

Funding Specific Needs During Crisis



MAP

MISSION ADVANCEMENT



Webinar Outline

- *Foundation of the Approach*
- *Considerations of Key Stakeholders*
- *Practical Application / Exercises*

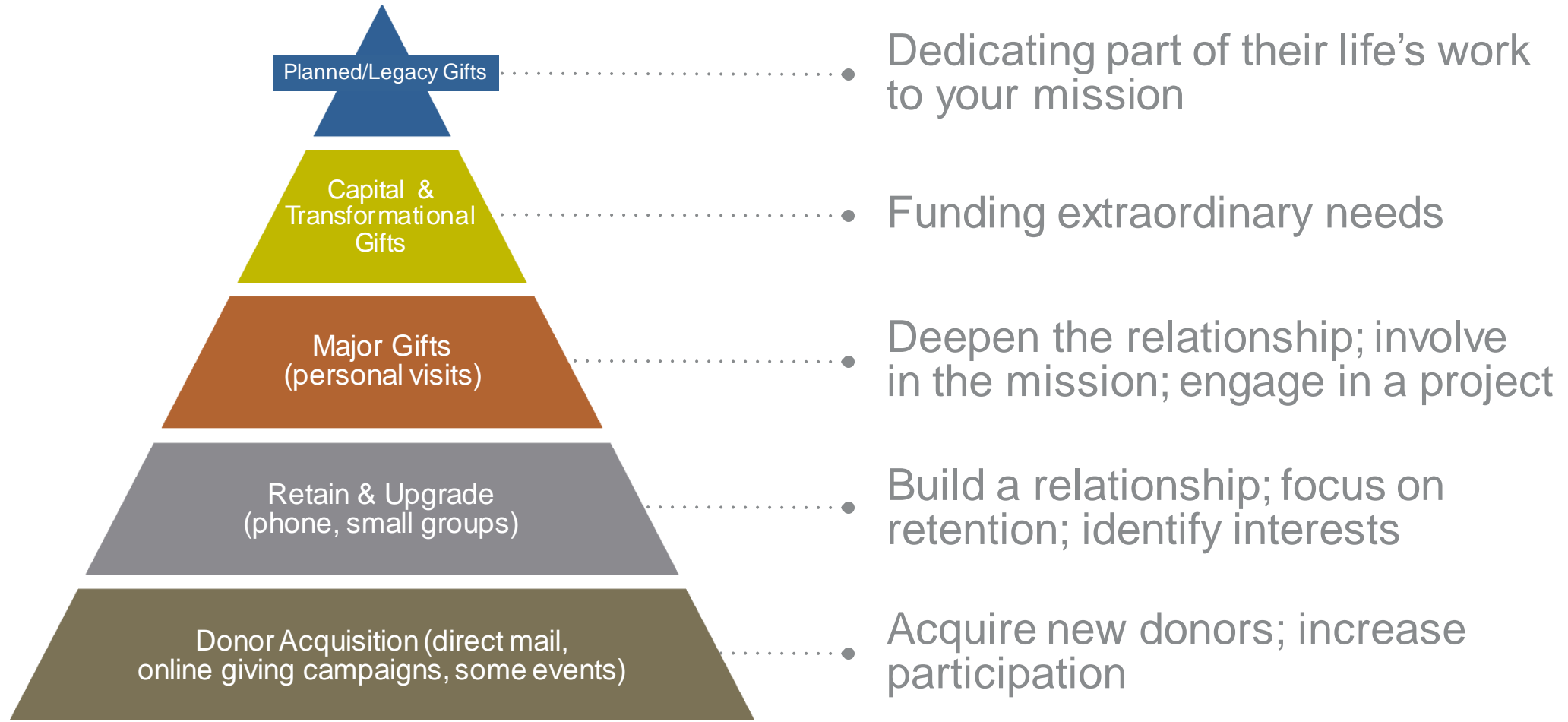




THE FOUNDATION



The relationship pyramid



FUNDING SPECIFIC NEEDS DURING CRISIS



Philosophy for “fundable project” approach

- › Donors want to help solve problems
- › You have specific problems to solve!
- › Relationships require dialogue
 - Donors are interested in understanding your biggest needs
 - We as fundraisers want to show them the impact of their giving



Philosophy for “fundable project” approach

Scenario #1 – The “General” Ask

- The Ask: We need your support because...
 - The need is great
 - We are serving more people
 - Costs are rising
- The Follow-Up: Here is how your gift impacted our mission...??



Philosophy for “fundable project” approach

Scenario #2 – The “Fundable Project” Approach

- The Ask: It takes \$150,000 to fund X for our mission & *(something I know you care about)*; as you can see, a gift of \$25,000 would make a huge impact on this program.
 - I don’t know what you are able or willing to give this year, but is that a gift you could consider?
- The Follow-Up: Last year, thanks to your \$25,000 gift, we were able to provide XX to those we serve.
 - Here is a 1-page impact report on that program & what it achieved.
 - I’d love to show you that program in action & introduce you to John who leads it.



We must be willing to:

- › Share our budget in broad categories & describe the specific needs of our organization
- › Involve leadership & program staff in the conversation/process
- › Ask for specific gifts
- › Consider temporarily restricted funding for some donors
- › Be accountable to the donor to share program impact, progress & outcomes

Bottom Line: Pull back the curtain!





CONSIDERATIONS OF KEY STAKEHOLDERS



Who are the stakeholders?

- › CEO & Accounting
- › Key Program Staff
- › Development Team
- › Donors



Obstacles to overcome

- › CEO & Accounting ***Temporarily restricted funds***
- › Key Program Staff ***Planning, reporting, donor engagement***
- › Development Team ***Accountability to the donor & commitment to the relationship***
- › Donors ***??***



“Wins” for stakeholders

- › CEO & Accounting ***Significant funds provided***
- › Program Staff ***Planning, reporting, donor engagement***
- › Development Team ***Tools to approach donors about things they care about most – serving their interests & passions***
- › Donors ***Deeper engagement with an organization, loyalty, desire to do more***



A tale of two approaches: To restrict or not to restrict?

Approach #1: Unrestricted

- It takes \$7,000 to serve the needs of one client/family for an entire year
- Here are some examples of how \$2,500 impacts our mission
- “Gap” funding approach (*especially pertinent today*)
- Broad stroke impact – clearly involves many facets of the mission
- In general, save for smaller donors, but provides good opportunity during crisis!



A tale of two approaches: To restrict or not to restrict?

Approach #2: Temporarily Restricted

- Program budget must be comprehensively represented!
It takes people to execute programs.
- May have to work through different way of looking at budget
- Allows your best donors to engage at a new level
- Save for larger investors & those with ability to make the greatest impact
- This is a key factor for a true major gifts program!



A woman with blonde hair, wearing a dark blazer and light-colored trousers, stands in the center of a meeting room, pointing at a whiteboard. The whiteboard displays a line graph with two curves and a bar chart below it. Several people are seated around a long table in the foreground, looking towards the presenter. The room has a rustic stone wall and a large window on the left. The text "PRACTICAL APPLICATION" is overlaid in large white letters.

PRACTICAL APPLICATION



Three exercises to get started!

- › Organization Budget Review & Breakdown
- › “Red Pen” Exercise
- › Operational Needs Exercise



Organization Budget Review & Breakdown



FUNDING SPECIFIC NEEDS DURING CRISIS

Budget breakdown process

- › Involve leadership along the way
- › Identify the “big buckets” of your mission
- › Determine what is/is not included in the formal budget
 - Determine how to ensure that people costs are allocated
- › Look at trends for last few years: which programs are growing? Why?
- › Come up with 5-7 fundable budget items



Budget breakdown process

Once the 5-7 fundable items are determined, ask:

- › Who are the key internal players that make it happen?
- › What are the trends?
- › What can you show to donors?



“Red Pen” Exercise

Works especially well for schools or organizations that have other significant sources of funding (tuition, fees, earned revenue)



“Red pen” exercise

- Work from a copy of entire organization budget
- Take your total fundraising goal for the year
- Ask the question, “*What would we cut or remove from our programs without revenue raised from fundraising?*”
 - The answers become specific items to share with donors
 - Package those into fundable items that help donors see how their gifts make specific programs possible



“Red pen” exercise

- › Do the exercise with individual leaders and/or as a leadership group
- › Creates excellent dialogue about organizational priorities & the importance of fundraising to support the overall mission
- › Share results with the board!



Operational Needs Exercise



FUNDING SPECIFIC NEEDS DURING CRISIS

Operational needs exercise

- › Takes budget breakdown to the next level
- › Creates specific framework for each fundable area



Operational needs exercise

- › Identify the 5-7 fundable programs
- › Determine annual financial need
- › Break down financial need into smaller categories
 - \$8,000 per day, \$3,000 per student, \$5,000 per session
- › *Quantify impact*
 - Feeds 250 people per day, 365 days a year (273,750 meals!)
 - Provides therapy for 1,500 clients



Operational needs exercise

- Create 1-page description of each fundable area
 - History of program
 - Impact on those served
 - Financial need
- 1-page description becomes the foundation for proposals, specific requests for donors



In Summary



FUNDING SPECIFIC NEEDS DURING CRISIS

Summary

› Lay the Foundation

- Commitment to relationship-based fundraising
- Donor-centric mindset – serving their needs and interests
- Engagement/buy-in of organizational leaders
- Accountability to donors



Summary

- › Stakeholders – recognize wins, overcome obstacles
 - CEO & Accounting team
 - Program staff
 - Development Team
 - Donors



Summary

- › Application
 - Budget review & breakdown
 - “Red Pen” exercise
 - Operational needs exercise





MISSION
ADVANCEMENT®

Putting It Into Practice: Operational Needs Online Workshops

June 4: 12:00 – 1:00 p.m. CDT

June 11: 12:00 – 1:00 p.m. CDT

Registration fee: \$50

Registration is limited



YOUR QUESTIONS

