Show Us the Money: Fundraising for Collaboration: Building Strategic Partnerships

Presented by Ashley McSwain, MSW, MSOD
President, Consultants for Change Inc.
Tell us your name, organization, your level of experience with collaboration and what you hope to learn today?
What is Collaborative Fundraising

A joint effort of two or more groups to raise more money than either group could alone. Community foundations, federated fundraising programs such as the Black United Fund, Community Shares, the United Way, are examples of collaborative fundraising efforts that have become institutions. These large scale programs all started off very small. (Klien, 1999, Collaborative Fundraising)

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Sample Collaborative Fundraising

Five groups doing a variety of social justice work all want to update their web pages more often, and use them to help raise money. They each put up $7,000 and hire a full time webmaster who spends the equivalent of one day a week working on each group's website. Each organization provides him with information so he can make the sites more interesting and he develops different fundraising appeals for each site. By having the webmaster's work focused only on five groups, he is almost always available for all the groups every day. (Klien, 1999, Collaborative Fundraising)
Strategic Partnerships

A strategic partnership is a formal alliance between two commercial enterprises, usually formalized by one or more entities but falls short of forming a legal partnership or agency, or corporate affiliate relationship.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Why Collaboration and Strategic Partnerships?

- To leverage your agency’s resources and impact.
- To further greater mission fulfillment.
- By getting to know other organizations and partnering with them, nonprofit professionals can achieve much more than they can on their own.
- In today’s world of limited resources, to maximize an agency’s impact it is crucial to develop partnerships with other organizations.
- Teamwork must extend beyond organizational walls into the community.
- Organizations that have strong partnerships with all of their constituencies have an easier time weathering the storms of a bad economy than those that don’t. This is true no matter what size the agency.  – (Oppelt, 2014, Fundraising Success: Strategic Partnerships)
Fundraising is not about you getting money. It is about the relationship.

- It is about what you have promised your donor for interacting with your organization.
- It is about promoting your organization’s mission.
- It is about your organization living up to its promises to the community.
- It is about you entering into an exchange relationship with a donor and/or fellow nonprofit.
- It is a mutual exchange based on a trusting relationship.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Things to Think About When Considering Collaboration

- **What is your partner organization’s reputation in the community and do you want to be associated with it?**

  For better or worse, the names of your two organizations will be often mentioned in the same sentence. Choose your partner wisely and your collective momentum will propel you both to new heights. Choose a weaker partner that brings along a problematic reputation or issues with staffing, management or other challenges, and all of a sudden their problems become your problems.

- **What is the added value contributed by each organization?**

  Are each organization’s contributions fairly equal or is someone riding someone else’s coattails? Is your potential partner a nonprofit you know well enough to have a sense of their strengths and weaknesses? The value-add of each partner is the most difficult factor to assess at the start of any partnership. It’s nearly impossible to judge at the outset for an organization you don’t know well. Most successful joint fundraising projects I’ve seen involve organizations that already know each other well—the good, the bad, and the ugly—and have learned to navigate them all.

- **How will the work be divided?**

  Will each organization pull equal weight or are you agreeing at the outset to a disproportionate relationship? Does each organization possess the staffing capacity and skills to handle its fair share of the work? Write down the tasks to be accomplished, a timeline and who will be responsible for what. Is the division agreeable to both parties? If you’re embarking on a large campaign, a more formal joint fundraising agreement might be necessary.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Things to Think About When Considering Collaboration

- **What are your metrics to determine that your partners is just as invested as you?**

- It’s important to believe that your partner is just as invested in the outcomes of the project as you. Be clear about what you need to see in order to join the partnership.

- **Be clear and specific about your common goals. Have you developed shared language to describe the partnership and the project.**

- Understanding and being clear about what you believe will be satisfactory outcomes is vital. Know how your partner will articulate the project to his funders and community and how they will describe each organization’s role to its constituents and clients.

- **Who will be the lead agency and why?**

- Understand who has the capacity for reporting, cash flow, accounting, staffing and other things necessary for implementation.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Fulfilling Your Part of the Partnership

The first step in fulfilling your part of the partnership is to define what you bring to the table.

You must bring something the partners values to the table. Chances are the donor or partners does not value you needing money.

Donors value mission fulfillment and being a successful part of something bigger than themselves. So when you define what your organization brings to the table, talk about how you accomplish your mission and the benefits your organization brings to the community instead of the benefits it brings to your organization.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Building the Relationship
Know Your Elevator Speech

- Clarify who you are
- Describe what’s special about you
- Differentiate yourself
- Describe what makes you indispensable
- Make it enticing and something that draws others in
- Describe what you do and its impact, not what is your title
- Communicate what’s in it for your audience

Prepared by Ashley McSwain, MSW, MSOD Consultants for Change
EXERCISE

Develop an elevator speech for your call with a prospective funder or partner. It should include the following elements in 35 words or less:

- What does your company do?
- Who do you do it for?
- Why should the funder care?
- What makes your company or work different?
- What is your company? (nonprofit? Member organization?)

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Things to Consider When You are Checking out Partner Organization

- Look at the results of all of their organization’s fundraising.
- Analyze response rates and examine their return on investment (ROI).
- Compare current results to the last 5-7 years. Explore trends and their implications.
- Ensure their programs are in alignment with the organizations mission
- Ensure adequate funding for direct and indirect financial expenses (e.g., staff)
- Review their institutional capability (e.g., skills and knowledge to carry out the activity, human, technological, financial and other resources needed to carry out the activity)

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Now That You Have Your Partnership Lets Raise Funds
FUNDRAISING VS GRANTWRITING

- As a grant writer your job is to identify grant opportunities and to write proposals for a targeted project, event or item.

- Fundraisers write grants but they also cultivate relationships, plan and implement events, send annual appeals, manages the donor data base, work with the media and many other tasks related to raising money for the organization.

- Grant writers focus on current programs and current outcomes.

- Fundraisers build and manage long term strategic relationships.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
BEGINNING TO WRITE A GRANT

When you put all of your grants documents together with your partner you will see a story about your organization emerge. You will begin to answer the questions:

- Do we have the capacity to implement a grant
- Do we have the administrative infrastructure to receive a grant
- Do we have the right leader managing the grant
- Do we have the financial ability to manage the accounting for the grant funds
- Do we have the appropriate evaluation tools to measure program outcomes
- Do we have the right skills on staff to implement the project or will we need to hire someone
- Can we respond to a request for information, and complete annual, quarterly or monthly reports?

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
PROSPECT IDENTIFICATION

Prospect identification is the first step in the actual solicitation process. You are looking for two types of prospects who may or may not be the same individuals: major gift donors and planned giving donors.

Identification of Major Gift Prospects Look for individuals who:

- Have the capability to make a major gift (for some organizations this will mean the ability to make a gift of $100,000 or more; for others it might be a gift of $10,000 or more)
- Have a level of involvement with your organization
- Have interests that match your organization’s mission

Identification of Planned Gift Prospects Look for individuals who:

- Are older (60 and up)
- Are single or widowed
- Are without children
- Have appreciated property

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Major Gift Characteristics

The focus is on the values of the donor. What does the donor believe in? What is valuable to him or her? The answers to these questions drive the donor’s giving.

Donors have more the mentality of “investor” or “shareholder” in your non-profit than a mere contributor.

Gifts are usually made for a certain purpose and therefore restricted to that purpose.

They are more dependent upon the donor’s time line and less on the non-profit’s.

The solicitation process usually takes several meetings over a period of months.

Gifts are often made in appreciated property from capital rather than cash from income (eg stocks, bonds). (Moran, 2008, How to Identify Major Gifts and Planned Giving Prospects)

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Planned Giving Characteristics

The gift is often the donor’s “ultimate gift”, the largest gift he or she is capable of. Therefore, the gifts are usually substantial.

Like major gifts, planned gifts also come from the donor’s asset base.

The gift is most often made upon the donor’s death. The donor often is not interested in recognition and may not inform the charity in advance of the planned gift.

The gift takes even longer than a major gift to come to fruition and often remains revocable by the donor until his or her death.

Patience and relationship building are keys to realizing the gift.

Solicitation is usually one-on-one as opposed to a team approach. Often the solicitation may be solely staff driven, without the involvement of volunteers.

Although major gift donors may also be planned giving donors, they frequently fit different profiles. (Moran, 2008, How to Identify Major Gifts and Planned Giving Prospects)

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Major Gifts vs Planned Giving

- Wealthy individuals will often make major gifts during their lifetime as part of their social responsibilities. They will then leave their estates to family.

- Planned gift donors often are of more modest means. They may not make major gifts during their lifetime for fear of exhausting their resources. They will then leave the bulk of their estate to charity upon their death.
Types of Funders

- **Individual Donors** - Individuals who care about your mission and who give personal donations. They normally include:
  - Volunteers
  - Interns & Students
  - Colleagues
  - Friends & Families
  - Major Donors

- **Independent Private Foundations** - are ethically and legally bound to follow the wishes of the donor

- **Federate Funds** - example includes the United Way who benefit the community by pooling donations from individuals and businesses.

- **Corporate Foundations** - are independent entities created by large corporations

- **Family Foundations** - often have a narrow focus and are generally established around a specific issue.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
Types of Funders

- **Community Foundations** - are set up to administer funds for individuals donors who want to benefit their own city but don’t want to start their own foundation.

- **Financial Institutions** - have administered charitable trusts set up for the donor’s purpose. They give to programs of personal interest.

- **Businesses** - Corporations and local businesses may fulfill their civic responsibilities through grants.

- **Federal Grants** - Every year the federal government awards billions of dollars worth of grants.
Tips From the Funders

► Since the recession money feels twice as precious and they want to make sure the grantees really need the money.
► If the funder is blown away by your idea they will round up the money to fund you.
► Collaboration is a great thing to reduce cost and maximize revenue.
► Foundations are moving from a funder mentality to an investment mentality.
Social Media and Fundraising: Don’t forget How Social Media Fits with Your Partnerships

With the surge of Facebook, Twitter and other social networks, you can reach a much wider audience to raise money for your cause

- Facebook
- Linked In
- Blogs
- Twitter

Prepared by Ashley McSwain, MSW, MSOD Consultants for Change Inc.
WHAT IS CROWD FUNDING

The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

Prepared by Ashley McSwain, MSW, MSOD, Consultants for Change Inc.
24 tools for fundraising with social media

- GlobalGiving  http://www.globalgiving.org/
- Change.org  http://www.change.org/
- ChangingThePresent  http://www.changingthepresent.org/
- Razoo  http://www.razoo.com/
- Causes  https://www.causes.com/
- Givezooks  http://www.givezooks.com/
- FirstGiving  http://www.firstgiving.com/
- SixDegrees  http://www.sixdegrees.org/
- JustGive  https://www.justgive.org/
- Crowdrise  http://www.crowdrise.com/
- YourCause  https://www.yourcause.com/default.aspx
- BetterTheWorld  http://bettertheworld.com/

Prepared by Ashley McSwain, MSW, MSOD Consultants for Change Inc.
24 tools for fundraising with social media

- Pifworld  http://www.pifworld.com/en
- PincGiving  http://causepro.com/
- UniversalGiving  http://www.universalgiving.org/
- SocialVibe  http://www.socialvibe.com/
- GivingImpact  http://givingimpact.com/
- GoFundMe  http://www.gofundme.com/
- Artez  http://www.artez.com/
- Convio  http://www.convio.com/
- Care2  http://www.care2.com/
- DonorPerfect  http://www.donorperfect.com/
- Kintera  http://internet.blackbaud.com/
- FundRazr  https://fundrazr.com/

Prepared by Ashley McSwain, MSW, MSOD Consultants for Change Inc.
Check Out

Share one word that describes your parting thoughts.

Prepared by Ashley McSwain, MSW, MSOD
Consultants for Change Inc.
THANKS FOR YOUR TIME
A PRODUCTION OF CONSULTANTS FOR CHANGE INC