

Neighborhood Networks Quarterly Consortia Conference Call "Starting a Fundraising Plan"

On December 4, 2007, Neighborhood Networks held its first FY08 Quarterly Consortia Conference Call. The call was entitled "Starting a Fundraising Plan." Information was provided to consortia about designing a fundraising plan, as it can be a powerful and an effective tool for cultivating relationships and acquiring new sources.

Highlights from the call:

- The first step in fundraising plan development requires Neighborhood Networks consortia to identify funding goals. This is important because:
 - Clearly stated financial goals will enable consortia to market their needs to prospective funders;
 - Such goals identify how the funders' contributions will be used and motivates funders to give;
 - Goals assist the consortia in making informed decisions. By comparing the goals against the amount that has actually been raised, the consortium is better prepared to make program decisions. If financial goals are unmet, the program or service may have to be modified.
- The second step is to identify the tasks for achieving the funding goals.
- The last step is to identify the specific cost of the need. For example, if a consortium would like to raise money to purchase updated computers for centers, a budget needs to be established. This financial plan shows how the consortium intends to utilize the resources to purchase the computers. The budget is crucial because it demonstrates the consortium's fiscal responsibility to potential funders.

Individuals should provide the core support for Neighborhood Networks consortia. *Giving USA 2007* reported that individuals made up 75.6 percent of private contributions. This number accounted for \$222 billion that was given to nonprofit organizations in 2006. Individuals are the most reliable and consistent contributors to nonprofit organizations worldwide. Neighborhood Networks consortia are encouraged to solicit individual donors for financial and technical support for the following reasons:

- Individuals form very personal relationships with organizations they support;
 - Current donors are more inclined to donate larger gifts over time;
 - Donors can become members of the consortium, which carry certain rights, such as voting for officers and board members. In most cases, membership gives the donor a sense of belonging and appreciation. The membership can be renewed annually, and allows the donors to project their annual membership as a regular part of their yearly contributions. This, in return, allows the consortium to project this fee as a source of annual income.
- A key step in tapping individuals for financial support is to identify and to target those that are most likely to develop an interest in, and extend support to, the consortium. There are four levels

of potential donors that can assist with the Neighborhood Networks consortium's fundraising goals:

- Level 1: People closest to the consortium, usually those that drive the organization and have the most passion, such as the executive board and members;
 - Level 2: People who work with or are served by the consortium, such as volunteers, residents, and property management staff;
 - Level 3: People who may have given to the consortium in the past but are not currently active givers;
 - Level 4: People in the general population that have not been solicited and who have interests compatible with the consortium's mission.
- Financial resources exist in each consortium's community. Consortia may also request support from vendors, local businesses, community leaders, and national foundations.
 - Letters of inquiry (LOIs) have become an important part of the fundraising process. Many foundations now prefer that funding requests first be submitted in a letter format to predetermine their interest in the organization's project or service. The LOI should be brief, no more than three pages, and must include the following:
 - An introduction;
 - A description of the consortium;
 - A statement of need and methodology of the project;
 - A brief discussion of other funding sources;
 - A final summary;

The committee member or board member can contact the local and national foundations.

- The staff discussed the importance of marketing materials and how they can enhance an initial meeting with a potential donor. Marketing materials give the consortium credibility and continue to speak for the consortium after the initial meeting. The consortium's marketing materials also:
 - Keep donors informed and involved with the consortium's programs and events.
 - Allow committee members and the executive board to reach new donors.
 - Build the consortium's identity through distribution to the community.
- Fundraising events should complement the consortium's cause and interest its constituency. If the main priority is to raise money, the consortium should place special emphasis on planning the event's budget. It is important to remember that an event requires sustained effort by the consortium's board, members and volunteers. Everyone must be committed to the event to make it successful. The following are several fundraising ideas for Neighborhood Networks consortia :

- Sponsor a community auction, with items donated by consortium members, stores, or organizations; include inexpensive items to attract buyers.
- Conduct a raffle. They are rewarding as they can be added to already planned special events. This is a great time to offer guests additional opportunities to support the consortium. (Raffle laws must be checked in the consortium's participating state before conducting this fundraising).
- Sell advertisements in the consortium's newsletter to local businesses that wish to advertise their goods and services.
- Solicit local foundations through local malls or restaurants. Request that all the money collected throughout a certain time period underwrite the consortium's particular need or program. This will give the consortium "free" publicity with very little staff time required.
- Create a cookbook of consortium members' best recipes and sell them year round.
- A planned gift is both long-term and high dollar that may come to a consortium in the form of a bequest, property, or insurance. Planned giving is an option for people who care about how their assets will be distributed after their death. It allows the donor to advance their philanthropic concerns and leave a legacy to an organization. A planned giving program is the logical next step for any consortium to pursue if a good donor program is in place. Finally, it is important for the consortium to offer the high-end support that is required through a planned giving program. Planned gifts may:
 - Provide estate planning for donors;
 - Afford donors income and possible estate tax savings;
 - Be paid during the donor's lifetime;
 - Be irrevocable;
 - Provide an income to the donor or to someone designated by the donor;
 - Involve the donor's tax and financial advisors.
- Fundraising is about relationships and connecting people and organizations to the consortium's mission. Consortium members should ensure the following so that fundraising efforts are not impeded:
 - Know the consortium's mission, the reasons for its existence and the need it is meeting.
 - Choose the right leadership, as this will have an enormous effect on how the consortium members perceive their roles. A committed and positive member with strong connections can make a significant difference in a leadership role.
 - Set realistic expectations. If this is the consortium's first fundraiser, a realistic needs statement and goals are keys to success.

- Schedule at a good time. If the consortium has recently undergone board changes, or is focused on recruiting new members, this may not be the best time to launch a fundraising campaign.
- Be realistic about the effort. Trying to focus on one area is better than doing multiple tasks at the same time.
- Do not make financial assumptions about the donor.
- Do not set up a meeting with someone under false pretenses. Being honest and stating the intent from the beginning is always a winning strategy.

The call concluded with a question and answer period.