



DEVELOPMENT 101

Sierra Arbuckle, Director of Development and Marketing, National Convention 2017

Team Building/Mind Break

1. Find someone in this room that YOU DON'T KNOW (Seriously, someone new!)
2. Introduce yourself, what chapter you belong to, and ONE fun fact about YOURSELF

Now, tell them WHY you are passionate about the Dream Factory.

WHY ARE YOU HERE?

Think about what you learned about them and yourself.

What is Development?

- The technical definition: “Business development entails tasks and processes to develop and implement growth opportunities within and between organizations.”

- The simple definition:

The ideas and activities aimed towards making a non-profit/business BETTER.

This includes:

- Increasing revenue
- Business Growth
- CREATING RELATIONSHIPS

Development is MORE than just Grants

FIVE COMPONENTS OF FUND DEVELOPMENT

1: Funding Types

Donor
Grant-Maker
Corporate Giver
Buyer

2: Funding Streams

Philanthropic:

Gifts
Grants

Business:

Fees for Service
Social Enterprise

3: Management Tools

Metrics
Policies
Strategic Plan
Fund Development
Plan
Reporting Methods
Structured Reviews

4: Capacity Issues

Staff
Technology
Budget
Board Participation

5: Funding Strategies

Direct Mail
Annual Appeal
Social-Media Appeals
On-Line Donations Page
Events
Giving Days
Major Gift Programs
Capital Campaigns
Planned Giving
Grants
Corporate Underwriting
Corporate Sponsorships
Sales of Goods, Services
Retail Operations
Fee-for Service Contracts

READY!

AIM!

FIRE!

Today we will cover:

- Grant Identification
- Due Diligence
- LOI (Letter of Intent)
- Thank You Letters
- 25,000 Dreams
- Major Gifts



GRANT IDENTIFICATION

Where's the \$\$ at??

5 Basic Tips

- Know your need: clarify **what you are asking for**. This can include creating a budget, determining when you will need the funds, and solidify your mission statement.
- Know your tools: Google usually won't cut it, but you can start with a basic search. Some free grant tools are:
 - Your own board's contacts with foundations
 - Guidestar.org (you can search for non-profits, including foundations, by zip code)
 - Online Workshops through GrantSpace (free, <http://grantspace.org/training/courses/introduction-to-finding-grants>)
 - Michigan State University (free, <http://staff.lib.msu.edu/harris23/grants/2sgalpha.htm>)
 - Rural Health Information Hub (free, <https://www.ruralhealthinfo.org/funding>)
 - Commongrants.com (free, <http://www.commongrants.com/participating-funders>)
 - Grant Station (Paid)
 - Foundation Center

5 Basic Tips Cont...

- Don't reinvent the wheel: Are there similar non-profits in your community? Who is giving to them?
- Dig deep: Due diligence, covered next.
- Ask Questions: Can't find it in your research? Ask! Unless there is a note that the foundation doesn't take calls, many welcome phone calls and questions. This could also HELP your application once submitted because they will remember talking to you.

Due Diligence

You are not going to be able to determine if a foundation is a good fit by just reading a single sentence!

- Grantmakers are usually very up front and specific about priorities.
- Read the guidelines carefully!
- Guidelines can include:
 - Typical range of amounts given
 - Giving regions
 - Invitation only
 - Personal connection
- Grants are time consuming; you don't want to begin an application and then realize that the funder isn't a good match!

Guideline Examples

**UPS does not accept or respond to unsolicited grant proposals. Nonprofit funding is determined in one of two ways: The UPS Foundation solicits grant proposals from preeminent organizations within our focus areas or through a recommendation made by a UPS employee who is actively volunteering with the agency. The best way for your organization to be considered for funding by UPS is to engage UPS volunteers and then ask them to log their volunteer hours in the Neighbor-to-Neighbor tracking system. Any hours logged are open for funding opportunities by our local offices.*

Eligibility Requirements

The majority of charitable activities we support are initiated by FedEx. While not strongly encouraged, if an organization chooses to submit an unsolicited request, please note the following guidelines outlined below.

FedEx only considers requests from U.S.-based organizations that have been designated by the IRS as a 501(c)(3) and Canadian-based organizations with Business Number registration. Organizations must be in good financial and public standing, show evidence of competent management, have low administrative/fundraising expense ratios and manage nondiscriminatory programs benefiting broad segments of the community.

To be considered for support, requests should fit within our funding priorities and show evidence of active engagement by one or more FedEx team members. Priority is assigned to requests that fall within the five core pillars.

Please be advised that the majority of our charitable shipments are related to emergency and disaster relief. We grant only a limited number of other shipping requests that meet our eligibility requirements.

Citizens Bank®

Are you an IRS qualified charitable 501(c)(3) organization based in one of the following states:

- Vermont
- New Hampshire
- Maine
- Massachusetts
- Rhode Island
- Connecticut
- Pennsylvania
- Delaware
- New Jersey
- Ohio
- Michigan
- New York

YES

NO



LOI

Letter of Intent

What is a LOI?

- Most foundations will ask for a LOI before requesting a full grant application.
- A LOI allows them to:
 - Weed out organizations which are most appropriate to receive grant \$\$
 - Assess how many staff/volunteers are needed to review proposals
 - Places you on their mailing list
- LOI is a non-legally binding document which includes an introduction to your project, contact information for organizations, a description of your organization, a statement of need, how you will fill this need, and a summary of your ask.

Basic tips for a successful LOI

1. Be brief – 1 page unless otherwise stated
2. A LOI is a business letter; It needs to be on letterhead and professional
3. Use a SPECIFIC NAME instead of “Dear Sir” or “To Whom It May Concern”
4. The opening is the most important part: Convince them why there is a NEED
5. Include a BRIEF history
6. Why are you different from other non-profits applying?
7. Elaborate on what you want to accomplish
8. Have a direct and precise ask for funding
9. Summarize your goal and thank them for consideration

(Please Note: Foundations may have specific requirements for the LOI)

August 23, 2016

Ms. Brenda Payne
Swanton Foundation
c/o Union Bank
9460 Wilshire, Blvd., 2nd Floor
Beverly Hills, CA 90212

Part 1

Dear Ms. Payne:

Part 2

The Dream Factory National Board of Directors respectfully requests a grant application for The Dream Factory, Inc. for the Swanton Foundation to apply for support of the National Dream Bank.

Part 3

According to the American Childhood Cancer organization, an estimated 16,000 children between birth and the age of 19 will be diagnosed with cancer each year. It is estimated that 35,000 children are currently in treatment for cancer. This means that approximately 50,000 children each year are eligible for their wish to be granted. This does not include chronically ill children, which are estimated to be 15% of the population under 18 years old. Only approximately 22,000 children get their wish granted each year, meaning more than 50% of children are waiting for their dream to come true each year.

Part 4

The Dream Factory, Inc. is the largest volunteer-driven children's wish-granting organization in the United States. We proudly operate using a grass-roots approach, with more than 30 chapters run by hundreds of extremely dedicated volunteers who have helped grant thousands of dreams since 1980. The Dream Factory began in Hopkinsville, KY with the sole mission of granting dreams to critically and chronically ill children ages three through eighteen. Granting a child's dream provides them, and their families, with a little bit of happiness, hope, and relief from the daily stress they face. Dreams create memories that provide these children and their families with the fuel to fight through emotional and financial difficulties.

Part 5

Sample LOI

Part 1: Date and Mailing Address

Part 2: Personalized Greeting

Part 3: Purpose Statement

Part 4: Need Statement

Part 5: Organization Background

The population of chronically ill children is generally underserved by wish-granting organizations, which restrict their donations to children with terminal diseases. We believe that children with chronic illnesses, disorders and disabilities such as type 1 diabetes, cerebral palsy, spina bifida, muscular dystrophy, immune deficiency disorders, HIV, etc., also suffer from substantial emotional and physical pain. Their families bear the burden of often over-whelming emotional and financial difficulties.

Part 6

One way our National Headquarters supports our chapters is through the National Dream Bank, which is used to fund newer and /or struggling chapters so that they have the capability to grant more dream until they become better established within their own communities.

Part 7

Funds will be deposited within the National Dream Bank account and will be used for this important reason. This will make it possible for us to grant dreams to more children and make more of an impact on the people we serve.

Part 8

Thank you for your time and consideration of our request. If you require any additional information please contact me at sierra.arbuckle@dreamfactoryinc.org or 502-561-3001.

Part 7

Respectfully,

Sierra Arbuckle
Marketing and Development Coordinator

Make sure you
physically sign the LOI

410 W. Chestnut St., Suite 530
Louisville, KY 40202
502.561.3001
www.dreamfactoryinc.org

Footer with organization
contact info

Sample LOI Cont...

Part 6: How are you different?

Part 7: What do you want to accomplish?

Part 8: Ask!

Part 9: Thanks and contact information

**MAKE SURE YOU
PRINT ON
LETTERHEAD**



THANK YOU LETTERS

Donor Recognition and Retention

Why are Thank You Letters Important?

- Thank You letters:
 - Assure your donor they made a wise investment
 - Make your donor feel like they supported the RIGHT THING
 - Bring joy to your donor
 - Begin a relationship with your donor so they continue giving
 - Reassure a foundation that their grant money is going to the right cause
 - Show true appreciation for their gift

Thank You Letter Do's and Don'ts

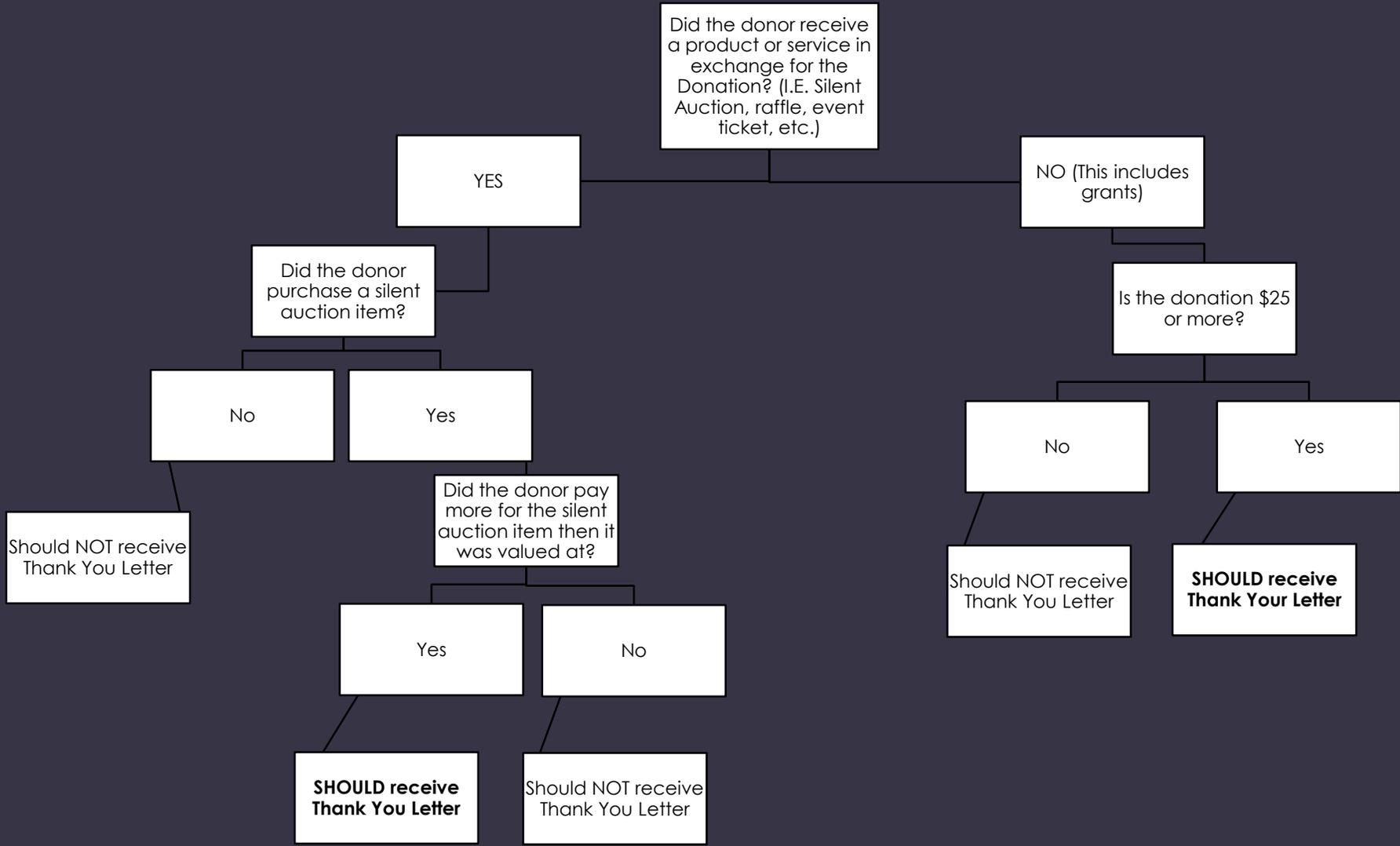
DO

- Be prompt
- Get the donor's name right
- Sign it with a real signature
- Show emotion
- Convey gratitude
- Refer to how the gift will be used
- Include a contact name and number
- Be positive and upbeat
- Print your letter on official letterhead
- Include the donation amount

DON'T

- Ask for another gift
- Start with "Dear Friend"
- Misspell their name
- Have errors in grammar, punctuation, or misspellings
- Make it long – be concise
- Don't keep "selling" your mission
- Don't be too formal
- Don't be vague about how the money will be used

Who should receive a Thank You Letter?





25,000 DREAMS

And the reason it isn't good to use this number!

Out With The Old!

Previous marketing material stated that “The Dream Factory has granted the dreams of more than 25,000 critically and chronically ill children since its founding.”

Unfortunately, there is no data or proof to support this statement!

When making such a huge claim, there has to be supporting documentation. Since there is none, we ask that you no longer use this number in marketing materials or grant applications.

Use the number of dreams your chapter has granted or just say we grant the dreams of many critically and chronically ill children. Thanks for understanding!



MAJOR GIFTS

Are you ready for them, how do you find them, how do you make the ask

What is a Major Gift?

The Differences between annual gifts and major gifts

Annual Gifts

- Pay now, usually once
- From income
- General solicitation
- Easier decision (discretionary income)
- Number of gifts (Quantity) contributes to impact
- Repeats, annually at least
- Organizational need
- Ask for money

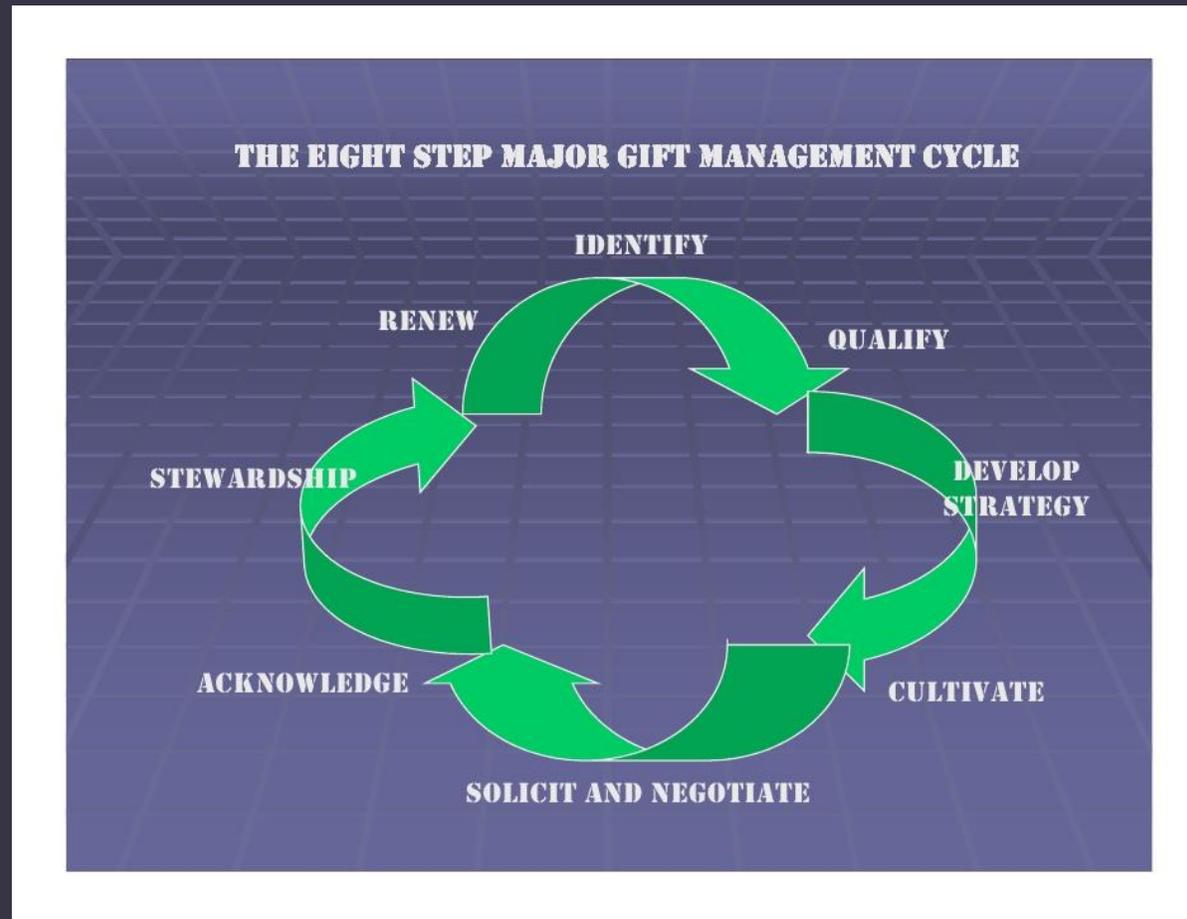
Major Gifts

- Over time (pledge)
- From assets and/or income
- Specific approach to each donor
- Thoughtful, deliberate giving
- Quality of gift “transformational”
- Less frequent (usually one, but possibly more over time)
- Donor’s timing
- Community need
- Invite the donor to “join you”

In other words...

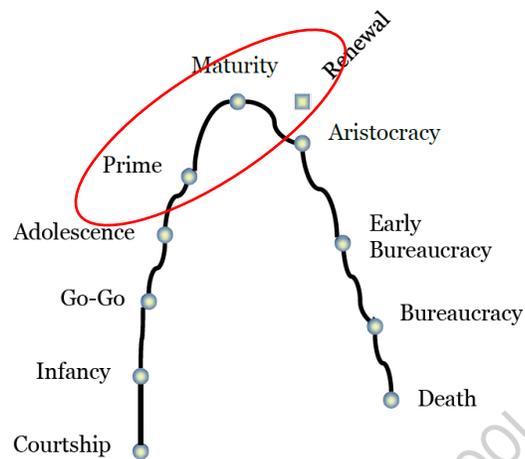
A major gift is a special size gift. A large nonprofit might define a major gift as \$25,000, \$50,000, or up to a few Million from a SINGLE source within a SINGLE fiscal year (even if it is a pledge for more over a number of years). A smaller nonprofit may define a major gift as \$1,000 (and sometimes less), depending on the size and maturity of the donor base.

The Eight Step Major Gift Management Cycle



Are you ready to go after a Major Gift?

The Adizes Life Cycle



Source: Adizes, I. Corporate Life Cycles.
Englewood Cliffs, New Jersey: Prentice Hall

- Courtship (the initial development or creation of the proposition/model/business/formation/etc)
- Infancy (after launch - start of active trading)
- Go-go (frantic energetic early growth and sometimes chaos)
- Adolescence (still developing but more established and defined)
- Prime (the business or organization at its fittest, healthiest and most competitive, popular and profitable)
- Stability (still effective, popular, can still be very profitable, but beginning to lose leading edge - vulnerability creeping in maybe)
- Aristocracy (strong by virtue of market presence and consolidated accumulated successes, but slow and unexciting, definitely losing market share to competitors and new technologies, trends, etc)
- Early bureaucracy (doubts, problems, threats and internal issues overshadow the original purposes)
- Bureaucracy (inward-focused administration, cumbersome, seeking exit or divestment, many operating and marketing challenges)
- Death (closure, sell-off, bankruptcy, bought for asset value or customer-base only)

Questions to ask yourself and your board

- Is the leadership supportive of major gift acquisition?
- Has a case for major gifts been formulated (why do you need them)?
- Has a goal been set?
- Has a gift range been developed?
- Has a timeline been established?
- Do you have prospects in your current donor database (frequent giving, giving keeps increasing, large discretionary income or assets, personal connection)?
- Have cultivation ideas been formulated (how are you going to approach, who is going to approach, etc)?
- Are volunteers available to pursue major gifts?

How do you find Major Gift Donors?

- Most Major Gift Donors come from within the organization's donor base.
- Capacity:
 - Frequency of gifts
 - Recency of gift
 - Size of gifts (are they large, growing, etc.)
- Identification:
 - Peer referrals
 - Newspaper and business journals
 - Search of philanthropists in your area
- Qualification:
 - Do they have interest in your mission or a link to your mission?
 - Increased annual giving
 - "Empty Nest" – Change in living situation
 - Job Promotion
 - Sale of a business
 - Retirement
 - Are they at the point where they can give?

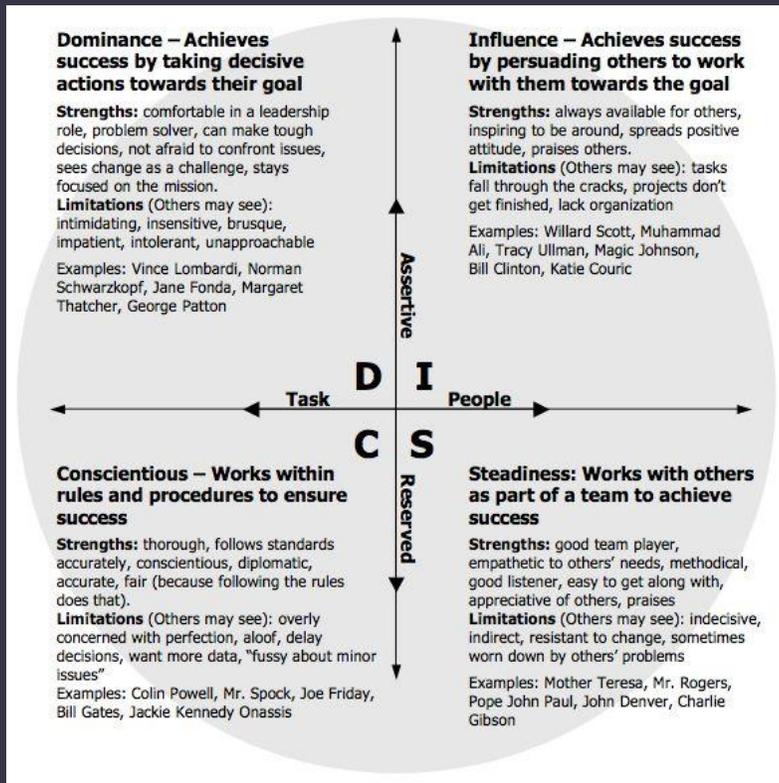
How do you make the ask?

You are building a RELATIONSHIP. This is not something you will ask in a letter or over a call. This is not something you will ask at the first meeting.

Different people communicate in different ways. Each has its own strengths and weaknesses. When asking for a major gift we need to capitalize on our strengths and learn to modify, adapt, or change our weaknesses in order for good communication to take place in our donor relations.

One way to simply communicate styles is with the DiSC instrument

DiSC Profiles



The first step is determine your own communication style to be aware of your strengths and limitations

When meeting a potential major gift donor, evaluate their behaviors and try to place them in a category

Before you make the ask, tailor your approach. D's will want you to be to the point, I's will want to hear stories and how important they are to the cause, C's will want to know how the money will be spent and all the small details, S's will want to hear outcomes and goals and about the future.

DiSC Donors want

<p>To hear outcomes, ability to achieve goals. the bottom line, not a lot of explanation unless you are asked. Literature must be to the point to spend as little time as possible-- make your point; ask how much time is available</p> <p>Don't try emotional appeals, don't go into long explanations Watch body language for clues Once you get a yes, don't drag out the conversation or ask for repetition</p>	<p>To hear how important he/she is to the cause (recognition) Opportunities to tell his/her story Stories, interesting explanations Literature should be exciting, interesting and colorful - less writing and more pictures</p> <p>Time depends on how much the donor is enjoying the conversation Don't give a canned speech, go into details with lots of facts and figures Watch body language for clues Once you get a yes, close the deal and move onto personal conversation</p>
<p>To hear how others are being helped To hear that the money will be spent on the people (guarantees) To hear how the cause aligns with his/her principles/values To know information about the campaign - process Literature must give adequate information To hear a personal appeal from the fundraiser - 1-on-1</p> <p>Will be patient - but ask how much time is available Don't rush the presentation or try to rush the decision - but agree to follow up time Don't treat the donor like another name to check off the list</p>	<p>To hear outcomes and goals To hear that the campaign will be well managed (accuracy) Information about past accomplishments, future plans To see information in writing, details, charts/graphs Literature must be error free</p> <p>Will be patient and give you time - but ask how much time is available Don't rush the presentation or try to rush the decision - but agree to follow up time Don't rely solely on emotional appeal</p>



QUESTIONS?

Thanks for Listening!