

FUNDRAISING GUIDE FOR NEW NONPROFITS

FUNDRAISING 101: THE BASICS FOR NEW NONPROFITS

Funding Your Nonprofit Startup

#1 The Friends and Family Round

Nonprofits are often funded through individual donations, so tap your network of friends, family and colleagues for initial financial support. They are most likely to support your specific rare disease cause and believe in your organization before you have established a proven track record. Provide them “the why, what and how” of your organization when soliciting their support. Your personal story with rare disease is the *why* the organization is being started. Relay *what* the vision of your organization is and how your nonprofit will help your family and others in your situation. Lastly, address *how* their donation will further your mission. You can also use this opportunity to inquire if they have connections who might be interested in getting involved and/or supporting your cause.

#2 Crowdfunding and Virtual Fundraisers

Crowdfunding is a method of raising money by collecting donations from many individuals. You can use social media to help raise awareness about your crowdfunding initiative or virtual fundraiser. This could expand your reach to many more potential donors when compared to traditional fundraising.

Many platforms, such as GoFundMe, have no fee and are easy to use to request support from your network. Not all platforms will allow you to raise money for an organization that does not yet have 501(c)(3) status, so be aware of any requirements when hosting an online fundraiser. Facebook, for example, does not allow personal fundraisers for nonprofits unless the organization is already recognized as a 501(c)(3).

#3 Board Member Support

Part of the role of a board member may be to fundraise, so consider asking your board members to help raise the funds needed to seed your nonprofit, either through fundraising events or soliciting individual donations. The board’s role in fundraising may also be more indirect, providing leadership and introducing you to donors and potential donors. For more information on engaging your board in fundraising, see the section on “Fundraising 201: Building on Existing Strategy for New Nonprofits.”

#4 Potential Donors

As you form your nonprofit, think about the value your organization will create and who will identify with it outside of your network. Those individuals are your potential donors. Many rare disease organizations start with a big picture vision of finding a cure through research or saving lives through awareness and education. Your organization provides donors a tangible link to your mission and cause. Once you have an idea of who your potential investors or financial supporters might be, you can develop a fundraising strategy that will speak to these donors. Another tip to consider, local foundations may be more willing to provide a grant to a new organization so it could be worth taking time to research potential funders in your geographic area.

Moving Forward

Fundraising is a process that should be under constant refinement. You will learn along the way what works and what doesn't. Use this start-up period to develop and refine the way you ask for support. Remember to keep your donors in the loop about your organization's progress. Your reminders will help them see how their support is making a difference in your organization's ability to grow and fulfill your mission. Emphasize the impact of their donation to encourage them to remain engaged with your organization.

REFERENCES:

How to Get Seed Money for Startup Nonprofits (*Houston Chronicle*)

bit.ly/seed-money-startup

Funding Your Nonprofit Startup (Classy)

bit.ly/funding-startup

3 Nonprofit Funding Avenues All Founders Should Know About (*Entrepreneur*)

entrepreneur.com/article/346938

Who can create and donate to personal fundraisers? (Facebook)

bit.ly/create-donate-fundraisers

Requirements for Starting a GoFundMe (GoFundMe)

bit.ly/start-GoFundMe

What Role do Boards and Individual Board Members have in Nonprofit Fundraising
(Georgia Center for Nonprofits)

bit.ly/role-board-members

5 Types of Nonprofit Startup Grants to Fund Your Mission (Snowball Fundraising)

bit.ly/nonprofit-startup-grants

CREATING A FUNDRAISING STRATEGY

What is a fundraising strategy?

Your fundraising strategy is a plan of action that will allow you to develop a consistent and powerful message, while focusing on your monetary targets. It will dictate how your organization will generate funds in the short-, medium- and long-term. It encompasses the completion of the following tasks:

- Write a mission statement that is clear and memorable; for more information see the Creating a Mission Statement section within the Strategic Planning Guide.
- Develop a case statement (see below) that reflects who you are and what you do.
- Work with your board to build your donor list.
- Build and grow your followers on a social media platform.
- Use all communication avenues available to you—in person, by phone, through social media, the web, email, newsletters, and print—to connect with your donors.
- Assess your effectiveness to determine what type of fundraising works best for your community.

What is a case statement?

A case statement, also known as a case for support, is the backbone of your fundraising strategy. It explains your organization's purpose, provides a rationale for fundraising and should inspire the reader to take action. Your case statement will inform your marketing strategy to reach individual donors and eventually provide a foundation when you begin to write proposals for larger donors.

Your case statement should include information on these topics:

1. Your Organization's Story and Historical Information

- How was your organization founded?
- Describe your organization's mission and values (and culture, if possible).
- Note your organization's milestones, such as something that changed the course of your organization (e.g., a major donation, a new program, advocacy initiatives, new relationships).

2. Your Programs and Services

- Highlight basic information about three to five programs/services you provide and the pressing issues they address.
- Detail the demographic your organization serves.
- Note the impact of these programs/services on your community, including testimonials when available.

3. Your Organization's Structure

- Describe how your organization is structured, providing information about your board, staff and volunteers.
- Highlight the expertise of your leadership.
- Emphasize the sustainability of your organization by noting any data highlighting your longevity and financial stability.

4. Your Organization's Key Goals and Strategic Plan

- What are two to three of your organization's goals as it relates to the future of your structure and programs/services?
- Use your strategic plan, if available, to highlight where your organization is headed, how the plan was developed, and the measurable outcomes you hope to achieve.

5. Your Program Evaluation

- Show your commitment to success by detailing how your organization measures and gauges success.
- Highlight data from prior programs to clarify how your organization evaluates if it has achieved its goal and emphasize the impact you've had on your community.

6. Your Call to Action

- Describe the programs, projects and services that need funding and highlight the difference they will make.
- Share information about the various ways to donate or give a gift to your organization.
- Note how donors will be recognized for their contribution(s).

When writing your case statement, here are some tips to keep in mind:

- Be **clear**, concise and focused in your mission statement, goals, objectives and program information.
- Be **urgent** and give your reader a reason to care about your cause today.
For example, for a life-threatening rare disease organizations highlight the fact that rare diseases take 15 years and a billion dollars on average to develop a new treatment (citation: FasterCures) and more than 90% of rare diseases have no treatments (citation: NORD). Our community is in a race to save lives.
- Be **comprehensive** and address the five Ws—who, what, when, where and why.
- Be **interesting** by telling stories to stir the emotions of your readers. *Your story matters!*
- Paint pictures through **visual** words and action words which activate your readers' imaginations and help them remember your mission.
- Know your facts—financials, program design, staff information and plans—and **research** to confirm they are accurate and reasonable.
- Ask “**so what?**” while reviewing your case for support to confirm you are digging deep and expressing your organization’s values in a way that will appeal to your audience.

RARE DISEASE CASE STUDY

Case Statement, example: “Our mission is to find a cure for [NAME] genetic mutation and to support the community of people affected by this rare disease. It takes 15 years and a billion dollars to develop a rare disease drug and we can’t afford to lose any time! Our children living with this disease have a fighting chance if you donate to our research fund. The fund can get us closer to understanding this disease. Our researchers tell us if we reach our \$50,000 goal we can secure one more researcher and accelerate our progress to clinical trials and a cure!”

PLANNING FOR THE UPS AND DOWNS OF FUNDRAISING

Your fundraising strategy may fluctuate in effectiveness depending on the economic climate of the time. Here are some tips on how to prepare to weather a period of low donations:

- Know what your organization needs daily, monthly, quarterly and annually in order to stay in operation.
- Make contingency plans. Know when changes in funding will affect programming.
- Be as realistic as possible and be candid with your board, volunteers and constituents.
- Use a downturn in giving as a prompt for your givers to support your organization even more than before.
- Maintain an attitude of “we’re all in this together.”
- Cut costs where you can by reducing print pieces and increasing email contact, for example, if that appeals to your donor base.
- Use your resources, such as your engaged donors and network of rare nonprofit leaders, to help you navigate through challenging times.
- Research text-to-give programs or other new channels for fundraising.

REFERENCES:

Fundraising for Dummies Cheat Sheet (Dummies)

bit.ly/fundraising-cheat-sheet

Creating a Case Statement: Step-by-Step Guidebook (Nonprofit Learning Lab)

nonprofitlearninglab.org/guidebooks

INDIVIDUAL GIVING PROGRAM

Why should you target individual giving?

According to GuideStar, 85% of all money donated to charity comes from individuals. Since corporations and foundations are a small proportion of donors, it makes sense to focus on individual giving, especially as a new nonprofit. Even though your rare disease is, by definition, a small population, this community has friends and family that are moved by stories and want to give back. Think about the “friends of friends” who would be moved to give if they heard an individual’s rare disease story—the delay in getting a correct diagnosis, the challenges around daily living, the impact on the family, the lack of treatments, etc.

Where to Begin

Your organization’s greatest asset as you launch your individual giving program is your contact list. Before launching your program, review this list to confirm it includes (and excludes, if necessary) the right people. You should exclude anyone who requires personal attention and thus personal solicitation (e.g., government officials or key opinion leaders you’re targeting for other purposes).

How you can involve your board:

- Work with your board to identify individuals who may be prospective donors; target those suggested donors to grow your funding base.
- Consider blocking an hour during a board meeting to review your donor list, email and address list as a group; not only will you have a more enjoyable review process, but it’s a way to start engaging your board in an individual giving program. Going over the donor list may also trigger more ideas for additional donors and supporters.

Create your Marketing Calendar

Armed with your contact list, it is time to create a calendar to organize your solicitation efforts. Successful individual giving programs require set and planned outreach beginning months before your target giving day.

Start your planning:

- Begin by noting key dates, especially your target giving day, such as Giving Tuesday (first Tuesday in December), Rare Disease Day (last day of February), your rare disease awareness day or a general awareness day for your type of disease (e.g., Epilepsy Day, Rare Cancer Day on September 30th, etc.).
- Set your campaign start and end date around your target date. Do some research to note prime donation times, such as the end of the calendar year, as well as times to avoid (summer is often a great time for planning as donor trends show that period to be fairly inactive).
- Determine your action deadlines including the dates of your email and/or mail solicitations and your plan to follow-up with thank you notes and calls. Don’t forget to assign individuals to be responsible for the tasks in addition to setting the due dates.

Prepare the content for your email outreach:

- Remember the power of storytelling—especially your specific rare disease experience—to entice donors. See the “Boost Fundraising Efforts with Storytelling” section of Storytelling Guide for more tips.
- Confirm your emails are donor-centric, including more “you” language than “us/we.”

- Make sure your emails are not too long.
- Use pictures and videos when possible.
- Test your email on a mobile platform since many people view emails on their phone.

Respond to Donor Emails

Have a plan in place to respond to donor emails once you begin your outreach. If you are stretched too thin and do not personally have the time to respond to individual emails, then wait until you do have time. Responding to these emails in a timely fashion is critical to cultivating a strong relationship with your donors.

Thank Donors

After you start receiving donations, involve your board members in the process of thanking donors. Board members can call donors or send thank you notes. It's a vitally important task to maintain your donor base, and you might be surprised to see it's one that board members enjoy. It's far easier to thank someone for their gift than ask for it. Expressing your gratitude is also a wonderful opportunity to personally connect with your community. One NORD member organization segmented their \$1,000 donors from their overall donor list. The founding members of the organization would then call these donors individually to thank them and learn about their story, including how that particular disease affects them.

Evaluate Your Effectiveness

At the end of your program, review what worked and what didn't. Which emails, letters and content amassed the biggest response, in terms of traction, reaction and donations, and which fell flat? Knowing what resonates with your donors is key to being successful. Take the time to learn about your prospective donors, specifically what they value and desire, because meeting and satisfying their philanthropic goals will improve your organization's chances of receiving their donation now and for years to come.

Note who donated from your email and address list. GuideStar reports that 90% of the funds raised in a campaign usually come from just 10% of donors. You can start thinking about how to devote more of your time to cultivating your top prospective donors if you know who they are. Learn all that you can from this data so you can revise and improve your calendar for the next program.

REFERENCES:

The Fundraising Cheat Sheet for Board Members (GuideStar)

bit.ly/guidestar-fundraising

A Foolproof Recipe to Start a Successful Individual Giving Program (Joan Garry Consulting)

bit.ly/individual-giving-program

How to Develop and Maintain Your Fundraising Calendar (CauseVox)

bit.ly/fundraising-calendar-CauseVox

FUNDRAISING 201: BUILDING ON EXISTING STRATEGY FOR NEW NONPROFITS

The Fundraising Board Member

Do you want to support your board members with becoming successful at fundraising? Consider implementing the following strategies to cultivate a fundraising culture among your leaders.

Set Expectations

Do your board members have a good understanding of their roles and responsibilities? A stronger understanding leads to better fundraising, according to BoardSource. Here are a few steps you can take to set the right expectations during new board member orientation:

- Provide new board members with a copy of the board member responsibilities and your fundraising policy (see below) during their orientation. Request they sign the responsibilities document to formally acknowledge their new duty. For a responsibilities or job description template, see the “For Further Consideration” section at the end of this guide with additional resources.
- Include a training on fundraising during orientation. Clearly detail how the board member can support fundraising efforts during their time of service.

100% Board Support

As a good governance practice, BoardSource recommends all boards to aim for 100% giving. We know that rare diseases can be economically devastating due to prescription costs, clinical care, hospitalizations, time off from work and so much more. There are ways of supporting beyond a donation. For those who are unable to donate, they may still have invaluable gifts to contribute like connections to major donors and resources like in-kind donations. Individuals may also have fundraising goals and ask for donations from their families, friends and larger networks. See below for more ideas.

An in-kind donation is any non-cash donation, such as a good, like office equipment or a computer, or a service, like accounting or legal services.

For those who can afford it, making a donation is one of the quickest ways a board member can support fundraising efforts. The amount donated does not matter. Rather, a board member who is able to donate to the organization shows a level of trust and faith in the organization. The board member can also come across as more genuine and credible while fundraising.

Consider adding personal or “individual giving” to your fundraising policy. For your board, consider giving them personal giving goals, where they are expected to fundraise a specific amount, which can be met by a personal donation, donations from connections or a combination of both.

Hesitant Board Fundraisers

Conversations about fundraising should not take place only during that one-time, initial board orientation. Board meetings provide appropriate opportunities to discuss organizational priorities including fundraising. Put a spotlight on a current board member who has successfully conducted a fundraising campaign as a positive example of how others may contribute to your organization’s fundraising goals. Consider discussing your fundraising struggles, losses or wins to deepen the conversation, come up with new strategies, and keep the topic top of mind.

If some of your board members are hesitant to be involved in fundraising, provide them with alternative methods how they may support fundraising efforts besides the anticipated and sometimes dreaded job of cold-calling potential donors. This can include:

- Writing thank you notes to donors;
- Advocating and raising awareness for the organization through promotion of its mission;
- Participating in conversations about fundraising strategies;
- Signing-up for fundraising trainings;
- Attending fundraising events and extending invitations to potential new donors; and
- Hosting fundraising events.

Example: During a board meeting occurring at the end of year, report on the status of your Giving Tuesday and “End of Year” giving campaign. If you are under your goals, the meeting is the best time to address it and brainstorm ideas on how to reach your target.

REFERENCES:

Tips on How to Address the Board’s #1 Challenge: Fundraising (BoardSource)

bit.ly/fundraising-challenge

What Is an In-Kind Donation 501C3? (LegalZoom)

bit.ly/in-kind-donation

BOARD FUNDRAISING POLICY

This policy specifies the expectations for board members to actively participate in fundraising.

Your fundraising policy should include the following key elements:

- Personal giving: specify whether board members are expected to give annually and clarify if there is a minimum or if it’s according to his/her/their means.
- Participation in solicitation efforts: provide examples of how your board members can get involved in fundraising activities, such as writing fundraising letters or thank you notes, attending or hosting a fundraising event, or identifying new donors.
- Fundraising commitment: if you want your board to sign a commitment each year to take part in fundraising activities and efforts, include the pledge form.
- Fundraising training: note how your organization will support board members with their fundraising efforts through resources such as those from BoardSource: sample elevator pitches or templates for thank you notes.

REFERENCES:

Board Fundraising Policy (BoardSource)

bit.ly/board-fundraising-policy

Nonprofit Board Fundraising Best Practices (Board Effect)

bit.ly/fundraising-best-practices

MAINTAIN YOUR DONOR BASE

Do you know what your donors want? Your answer to this question informs whether your fundraising strategy is meeting the needs of your donors. You worked hard to engage them, so dedicate some time to maintaining your donor base.

Stay Connected

GuideStar reports that donors want two things: a prompt and meaningful thank you note and an update on how their donations were used. Create a templated thank you message to make that first step even easier. Some clever ways to thank your donors include:

- A warm, personal thank you card rather than a formal business letter.
- Recent organizational updates or little wins to show the impact of their donation.
- Call to action that doesn't directly involve another donation, such as following your social media or signing up for a free event, to keep your donor engaged.
- Opening your note with a more creative opening, like "You made my day" or "I have a great story to share with you" instead of a generic "To whom it may concern" or "Thank you."
- Rotating who is sending the thank you. It could come from someone like a board member or a volunteer who can share their personal story of engagement with the organization.

What is required by IRS regulation to be included in your gift acknowledgement (for contributions of \$250 or more) is straightforward:

- Name of your organization
- Amount of cash contribution
- Description (but not value) of non-cash contribution
- Statement that no goods or services were provided by the organization, if that is the case
- Description and good faith estimate of the value of goods or services, if any, that the organization provided in return for the contribution
- A statement that goods or services, if any, that the organization provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case

Appeal to Your Donor's Values

Learn from your individual giving campaigns and other marketing efforts so that you develop an idea of what messages resonate best with your donors. You can increase donor engagement by appealing to their values through that successful messaging. What your organization does is not as important to the donor as much as whether your mission aligns with the donor's philanthropic values and view of the world.

"Our donors told us that they want to see their support going towards research and patient access to care. In our thank you letters, we shared with them the impact of their donations on our research grants challenge and patient services."

Respect Their Wishes

Be mindful of donor requests so you can revise your donor strategy as needed. For example, do your donors prefer to be solicited less frequently, emailed a gift receipt, or have specific instructions on how their donation is used? Meeting these donor requests may be a matter of respect and relationship-building but it is also important to know which requests may have legal implications if not followed.

Promote Transparency

Donors are likely to review your website to determine whether your organization is worth supporting. Showing your organization is transparent with its governance and financials helps attract and maintain donors. Does your website detail how donations are used, display a GuideStar Seal of Transparency, or include a copy of your Form 990? Is your organization's contact information easily accessible? Is the list of your board members easy to find? These examples of financial and governance transparency will promote donor confidence. Look at your website from the lens of a prospective donor to see if you need to make any updates.

REFERENCES:

Showing respect for donors (National Council of Nonprofits)

bit.ly/respect-for-donors

Nine Clever Ways to Thank Your Donors (GuideStar)

bit.ly/thank-donors

Charitable Contributions - Written Acknowledgments (Internal Revenue Service)

bit.ly/charitable-contributions

Six Ways to Punch Up Your Fundraising Appeals (GuideStar)

bit.ly/fundraising-appeals

FUNDRAISING 301: ADVANCED STRATEGIES FOR NEW NONPROFITS

Creating a Fundraising Toolkit for Board Members

Want to help your board members make the perfect pitch to potential donors? Equip them with a fundraising toolkit that gives them the talking points they need to be successful, including:

- a summary of your organization
- key points
- stories and testimonials
- success metrics

Develop your fundraising toolkit in collaboration with your board members, increasing its effectiveness with their buy-in. The toolkit could even be customized for each board member to target their specific donor base. Keep in mind that this should be an easy-to-use tool so keep it simple, direct and easy to reference.

About Your Organization

Locate your case statement in your fundraising strategy and rewrite it as a conversation. This will supplement your board with talking points about your organization that forms a case for support.

TALKING POINTS TO CONSIDER	
An Elevator Pitch	Note key points to describe your organization in just a few minutes.
The Why	Explain why someone should be interested in your organization and donate, as well as the need your organization is addressing.
The What	Describe what your organization does in terms of programs and services.
The Who	Detail what population your organization serves.
The How	Outline how your organization is more effective than similar ones and thus your importance in today's world.

Flaunt Your Successes

These talking points may overlap with your organization overview, but this is your time to highlight your uniqueness and your impact to catch your donor's attention.

Talking points to consider:

- Impressive statistics, such as your total donations and what they have helped you accomplish.
For example, did donations:
 - Fund a researcher?
 - Keep your website active? If so, how many people visited your website seeking vital patient education and services?
 - Help patients attend your conference? If yes, how many?
 - If the impact is not measurable by numerical terms, share individual stories of patient impact, "Your donation helped Beatrice L. transport her daughter to important clinical trial appointments..."

- Admirable awards, such as recognition at a key event.
- Noteworthy achievements, such as an all-volunteer staff serving a sizeable number of families globally.
- Unique factors, such as the only nonprofit serving your community.

Your Programs are Effective

Funders will want to know how you measure the outcomes of your programs and define success. If your goals are specific, measurable, attainable, relevant and time-bound (SMART), you will have quantifiable metrics to share. Board members should be prepared to answer questions about outcomes, evaluations and effectiveness of your organization's programs.

Talking points to consider including:

- Measurable outcomes from prior programs and how the organization met its goals.
- How the organization evaluates its programs and analyzes the results.
- The need for a program thanks to research data (e.g., feedback from patient surveys).
- Why you are the right organization to do the work—your efficiency and competitive advantage.

Testimonials: Paint a Picture

The best person to talk about your organization is the person who benefited from it. Testimonials can be inspiring and speak to the power of your organization. Request permission to share stories that will be easy for board members to remember and share.

Financial Transparency

Your board members should be prepared to speak to how your organization is financed, not only the sources of income but also numerical data:

- Earned income versus donations as a percentage of budget
- Administrative/overhead costs as a percentage of budget
- Fundraising costs as a percentage of budget
- Unrelated business income as a percentage of budget

REFERENCES:

Fundraising Communications Toolkit for Board Members (BoardSource)

bit.ly/fundraising-communications-toolkit

FOR FURTHER CONSIDERATION...

- **Board Member Job Description (BoardSource)**
bit.ly/job-description-board-members
- **3 Types of Fundraising Campaigns (BoardSource)**
bit.ly/types-fundraising-campaigns
- **Fundraising (National Council of Nonprofits)**
councilofnonprofits.org/tools-resources/fundraising
- **Creating a Case Statement: Step-by-Step Guidebook (Nonprofit Learning Lab)**
nonprofitlearninglab.org/guidebooks