

**Nonprofit 911 – April 21, 2009**  
**Broadening Your Fundraising Net: Diversifying Your Fundraising  
Channels to Build a Financially Healthy Organization**  
with Cindy Adams  
Sponsored by Network for Good

The MP3 audio transcript can be found at  
[www.fundraising123.org](http://www.fundraising123.org) or [www.Nonprofit911.org](http://www.Nonprofit911.org)

**Rebecca Higman:** I'm thrilled to introduce our speaker, Cindy Adams. Cindy has been a fundraiser for over 35 years working directly for nonprofits and as a fundraising consultant Cindy specializes in building bridges between funders and grant seekers.

She strongly believes that the successful grant seeking requires a thorough understanding of funders and a sound knowledge of the playing field. Her life's work has been to level that playing field, creating an opportunity for all nonprofit organizations to access the wealth of opportunities across the United States. Her intention was to give others this same philosophy. So, without further ado, I turn you over to Cindy Adams.

**Cindy Adams:** Thank you. Thank you very much. I would like to thank Network for Good for hosting these 911 calls. I think they're great for the nonprofit community to be able to tap into these no-cost calls and really hear from a variety of professionals in the field of fundraising and to be able to ask questions and discuss issues like we do on these calls. And I especially want to thank Network for Good, I think it's a great service that you guys are providing, and you've been incredibly kind in your assistance to me today to get everything set up. I know this is a lot of work for Network for Good, so it's really much appreciated by the nonprofit community, I'm sure.

So, hello to everyone. Today, we're going to be talking about how to broaden your fundraising, actually casting a broader net to help strengthen and diversify your organization's income streams.

So the whole idea behind today's seminar is to help build a financially healthier organization, and to actually move your organization from where it is forward into the future, trying to diversify and build a stronger funding net. We have a lot to cover today, so go ahead and click on slide two, which really outlines our agenda.

As you are all well aware, your job, the job of any chairperson of a board, especially a small, nonprofit organization, the executive director, or the lead officer in the organization, their job is to create a steady and reliable source of funding for your nonprofit organization.

But I know how the pressure of daily events can make this goal seem unattainable. You feel sometimes that it's running from one craziness to another, writing one grant proposal after another or preparing to meet with yet another potential donor and then yet another potential major donor.

And it goes on and on and you never really have the time or the energy or the support to do any of it very well. It's difficult to step back and take a look at where you are and really where you should be taking this organization.

Because oftentimes, we tend to just travel down the path of least resistance. We've created this plan, this fundraising plan, and we should follow that fundraising plan. We've put a lot of work into it.

But maybe, sometimes, it's smart just to step back from it and assess where you are today and your existing revenue streams and really talk about how you might diversify. So analyzing those existing income streams and existing revenues is very, very important.

It's a small step, but a really important step, and you can do it at any time. You don't have to do it at the beginning of the year or your budget year, the beginning of your calendar year. You have to do it; just do it any time.

And it doesn't take long. It is going to take you maybe 30 minutes, maybe 45 minutes. Really sit back and take a look at the money that is coming in. This is important whether you are a larger organization or you are just a small organization with a small budget.

Knowing where the money comes from to run your nonprofit is almost as important as understanding how these sources affect the sustainability of the organization. If you don't have a firm grasp on your revenue streams, it makes it hard to diversify.

Don't think that because you are teeny and you are just an all-volunteer organization. Let's say you are very, very small. Let's say your operating budget is less than \$20,000, maybe even \$10,000 a year. Maybe even \$10,000 year. You might consider this first step not as important, because you already know where that money comes from.

Of course you know where the money comes from, but do you really understand what that means in the larger picture and how you might increase the bottom line by looking closer at what you already have. So let's take a look at slide three. Click on slide three.

And I'm actually summarizing a lot of these steps. I used to teach a two-day workshop on creating sustainable healthy organizations, so these are kind of just snippets from that workshop. It's sort of the pieces that I think maybe will help you look closely at your existing fundraising plan. Or if you're starting developing a fundraising plan, this will help you look closer at it and polish it, modify it.

So here on the slide we're looking at, for those of you who can't see it, it's a pie chart. It's a pie chart that shows all of the income streams for an organization. And you want to create a visual of your income streams. This could be a visual, like a pie chart, that could be very helpful in talks with your board, with volunteers or other staff about the need to diversify your income.

Once you have a nice visual like a pie chart, you can then look at some basic rules of thumb and see how you stack up. What does income for your organization look like? Is it

healthy or do you need to focus on diversification. You really want to use this to create your own profile.

And a simple way to do this, to create a profile, is to take your operating budget and look at all the income streams. What I do is I just list them on an Excel spreadsheet, along with the amount of income. I'm really just creating two columns. One is membership and how much I get from membership this coming year. One maybe be federal grants and what I expect I'll get from that source this coming year.

So it's just an Excel spreadsheet, two columns. And I use those columns, I use the charts and graphs function on Excel to help me create a pie chart which will demonstrate your existing situation.

You could also use - there's a great tool, a program called Google Docs you could use that's free. So if you don't have Excel for some reason on your computer, you can use Google Docs and download a very similar as Excel and it's free.

So let's say you have an operating budget of maybe \$40,000 a year and you develop this pie chart. It demonstrates that \$18,000 comes for individual donors and \$10,000 comes from, say, a local community foundation. And the other \$12,000 comes from a special event you do each year in the spring. Let's say an auction or something like that.

The pie chart will look a lot different from the one that you can see on your screen, if you can see it. Because the one on the screen has six or seven different income streams. If you're only going to have three, it's fairly balanced. That part's nice. It's \$18,000 and \$10,000 and \$12,000. So it's fairly balanced.

But the number of sources is obviously too few. You want to use the profile you create, along with some basic fundraising rules of thumb - and I'll get to those in just a minute - to help your board, your staff, and your volunteers really understand that need to diversify. And which areas of fundraising you want to focus on next year, because you can clearly see where the money is coming from.

We're already heading into summer, so you'll want to get this whole assessment task pretty soon. As I said, it only takes 45 minutes to do this. So don't put this off, create this pie chart soon so you can use it as a plotting tool for board, staff, volunteers, the person who does your books. If you have a fundraising committee.

The example in this slide is a snapshot of a fairly diverse income stream and a really healthy organization. It has seven different sources of revenue, including grants and earned income and individual donors. I would call that a really healthy mix.

And that's what you're shooting for. You're shooting for something that looks similar to the one on the slide, that has lots of different income streams and no one are is really dominating the income of that organization.

I've seen dozens of organizations go through this very, very small exercise to develop a pie chart that reflects their income streams, and they often have only two or three sources.

When this happens, it's usually a state source or a federal source such as a grant or contract that they have that they receive every year.

And it depends on that. That's sort of the chunk of the money. So you want to be really careful there. Let's say you're a sports organization and the chunk of your pie chart, the largest percentage of your pie chart is from earned income, from ticket sales.

Is that healthy? Your ticket sales go up and down. You just want to make sure that there's no one area that's dominating your overall pie chart.

Let's take a couple of minutes to talk about some rules of thumb you might want to follow if you're trying to diversify your income streams. So go ahead, if you have the pie chart, let me just start on slide four.

This is what I call a reality check sheet. And this reality check sheet really just provides you with some basic rules you should follow, or at least I try to follow these rules, for your organization. You may want to tweak some of these, you may want to add your own rules for your organization.

Let's say you're a small museum located in a rural community. You may want to add something like 10% of annual income needs to be generated by your entrance fee or entrance donations of some sort. Then of course you think of ways to make that happen.

But this reality check sheet is just sort of rules of thumb that you want to operate your organization by, as you develop fundraising plans, as you develop a committee, or your board works to raise money. In the back of their mind they know this is what they're trying to achieve.

And we'll go through a couple of these. For example, every organization - this is the standard - should have at least four or five different kind of funding sources. And I think this one is pretty important. I would advise it almost across the board to everyone. If your organization receives 95% of it's funding from the county or borough or the state, and the other 5% is for fees from services, that's a scary situation to be in. And it needs to be addressed.

Those are only two sources, and one is from a federal or state agency. You want to make sure that you have at least four or five funding stream sources. There's two reasons for this. One, just because it's smart to have diversity in income sources, just plain and simple.

The other one is because unless you develop these other income sources -- let's say your donors. You've never had this program before and you're going add this tool to your fundraising. Even if that revenue stream only represents 2% or 3% or 5% of income the first year or two, it starts to make an impact. At the and the important thing is that you develop a process and procedures that you follow to not only identify and secure donors but to thank them as you retain them.

They may only represent a very small slice of that pie, that pie chart you created. They only represent a small slice because it's a new revenue stream. But by introducing them, it creates this whole program around itself and allows you then, when times are tough, to still have that income stream.

I'd say it's so important, even if you only have a small operating budget: \$10,000, \$20,000, \$30,000 something small. You do this, you really analyze your existing income stream. Because then you start with what you have, and what you could build on. Because you already have process and procedures in place.

You may not even realize you have process and procedures in place, you may have to write those down and adopt them formally. The president always sends a thank you letter, or the president of the board always sends a letter to the big donor within 10 days of the check.

Whatever it is your processes and procedures will be put in place. You want to write those down, and be sure you have a processes and procedures book that you follow and policies that you adopt for every income stream that you introduce to your organization.

Another rule is the second one on the check sheet that I think is really important, is getting a percentage of your income from individuals. Percentages can change of course, depending on the type of organization you are.

If you are a clinic and most of it comes from Medicaid or Medicare and health insurance payments, it's going to look differently. But you still want to have a percentage of your income coming from individuals. In general most organizations should be looking at 30-50% of their income from individuals.

In terms of the larger picture, if you look at the reports that come out every year about how much money was given away by corporate foundations, and associations, and religious grant makers you'll see that by far the largest amount of money was given away by individuals.

So individuals, have a push it program, or an individual gift facilitation program in place. If you have a major donor program, so major donors can donate to you even if you only have three or four major donors that you do each year, that's a good way to start developing gifts from individuals.

I have several other rules on this reality check sheet that you can look at. Is there a rule book that you should follow? Not really. I developed these checks and balances for myself that I used for many, many years. It can serve as a guide, but really each organization has to come up with its own rules. Because you know where the money is coming but you should be getting more than that donation box at the front of the door in a rural museum.

When someone walks in the door why aren't they putting money in? Why don't they feel compelled to put \$5 in there? Do you have a sign that the average is \$10? Is there something that's motivating people to put money in that box, so that percentage goes up?

That would be one of your rules. So you're going to develop your own set of rules. Hopefully this reality check sheet will help guide your thinking as you go through and adapt the rules for your organization.

So just step back, take a look at your existing donating sources, that pie chart we just talked about, existing income streams. Take a look at where you are today with that chart, and just project how you're going to add new income streams or build on existing income streams for the next couple of years. Then create yourself a reality check sheet because it will help you -- it will put into context a way of thinking about broadening your support and building out your existing income stream.

Go ahead and put down number five in the slides. And for those of you that don't have this, it's a sample worksheet - a part of a worksheet work sheet. What you want to do after you've developed that pie chart and you created your own reality work sheet, then the best way to really boost your bottom line is to look at building on existing income streams, and perhaps from introducing new ones.

I like to look at both the strengths and the weaknesses in each existing income stream, and talk about way to strengthen it. This is a great job, by the way, for the fundraising committee, if you have one. Obviously this slide that I'm showing now is only demonstrating a few examples of income. I have membership up here, and major donors. But it's just membership strength, weaknesses, and ideas to improve how the system works.

So let me give you some examples. Let's say you have a membership program and right now you have 300 paid members. Your strength to do that program might be that you've had 70% of these members, these same members, since you opened their doors five years ago. Let's say your organization's five years old. So you have a good retention rate.

The weakness might be that you've had trouble increasing the membership since you started the organization five years ago. It stayed very static the past two years, maybe right around 300. You did a big, big membership drive when you launched the organization five years ago around, let's say, a very specific issue.

Say they were going to put a toxic waste dump in your community. So you organize around this issue, and you brought tons of people to the organization, and you had a lot of support. So let's say you resolved that issue, and you've moved on, your organization's moved on. You've brought forth other projects to build a healthier, more attractive community. But the membership hasn't grown.

You can use this worksheet to help you discuss ideas on how to build your membership. As part of your analysis, your discussion, you're talking about your strengths, it might be you're looking at your weaknesses and you realize that the community doesn't really know or understand what you do as an organization now that you've been fairly insular since the first push five years ago to respond to certain needs in the community. Which was this idea that they were going to have a toxic waste dump there.

You decide the best way now -- so this is the idea you have, you look at your strengths, you look at the weaknesses -- and you decide the best way to build your membership is to talk to people one on one. So you come up with a door to door membership recruitment campaign drawing on that 70% of your members that have been with you since day one to help you canvas the community. So you're going to look to them to try to create a set of volunteers or recruit a set of volunteers to canvas the community.

It'll be a "join me" type of campaign, we've all seen those types of campaigns, we've all done those kinds of campaigns. People are going to walk up to the door, knock on the door, refresh the memory of the people that are standing there. Say "Five years ago do you remember when we had this blah, blah, blah? I joined this organization and since then they've been working on XYZ. This is what they intend to work on next year. Would you join us? Would you become a member?"

And so you look at your strengths, you look at your weaknesses, and you come up with ideas to improve that program. You draw on your strengths, to build on your weaknesses.

The weakness in this particular example was that the organization was really relying on those 170 people who had been with them for five years. And if for some reason some started drifting away, for some reason they lost those people, they had nothing. So they really needed to build out that particular area of fundraising.

So the whole idea behind the Building Your Strengths worksheet, which is on your screen, is to really assess each income stream, you know. Say it's earnings, say it's ticket sales. What are our strengths? What are our weaknesses? And what are ways to improve it?

Drill down. Don't be scared to drill down. Let's say you're looking at your strengths and your weaknesses. Oftentimes we throw out, "Our weaknesses in selling tickets because we just don't do marketing." Is that really it? Really try to drill down and have a conversation about the weaknesses in these programs.

Let's say you receive federal money, a lot of money every year, and your strength is that you have a good working relationship with a federal agency and that there's a similar amount of work that has to go into writing that grant each year or that contract. So it's pretty easy to prepare.

You also view the strength there is you also have protocols and procedures in place for working with government awards. So all of those things are our strengths. The strength that you have protocols and procedures in place, the strength that you have a good working relationship with a federal agency, the strength that grants are renewed year after year.

Your weakness is that your organization is relying heavily on one source of income and maybe another weakness, if you dig deeper, is that the federal grants process isn't pushing your organization to do a better job or employ new techniques to address the problem. They even discourage new techniques.

So your idea to improve in this example might be to research federal and state funding sources that might fund new models. That does not mean you wouldn't go after that money that you go after every year, that money you apply for every year, that award that you get every year. It doesn't mean you're not going to do that.

It simply means that you're going to take your existing model, you're going to build on your success rate with it: the reports you've already written, evaluations you've already done. You're going to reprocess and maybe come up with a new model and a new funder to fund a pilot of this model.

It's going to be a fairly easy thing to do, to find the right funding source, because you're taking what you already know--all the protocols and procedures you have in place, work with federal or state government will be applied to this, as well as all the information you've developed. Evaluations you've done, reports you've submitted in the last three, four, five years, however long you've had the award. You can take that and build you another advanced project maker and really diversify.

Once you've gone through this process of getting that pie chart, looking at where your money comes from, establishing some rules of thumb or "reality checking" like I call it, looking closer at building on your strengths and your weaknesses and ways to improve that. Once you have these, there are three steps.

You want to take all of those pieces that you've just worked on and integrate them or incorporate them into your overall fundraising plan, or funding plan.

Go ahead and click on slide six. And I will take a sip of water if you'll excuse me a second -- that tastes good. I hope that slide transferred.

So you want to take everything that you've just learned -- these are really side things, if someone's teaching you how to develop a fundraising plan, you don't really talk about these kinds of things. This is really assessing where you're at, building on strengths, strengthening your weaknesses, and then incorporating all of this into a strategic funding plan.

And you know a fundraising plan always has objectives and it has a plan of action, it has a budget. But you want to make sure that your fundraising plan has objectives and a strategy for each objective. Objectives are quantifiable, they're measurable, the strategies are how you achieve your objectives. And your plan of action really coordinates the two.

So strategies are really just the things that need to be done to successfully accomplish your funding objectives. And if you think of the objective as where you want the station to be or to go, the strategy is the route you need to take to get there-to successfully get there. So a strategic funding plan will have objectives and a strategy, and it actually separates strategy from the objectives, and then of course that's all referred to in the plan of action.

Most of you know how to do a fundraising plan. You've had a workshop on this before, there are better folk to teach you how to do an overall fundraising plan than I. But

perhaps some of this pre-assessment work I've mentioned so far, like the pie chart and the reality check sheet and the worksheet we just looked at, strengths and weaknesses worksheet, each one of these things might help make a more strategic plan, or at least make you think more strategically.

Go ahead and click on slide seven.

So I just want to give you some ideas of what I mean when I talk about strategy and objectives, because for some reason it seems to confuse people. And it is confusing! I'm asked many questions about it from time to time. But it is confusing.

For example, if the objective is to increase the membership by 50% over 12 months, that's the objective. Then the strategies -- there are different way of achieving the very, very same thing -- so the strategies you pick out, that you select, are important. I mean, you could do that, you could just say it out, you're going to increase membership by 15% over the next 12 months, but if it doesn't have strategy with it then it's difficult to really implement it successfully.

And the person who is working on the fundraising plan and overseeing it can insure that it's implemented correctly and that you're reaching your goals and your objectives that the fundraising committee or the board or whoever -- staff, volunteers, whoever -- is working this is actually doing it the way you want them to do it.

So strategy. Suggested strategies for this objective might be increase your membership dues. You know? You would run the numbers, if you increase it from \$45 to \$55, you will increase the income by 15% percent.

Or you might decide you might have three or four different levels. So you might have an individual membership fee, you might have an organizational membership fee, and you increase each one of those and that generates the 15% increase in fees that you need by the end of the year.

Or you can decide to increase the total number of members from one number, 450, to 525. That might be a strategy that you use. Or you might try to establish a monthly pledge program with an automated payment component. Or at least that's the way you hope it works, so that is an automated payment component.

Someone looks at me and I'm always a \$60 member, and they say, "Can you pledge \$10 a month?" And I say, "Oh, yeah, I can do that." And all of the sudden you're \$120 member and I'm doing automated electronic withdrawals from my back account right into their account.

So there's lots of strategies you can use, and these are a few simple ones, to achieve a certain fundraising objective. You want to develop and think about strategies as you develop your overall fundraising plan and how you're going to achieve what you want to achieve.

From these objectives and strategies obviously comes your plan of action. And usually the fundraising team, if you have one, that will adopt the objectives, the strategies, and the plan of action and implement them.

If you were talking about grants at this point, you might say you wanted to secure a minimum of two private grants per year for a minimum of \$1,000 or something like that. And then strategies that you use for challenge grants or matching grants or gifts from small businesses that will pay for a campaign, or whatever it is. So you want to come up with a strategy that will complement your objectives.

And then just to sort of put all of this - I have two more things I want to touch on very lightly, and we are running out of time.

What I do, whenever I've worked with a nonprofit organization, even if it's a very, very small nonprofit. It might be one half-time executive director and two board members. Overworked board members and a way-overworked executive director. Or it might be a large organization. Fairly large for a nonprofit. You have 8-12 employees, a seven-people board, the whole nine yards.

Whomever I work with, I like to establish a fundraising team. Not a committee, and certainly not made up of board members. You can have one or two board members that sit on this fundraising team or participate in this fundraising team, but not a lot.

I like to treat the fundraising more as a team because I don't want two or three people participating. I want 15 or 20, or maybe even more. And the idea is to connect folks with diverse skills and interests that can help you address all the areas you need when you're trying to raise money.

And you know how many different income streams there are. We may have earned income, we may have memberships, we may have corporate gifts or local small business gifts, or statewide corporate gifts, which are really different things. We may have solicitations that use local associations, that's a whole different ball of wax than anything else.

There's just lots of different income streams. There's grants. Grants: research, federal, state, and private. So you want to select team players carefully, and instead of looking for those individuals who are already on board and contribute all the time, find those individuals for whom this may be the first or the second time they've ever volunteered. Or maybe they haven't volunteered for a long time.

You look for young people with passion and energy, or you look for older people with time and strong goals. You just don't need your full board member or your full board to participate in this team. You just need one representative of the board that will report back to the board from the fundraising team.

You should ask people you might not normally ask. That young woman at the bank who is always so responsive and organized and seems really interested your organization, and always seems positive. She may be a good person to serve on a committee or a team.

The young man who works at the local Kinko's that does a great job on layout. A retired English teacher who would be a good editor or a good writer. Ask lots of different folks to participate and realize that you're building a team. There will be working groups within working groups. There will be a talent pool that everyone can draw on.

So don't be afraid to ask several dozen people to participate in the sub-groups. A sub-group is directed by one of your fundraising objectives, and of course it has a strategy and a plan of action. You want to make sure that these volunteers are working in areas where they are comfortable and using skills that they specifically have.

If someone asks me to sit on a team, and he says, "All we want you to do, Cindy, is do grants research. It could be federal and private and it would probably take about two hours a month." I would say, "Oh, yeah, sure." Because that's what I do every day. I'm sitting at the computer, I'm always talking to grant makers.

Grant research is what I do. It's my thing. If someone asks me to do that, I can do it. If I have to go to a lot of meetings and put on my thinking cap to figure out how to put on a special event, it's not that I can't do it. I can do that. I've been involved in many special events. But it won't fit into my day as well, and I probably won't be as productive.

So you really want to create sort of a short job description for each one of these sub-groups and for people that are going to be in these groups, as well as this talent pool. You'll have a sense of your fundraising team and a piece of this fundraising team will be this talent pool.

It might be someone like a young man who knows how to use Dreamweaver and HTML and those things that I don't know what they are. This person can post on your website. So if there's special event that you need posted or press release that needs to be posted or whatever, they can do posting on your website. And they're just for the fundraising team, not for everybody else in your office, and post just for things that have to do with fundraising.

And the team members, whether they're the grants team or the community development team or whatever, could draw on this talent pool. And that person is doing what they do anyway, so it's easy for them.

OK, I'm going to sort of let that drop a minute and just wind this all up with some comments on assessment and strategy. And this is the last slide. I truly believe in assessing your current situation, and then developing a smart strategy to take your organization from where they are today to the next step, and to really help you broaden your funding base.

This is a really smart thing to do. Because if you don't look clearly at where you are today, and all the different parts of your organization, it's difficult to move the organization forward. And, in fact, you may move it forward in the wrong direction. So you really want to take the time.

There are a couple of bill cost assessment tools that I've used several times in different organizations. On the last slide, Capital Ventures has this great little board fundraising assessment form, which I think is really user-friendly and super-simple to print off. And you can check it out.

Innovation Network always has great items posted on their website. They have something called Point K and it has organizational assessment tools and a whole set of other tools. The National Council of Nonprofits has an online guide that offers good practices in numerous areas of fundraising, including assessment tools. So I think you'll definitely want to check all three of those things out.

GrantStation is my little business. We have some tools on the home page. Mainly what we have to do is with those ongoing fundraising assessments, right on the home page, as well as funder spotlights. And then through Network for Good, you can get - if you join Network for Good, I believe you can be on their list and receive the GrantStation Insider, which is full of upcoming grant announcements.

And then, of course, Network for Good has some very low-cost usable tools that you may want to look at as well.

I thank you all for your time today. If you want to open it up for questions, that would be great. And we can open it up.

**Rebecca:** Great. Thank you so much, Cindy.

**Cindy:** You're welcome.

**Rebecca:** We will dive right in and take some questions. Just a reminder for those folks that if you do have questions or just want some clarification on anything or would like to share your own story or have some questions about how this can really do it, we'd love to take those. All you have to do is email us at [fundraising123@networkforgood.org](mailto:fundraising123@networkforgood.org). All right. The first question comes from Gretchen. She's looking at the reality check sheet. And she just wants to know what's the origin of the statistics on that reality check sheet?

**Cindy:** Those are really sort of - this something I developed probably 20 years ago. And have used - and then used then when I did a lot of work in nonprofits and did a lot of work with nonprofits, in trying to get them to diversify their funding base. These were some rules of thumb I came up with. That's why I don't want you to take them too seriously. You really do need to develop your own. The only ones on this reality check sheet that I think apply across the board is the very, very first one, that an organization should have at least four or five different funding sources.

And that one I think pretty much applies to everyone. And then the one below that, that between 30% and 50% of your income should come from individuals. I mean a membership where an individual gives or donors. It can be endowments that are endowed by individuals. Or in-kind gifts, that kind of income.

The percentage there might change a little. You might be a hospital or something like that, and a lot of your money may come from earned income. But you still want to look at your individual gifts and keep that percentage pretty high.

**Rebecca:** Great. Onto our next question. This comes from Jackie. Jackie says, "We are a membership organization and have a fairly small fundraising committee of four board members and couple of volunteers from membership. Do you suggest recruiting volunteers from outside of membership for this fundraising team? How do you get the time to organize all of them? We have such a small staff."

**Cindy:** Yeah, Jackie, I have found - and once you start this relationship, oh yeah. I found my best volunteers are from outside of the organization. And eventually they become members and sometimes they go all the way up to becoming board members. I particularly remember a young man I recruited who was working at the National Wildlife Service here in Fairbanks. His whole thing was statistics, and we really needed someone to put together a whitepaper. I was working at an environmental organization. And we needed someone to help put together a whitepaper on this particular river and the fish - I won't get into details, but you get the idea.

And this fellow, that's what he did, fish and wildlife. So he volunteered. He said, "I'll do that. I'll sit down and help you do this." He helped us with all the statistics on that whitepaper and he was so good at it. So I sort of - and he was interested in that issue.

So then a couple of weeks later I went back to him and I said, "Hey, you're really good with stats. Would you sit on our fundraising committee? Just in my talent pool, people need statistics run, or they need to know what goals they should set, can I run them by you?"

He turned out to be this great resource. And he would run these statistics for us. We would need the information and we would call him up - this was before email. They would drop them off and would run these little analyses for us and got really good at it, and very involved in the organization.

So that's part of your question. The other part was, if you don't have time, how do you find it? Seriously, a lot of these people you're talking to already daily, you just start looking at people differently. And everybody on your staff, have them look differently.

I'm serious when I say that young woman at the bank where you drop off - the person that you get coffee from in the morning, if you have those little coffee huts, like we have little coffee huts up here. You drive through in the morning and there's a young woman who's always waiting and she always remembers your order.

You've said a few things about what you do and she seems interested, you drop off a little invitation, she seems a little more interested, and you ask her if she would serve. It's that easy. It's really the advantage of the interactions you're having daily now. I hope that helps.

**Rebecca:** Great. Well, it certainly was a very thorough answer. [laughter]

**Cindy:** Was it wrong?

**Rebecca:** No, you covered all the bases. So I appreciate that. [laughter]

**Rebecca:** We have a bunch of questions from a different Cathy, and I think I'll hop in, but feel free, Cindy, if you have resources we can pull in. And Cathy would like to know, "Are there any free resources for developing a fundraising plan?" First, just from Network for Good, we're happy to let you know that in our Learning Center, we have had a couple of Nonprofit 911 calls. One was on February 3rd of this year and one was on December 2nd of last year. Those are about fundraising in tough times and developing your online fundraising plan. And there were a couple of great worksheets and resources there for actually getting your fundraising plan going.

Cindy, do you know of other resources for developing a plan?

**Cindy:** I think the ones you mentioned, I was looking at those a couple of days ago when you sent me the link, and those are quite good. So I think there's no need to go any further. If people can use, what was it, Kim Klein had hers?

**Rebecca:** Yes.

**Cindy:** It was really good. I would just go to Network for Good and go on down the information that's listed there.

**Rebecca:** Great. Let's see, we have another question from Dora. Dora says, "We're a new nonprofit looking for 501c donations. Meanwhile, we are formulating our fundraising strategy. Everyone is telling me in the current economic environment, it's going to be hard to get grants without track record. What would you suggest for a new nonprofit who is looking for those first grants, whose board hasn't sent them an initial donor list already. I have even considered cutting half our programs to establish ourselves for the first year and to make a profit."

**Cindy:** Hmm. Dora, one thing you should keep in mind is that even though, yeah, it's economically tough out there, but there are a lot of new funds that are springing up across the country. Literally hundreds of new programs are springing up to help address specific issues and problems or needs in a community that aren't being addressed because funding is so tight. Federal funding is - the stimulus money is out there, a lot of it's going for infrastructure. And not a lot of that federal - a chunk of it is available for competitive grants.

So if you're starting a new organization, and you're really addressing a specific need in the community, a real need, what you're going to have to do more than anything is develop a strong and powerful need statement. That means focus on the need. Give a visual. Try to do a chart or a graph.

I don't know what line of work this is, but let's say students at risk, or something like that. You really are going to have to paint the picture and show that there's a reason this new organization needs to exist. Because it's going to be tough otherwise.

If you can create a strong, powerful needs statement, then I think you'd be successful. I wouldn't think you should cut any work on anything until you get an idea, really get a sense of what may be out there for you.

And if you already have some major donors or individuals who are willing to sink some money into it, even if you can just raise \$5, 000 or \$10, 000 locally from individual donors, use that money to leverage a major grant.

So try to find an organization, probably a community foundation, in your area that will accept the proposal, that they will give you up to the \$10,000 or \$20,000 or whatever it is that you think you might be able to raise from these individuals, as a match. They will only give you what you raise. In other words, if you only end up raising \$7, 000, they only give you \$7,000. But see if you can't find someone who will do a match, or a challenge grant, basically. I hope that helps, Dora.

**Rebecca:** Oh, we do have a question from Denise. She's already getting a head start and jumping into those resources from the slides. She says she's looking for Capital Ventures and she's looking to find it. Do you have the URL that we can give her? And we'll be sure to email this out as well.

**Cindy:** I do. And the slide -- I had it hyperlinked on the slide. It's [www.cvfundraising.com](http://www.cvfundraising.com). Capital Ventures. The woman's name is Linda - I can't remember her last name. I've worked with her several times over the years, so I've known her for about 20 years. She always has some great little tools and resources on her website. Any more questions?

**Rebecca:** Yes, absolutely. This one comes in from Mike C, as in Cindy. He says, "Our organization does not have a fundraising plan. We barely get any income from individual donors. And suggestions for an approach to get this moving in the right direction?"

**Cindy:** I think one of the things - I don't know what type of organization you are, and if I did I could probably come up with some better ideas. But part of the individual fundraising, getting money from individuals, you have to tap into something - let me back this up. First of all, it has to be simple. It has to be something that they can wrap their brain around quickly and understand quickly. If they don't know your organization, don't know what you do, they're going to be shy of giving you \$5 or \$10 or \$50 unless they know more. So you either have to go down the road of educating them in that if you take on a new business, you should approach a nonprofit the same way, get somebody to do an editorial about your organization and what you do. Get some press releases out there and build up a website.

That's all fine and dandy, but that's for the longer term. For the short term, you need something quick and easy, almost like a tag line. Something that people start to see and recognize you, they know that that group does that. That group protects children. That name equates to a healthy environment, or clean air, or whatever it is. So you've got to come up with almost like a tag line.

Then the other thing I would do, is I would find out who in your state has the AmeriCorps contracts and see if you can get a set of AmeriCorps volunteers to do a door-to-door campaign. To date, even now, there's nothing more effective than if somebody walks up to the door and says, "Hi, I'm with the local youth performance group and we're trying to raise donations for Shakespeare in the Park this summer. We're looking for people to give individual gifts of \$15 or \$20, and that will get you one free ticket," blah, blah, blah.

So if you can get them, a set of AmeriCorps volunteers to do something like that, it really helps because they don't cost you anything. So you can draw on a set of volunteers. Or you can get a local association to do a fundraiser and to help you with fundraising from individuals. That works as well. That's harder.

I hope you got some ideas out of that.

**Rebecca:** So I know it's coming up on 2:00 for you. Do you want us to do a time check? Can you squeeze in a couple more questions?

**Cindy:** Oh, yeah.

**Rebecca:** OK. We have one from Ada, and Ada says, "Hi, we are small nonprofit with a mission that is based in promoting education in sub-Saharan Africa. What resources are available to a group like us that is based outside the US? The trouble in this time of economic uncertainty is getting people to think about international humanitarian needs." Any suggestions to help organizations like this?

**Cindy:** Yes. Ada, there are a couple of things. US AID, which you probably have already worked with, But US AID has a lot of programs that they've run through their local embassies. I'm not sure where exactly the embassies are in Africa, but I know that they have many grant programs across the world. These are sometimes small and not very well known. So you might want to get on the web, go to US AID, the agency, and just check them out, find out where their offices are in Africa, and kind of go from there.

At GrantStation, you can do all your international research. So if you are a member of GrantStation, you can get into the fundraising database, which is our big database of US-based grant makers. And you can do a search in the international area, it's specifically - say you're working in health or economic development or community development.

You can combine those in your search criteria and come up with grants that are based in the US that are to be in Africa. Then you can also do a search on GrantStation, we have our international grant-makers. You can select Africa, you can choose which country within Africa you live in. You can type in a keyword, "disease prevention," you can use the word "prevention."

You can do search and it will come up with all the grants based across the world, and specifically in Africa as well, that will give to those issues, and specifically to the country that you're in Africa. So you can really narrow that search a little.

Is there money out there for you? Yeah. But it's going to take that same kind of effort that I talked to Cathy about - I think it was Cathy - about creating a strong needs statement. And make sure your needs statement isn't littered with opinion words. You don't want to tell the reader what to think, you just want to state the facts and let the reader draw their own conclusions.

So be careful not to say that this is terrible or this is bad. Don't tell the reader what to think in your needs statement. A really powerful needs statement simply paints the picture by stating the facts and letting the reader draw their own conclusions.

We do a webinar on how to write good needs statements, and I think there is one coming up in June. So you can keep your eyes on the home page of GrantStation if you need that.

But it's really important for those of you that are just starting out or those of you that are located in the rest of the country, of the US, in Appalachia or like we are here in Alaska, in rural Montana, that you need to paint that picture. And those of you, of course that are located out of the country? Does that answer the question?

**Rebecca:** Great. We'll squeeze in two more questions. From Laura, who is also in a different situation, and says, "I'm with a rural tribal program and have no nonprofit status, because we're a sovereign nation. [indecipherable 1:02:55] grants through our programs, for we speak for the abused and neglected children in tribal court.

**Cindy:** Good question, Laura. I've done a tremendous amount of work with Alaskan native villages and with tribes throughout the US. Many of the programs, even though you don't have a 501C3, many of the programs and grants programs out there, especially the Native American grant makers, and there's a lot of them - there's even a website, I believe - that accept proposals from organizations that do not have a 501C3 status. And if you want to email me, my email is just cadams@grantstation.com, or you can it to Rebecca and she'll forward it to me. And I can give you some more ideas on how to do that.

But there is a lot of money out there for the kind of work you are doing. There's more coming out from the Justice Department that you really want to keep your eye on, through the stimulus package.

We list all those grants and all the stimulus money updated daily on GrantStation. It's easy to find, so if you are a member of GrantStation, you could just look there, or you could go to grants.gov. It is a little harder on grants.gov, but it is free.

So, I would say that there are many grant makers that will accept proposals from you even if you are not a 501C3, and if you know about the something called the [indecipherable 1:04:32] of Philanthropy, and you should keep your eye on that group because everyone in that group, every single one of them, will accept proposals from organizations that are not 501C3s.

And then, of course, through GrantStation, you can do a search on rural and Native American and youth and the state that you're in, and you will pull up lots of different donors. I hope that helps.

**Rebecca:** OK. And then, this is actually a comment instead of a question, but Ada wants us to know that her organization, the one we were discussing that was work based in Africa, their office is actually in Houston, Texas, but their business is in Africa.

**Cindy:** Oh, OK. So in that case, Rebecca, there would be a lot of grant makers listed on GrantStation, in site listed in the database that will help her.

**Rebecca:** Good point. Great. So actually, maybe we will just sneak in one last question, and then, we will wrap things up and just let everyone know how they can contact us if they have other questions. So, this one comes from David, and David says, "Thank you for your ideas and help. We are one of 1,400 family support organizations in New Jersey. We have been 100% funded by eight contracts, and a contract with the DHS. Their plan was to combine us with sister care management agencies who are also part of our system of care. We had started to think about fundraising, and now to get into high gear. Would you agree that grant writing would be our most useful resource to pursue?"

**Cindy:** I would, I think, and type. [laughs] I think David is asking --what state did he say he was in?

**Rebecca:** New Jersey.

**Cindy:** David, if you are a member of GrantStation, you can go on the funders database and do some research. I think there are some. Even if you are not, maybe if the local library has a communication center in it -- only they are not going to have the information. You guys have hundreds of little funds that are opening up. These are funds that are specifically being set up to address situations like yours, because you are not the only guys in this predicament, and that is why there is a separate need, why I am telling everybody diversify, diversity, diversify, because this happens. And it is a terrible thing because you serve a lot of people, and what happens to those people?

So I would suggest that grants are your best bet, I would look for an emergency grant. So if you use GrantStation, be sure and put the word "emergency" on the search criteria because you are coming up with grant makers that are used to dealing with situations like this and will move quickly.

If you can't find a grant maker, I want you to email me so I can help you out, because you guys are in a bad situation, and maybe we can come up with some ideas here. That is what we do all day. Everybody in this office works with grant makers, and we are posting updates on grant makers all the time, and so it is very fresh, very new. We are coming across new sources and new programs, so if you don't find anything, be sure and come back to me and see if I can't run it around the office and see if we can't come up with a miracle.

**Rebecca:** Excellent. Thank you for that, and I'm going to end with David's question and go back to the beginning of the call where we talked about the need to diversify. So, thank you so much, Cindy. We really appreciate the breadth of information you were able to share with us today.

**Cindy:** Yeah, it was fun, and I had fun. And I haven't been able to talk about on general fundraising like this for a while. We are so focused on grants, especially these days. So it was a delight, and thank you so much, Rebecca, for all of your help, and everybody online, it was great having you here today.

**Rebecca:** Wonderful. Thank you again, Cindy. Thank you to everyone on the phone. We hope you have a great day.

**Cindy:** Thanks. Take care. Bye.

**Rebecca:** Bye-bye.

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