legitimate interest in them.

Be open. Don’t be afraid to share with them personal stories of why your organization is important to you. But don’t dominate the conversation. Find out why your organization may be important to them.

### **Ask**

By following the steps above you’ve already stacked the deck in your favor, but it was all for naught if you don’t ask for the donation. Tailor your request around their passions. Include details from the conversation you just had.

Be specific. Give them a number. Ask for a specific amount. Let them know they can also spread out their donation over a period of time. What can seem impossible in one lump sum can seem much more manageable in monthly increments.

### **Gratitude**

After your prospect has made a donation be sure to express your gratitude. Over the course of the year you will want to thank them at least seven times before asking them to donate again.

Remember – Fundraising is all about relationships. Don’t burn any bridges. Even if you don’t get a “yes” this time remain friendly and be understanding. Think of this initial conversation as an investment for the future. You’ve begun building a relationship and a “no” today may very well turn into a “yes” tomorrow.

### **Closing**

At the start of any fundraising campaign it can often seem like an impossible task, but by approaching fundraising the right way you can garner more success than you ever dreamed possible, and just maybe have a little fun in the process.

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