



DEVELOPMENT OFFICE ESSENTIALS

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DEVELOPMENT OFFICE ESSENTIALS

- Database
- Policies/Procedures
- Development Plan
- Segmenting Donors and Prospects
- Ethics in Fundraising





DATABASE

- What type of database do you use in your organization?
 1. Excel Database
 2. Access Database
 3. Small “professionally billed” database (eTapestry, Donor Perfect, etc...)
 4. Large “professionally billed” database (Raiser’s Edge, Crescendo, etc..)
 5. CRM (Customer Relationship Management) database (Salesforce)
 6. Other





DATABASE

- Organized system to collect donor data
 - Able to merge for mailings
 - Able to collect notes/contacts
 - Able to collect gift information and merge for acknowledgements
 - Able to run reports to analyze donor database
- Additional perks
 - Linked to website, credit card processing software, etc...
 - Linked to financial back-office
 - Web-based or Cloud-based (access everywhere)





DATABASE

- What is your biggest hurdle to having an up-to-date database that is utilized daily?
 1. Lack of up-to-date software that works
 2. Lack of staff time to enter in information
 3. No funding for training on software
 4. Other





DATABASE

- Lack of up-to date software that works
 - Priority for Development/Priority for Board
 - Excel and Access work as a starter software
- Lack of staff time to enter in information
 - Clear definition of roles
 - Everyone is responsible for their own contacts
- No funding for training on software
 - Capacity building grants
 - Local software company support
- Other





DATABASE

○ Notes/Contacts

- One of the main reasons for tracking information in a database is so there is a cohesive “trail” of donor cultivation and stewardship efforts
- Anyone should be able to understand the relationship with the donor
- The file should be up-to-date and a donor would be satisfied reading their file





DATABASE

- What method does your development office use to maintain donor records/files?
 1. Paper copies only (and information entered into a database)
 2. Electronic copies only (and information entered into a database)
 3. Both paper and Electronic copies
 4. Other





DATABASE

- Electronic Files vs. Paper Files
 - Work with finance department and auditor's to find the best method for the organization
 - Pros/Cons to both methods
 - Paper – only can access in office
 - Electronic – must have a large enough storage system





POLICIES AND PROCEDURES

- Please check which policies and procedures you have in place in your development office
 1. Conflict of Interest Policy
 2. Confidentiality Policy
 3. Gift Acceptance Policy
 4. Gifts in Kind Policy
 5. Gift Entry and Recording Policy/Procedures
 6. Gift Acknowledgement Policy/Procedures
 7. Donor Appreciation and Recognition Policy
 8. Donor Naming Opportunities
 9. Other





POLICIES AND PROCEDURES

- Conflict of Interest Policy
 - Use for board, staff and volunteers to avoid conflict of interests with the organization
- Confidentiality Policy
 - Use for board, staff and volunteers to acknowledge the confidentiality of personal information of donors/clients
- Gift Acceptance Policy
 - Lists what types of gifts are accepted and not accepted for the agency as well as the procedure for accepting the gift (staff, committee, board approved)
- Gifts in-Kind Policy
 - Lists what types of gifts are accepted for the agency as well as the procedure for accepting the gift (staff, committee, board approved). *This can be combined with the Gift Acceptance Policy.*





POLICIES AND PROCEDURES

- Gift Entry and Recording Policy/Procedures
 - Internal policy for how gifts are recorded, processed and acknowledged
- Gift Acknowledgement Policy/Procedures
 - Internal policy for how gifts are processed – length of time, who signs the acknowledgement and if there is a follow-up call made
- Donor Appreciation and Recognition Policy
 - Includes Gift Acknowledgment Policy/Procedures, how donors are informed of the use of their gifts, how donors are thanked, and general recognition procedures
- Donor Naming Opportunities
 - Describes how a gift will be recognized and publicized.





POLICIES AND PROCEDURES

- Donor Bill of Rights
 - Association of Fundraising Professionals
 - Informs donors of their rights
 - To be informed of the organization's mission and how the organization will use the donated resources
 - To be informed of the organization's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities
 - To have access to organization's most recent financial statements
 - To be assured gifts are used for the purposes for which they were given
 - To receive appropriate acknowledgment and recognition
 - To be assured that information about donations are handled with respect and confidentiality
 - To expect that all relationships with staff and donors will be professional in nature
 - To be informed whether those seeking donations are volunteers, staff or hired solicitors
 - To have the opportunity for their name to be deleted from mailing lists that an organization may intend to share
 - To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers





POLICIES AND PROCEDURES

- Start slow and manageable
- Great project for an intern
- Utilize a development committee or ad-hoc committee
- Afpnet.org





DEVELOPMENT PLAN

- Do you have a development plan?
 1. Yes – and we update annually and review monthly
 2. Yes – and we update annually and review quarterly
 3. Yes – and we update annually
 4. Yes – we do not update or review regularly
 5. No
 6. Sort-of/Other





DEVELOPMENT PLAN

- Development goals
- Strategies for reach the goals
- Analysis of potential by constituency and by strategy
- Action plan and timetable for each strategy, with income benchmarks
- Assignment of responsibilities for strategies and individuals solicitations
- Budget and funding for each strategy (maybe marketing)





SEGMENTING DONORS

- Segmenting Donor and Prospects
- Goals for acquiring new donors and prospects





SEGMENTING DONORS AND PROSPECTS

○ Donors

- Type of Donor: *annual, capital, membership, guild, special project, sponsorship, planned giving, events*
- Size of Gift
- Interests
- Assets

○ Prospects

- Possible giving levels
- Interests
- Assets
- Attendance at prospective donor events





SEGMENTING DONORS AND PROSPECTS

- Relationships first and foremost

- “Assigned” donors





SEGMENTING DONORS AND PROSPECTS

- Setting Goals for donor renewals and donor gifts

- Donor Touches vs. Solicitations
 - Ask them to become a member
 - Ask them to volunteer for a special project
 - Ask them to participate in an online survey
 - Ask them to take an online or in-person course
 - Ask them to attend a social gathering
 - Sending them a copy of a publicity clipping
 - Invite them to a special event
 - Asking them for advice
 - Asking them to be on a board or committee
 - Inviting them to attend a lecture
 - Inviting them to be on a panel
 - Calling them regularly to provide updates
 - Other charity/community outings

- Unique ideas on a stretch-budget





FUNDRAISING ETHICS

- Why have Ethical Standards?
 - Foundation for maintaining public trust in nonprofit organizations
 - Standards guide professional behavior
 - Standards provide a source of information that can support and assist the development professional in deciding how to act
 - Ensures that the organization adheres to ethical standards
 - Gives stakeholders confidence their contributions are being given to a worthy organization*





FUNDRAISING ETHICS

- Association of Fundraising Professionals
- 1964 – when founded, AFP (formerly National Society of Fund Raisers) took a major step in enhancing the fundraising profession by developing the *Code of Ethics*
 - *Code of Ethics*
 - *Donor Bill of Rights*





STEPS IN ETHICAL DECISION MAKING

MARILYN FISCHER – ETHICAL DECISION MAKING IN FUNDRAISING

○ Five questions to Ask When Trying to Determine the More Ethical Path:

1. What are the critical facts of the situation?
 - Review problem from all sides
 - What else do you need to know?
 - How serious is this issue?





STEPS IN ETHICAL DECISION MAKING

MARILYN FISCHER – ETHICAL DECISION MAKING IN FUNDRAISING

- 2. What are the key, perhaps competing, values and ethics at stake?
 - Is this an issue of honesty, respect, justice, accountability, fairness or all?
 - Rank the values and ethics in priority order by impact and importance.





STEPS IN ETHICAL DECISION MAKING

MARILYN FISCHER – ETHICAL DECISION MAKING IN FUNDRAISING

- 3. Who are the players and stakeholders in the decision?
 - Does it involve donors, clients, staff, the community, volunteers, or even philanthropy?
 - Rank those involved in priority order by their merit in the dilemma and the relative negative impact on each stakeholder.





STEPS IN ETHICAL DECISION MAKING

MARILYN FISCHER – ETHICAL DECISION MAKING IN FUNDRAISING

- 4. What are the driving forces in the situation?
 - Where is the pressure originating?
 - May the pressure be without merit
 - What course of action will send the pressure in what direction?
 - Can you decide on an option without negative consequences?
 - Is damage intolerable?





STEPS IN ETHICAL DECISION MAKING

MARILYN FISCHER – ETHICAL DECISION MAKING IN FUNDRAISING

- 5. What is the worse case scenario and the effect or impact on all the players who are stakeholders?
 - Who are the most vulnerable? Most resilient?
 - What are the long-term implications?
 - How would justice or lack of justice effect each stakeholder?





CASE STUDY #1:

- Case Study: A local nonprofit arts organization that primarily serves children is offered a 7 figure multi-million dollar funding opportunity that is a result of state tobacco funds. Should they take the funds and create an endowment that will assist in providing operational funding for the future?





DILEMMA #1: TAINTED MONEY

- This dilemma is about the conflict between the organization's mission and the source of contributed funds.
- What are the values of the organization? What mission do they promote?





CASE STUDY #2:

- Case Study: A local nonprofit organization has a very small staff and the Executive Director (unpaid) is responsible for securing all of the operational funding that is needed annually. The organization holds a large luncheon with a high profile speaker once every two years. The executive director wants to hire an individual to solicit gifts (underwriters, sponsorships, table sponsors and ticket holders) for the event and offer the individual a commission based off overall profits made by the luncheon.





DILEMMA #2: COMPENSATION

- This dilemma is about the organization offering a fundraiser and/or fundraising consultant a finder's fee or commission based funding.
- AFP's code of ethics states that members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Members may accept performance-based compensation, such as bonuses, provided they are not based on a percentage of contributions.





CASE STUDY #3:

- Case Study: A local fundraiser works closely with a high-profile donor couple at the nonprofit they work at, including, socializing with them on off hours and enjoying gatherings at the donors home. The local fundraiser changes jobs and keeps the donors phone number and personal contact information in their address book as they transfer to the new nonprofit organization.





DILEMMA #3: PRIVACY

- This dilemma is about the fundraiser or nonprofit staff being privy to personal information from a donor.
- How personal is the relationship? Are social outings happening that don't include the organization or its purpose? Should the donor be asked?





CASE STUDY #4:

- Case Study: Barnes Foundation in Philadelphia. The Art of the Steal.

○ <http://museumtwo.blogspot.com/2012/01/art-of-steal-access-controversy-at.html>





DILEMMA #4: STEWARDSHIP

- This dilemma is about how a Nonprofit must assure the public that the funds the organization raises are indeed being used for the purposes for which they were given.
- Which is more important – exposure to art or donor intent?





CASE STUDY #5:

- Case Study: A local nonprofit organization is beginning a large capital project to double the size of their current space. The major benefactor to the project is a local philanthropist who also owns a construction company. The nonprofit organization decides to hire the construction company after the benefactor commits to the lead seven figure gift in the project.





DILEMMA #5: CONFLICT OF INTEREST

- This dilemma is about Nonprofit organizations that “do business” with members of their governing boards must ensure that such transactions are completely transparent and are subject to the same rules (e.g. bidding process) as all other transactions.
- Were multiple RFP’s accepted? Who made the final decision?





CASE STUDY #6:

- Case Study: A local fundraiser for a nonprofit arts organization has built a strong relationship both professional and personally with a large benefactor to the organization over the past 25 years. The donor has no children and decides to leave the bulk of their estate to the arts organization. The donor asks the fundraiser if they can act as a executor for the estate. The donor also lets the fundraiser know that there is a provision in the will to include an outright gift to the fundraiser directly for their friendship and guidance.





DILEMMA #6: APPEARANCE OF IMPROPRIETY

- This dilemma is about a fundraiser and donor relationship.
- What should the fundraiser do? What are their options?



SUMMARY

- Remember, there is no ethical dilemma when choices are clear-cut. But there are ethical dilemmas when choosing between two rights.
- Nonprofits and their employees need to determine values that are important to them to lead decisions.



QUESTIONS?

