

The Art of Giving: **Fundraising For The Arts Toolkit**

Jointly produced by National Arts Council and
LASALLE College of the Arts

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<https://managementandthearts.com/5e>



Message from the National Arts Council

From the fundraising efforts for our National Theatre, fondly known as “The People’s Theatre”, in 1959 to Chinese clan associations supporting the traditional arts, arts philanthropy in Singapore has roots that go a long way back. It has taken many hands and contributions from the community to build the thriving arts scene we have today.

From major gifts for constructing national arts infrastructure, supporting arts education for children, grooming budding artists or pledging online donations in support of our local arts organisations, there is no denying the importance of private investment in its continued impact on the Singapore arts scene. Launched in 2013, the Cultural Matching Fund, which provides dollar-to-dollar matching from the government for private donations to the culture sector, has been instrumental in catalysing the growth of cultural philanthropy. By the end of 2016, about S\$150 million in matching grants have been committed to eligible arts and heritage charities. To sustain the momentum of giving and encourage shared ownership of our cultural scene, the fund also received a further S\$150 million top up from the government last year.

The launch of the Art of Giving Fundraising Toolkit is one of the many efforts of the NAC to build more resilient arts organisations, forge deeper engagements with the community, and create a more vibrant and sustainable arts scene for Singaporeans.

I hope that artists and arts managers will find this toolkit a useful resource that will kick-start or enhance their fundraising journeys. I encourage all arts organisations to participate in our Art of Giving network, and leverage the fundraising courses and mentorship opportunities organised by NAC.

Together, we can make Singapore a vibrant home to our diverse and distinctive arts.

Mrs Rosa Daniel

CEO

National Arts Council

About LASALLE

LASALLE College of the Arts is a leader in cutting-edge creative arts practice, education, research and leadership.

Founded in 1984 by De La Salle Brother Joseph McNally to ignite and champion the arts and creativity in a then-young Singapore, LASALLE is a not-for-profit institution of higher learning offering a suite of creative arts programmes at the diploma, bachelors and masters level. It also provides sector-specific customised programmes and short courses, exhibitions, performances and symposiums. Singapore's Ministry of Education supports LASALLE through tuition grant schemes for its diploma and bachelors programmes, and its degree programmes are validated by the world-renowned Goldsmiths, University of London.

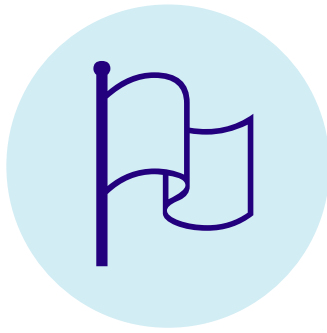
Training the next generation of artists, performers, designers, pedagogues, intellectuals and arts leaders is the focus of LASALLE. It offers a sophisticated range of programmes from fine arts, design communication, interior design, product design, film, animation, fashion, dance, music, theatre, arts management, art pedagogy and practice, art therapy, Asian art histories to creative writing. Led by a community of award-winning artists, designers, and educators, their practice-led research sets LASALLE apart as an international centre of excellence in Southeast Asia.

LASALLE is a pioneer in the training of arts and cultural managers and leaders since the early 1990s. It is focused on developing astute, sharp and self-motivated managers and leaders to enable the arts and their maker to engage, educate and inspire communities. With a long and sustained engagement with the cultural and creative industries in Singapore and the region, LASALLE's arts and cultural management programmes support artists and arts companies to upskill, reskill and learn new skills. In this regard, we are pleased to partner the National Arts Council to develop the *Art of Giving: Fundraising for the Arts Toolkit* to further the development of a vibrant cultural and creative sector for the 21st century.

Dr Venka Purushothaman

Provost

LASALLE College of the Arts



Preface

Fundraising is rewarding and exciting work. Getting to know your donors and building long-term partnerships with them can be very fulfilling. As we know, donating is a voluntary action that can bring out the best in people while benefitting your organisation. Additionally, an effective fundraising process helps strengthen the infrastructure of your organisation and increases its potential to make an impact.

To succeed at fundraising, everyone in your organisation needs to be aware they have a role to play. The staff and board members need to understand their part in building and sustaining the multi-layered relationships that are established with your donor community. These relationships can help sustain your organisation through tough times.

This toolkit has been organised around the action areas you will encounter when fundraising: preparation, implementation, and assessment. Feel free to pick the tools you need depending on where you are in your fundraising process. This toolkit is designed to be flexible and adaptable.

Are these eight tools all you will need to make your fundraising successful? No, there are countless tools available to you when fundraising, but sometimes less can be more. I have tried to select tools that will come in handy no matter how big or small your organisation is. I have also provided links in the Appendix to other tools and resources you can draw upon.

I wish you well in your fundraising efforts, and I hope you are always growing and learning as to how to become better at helping people help your organisation fulfill its mission.

Professor Bill Byrnes

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PART II **EXECUTION**

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PART III **ASSESSMENT**

A good fundraising plan (or any plan) requires a framework for assessing progress and impact. Implementing a fundraising plan includes a process of constant evaluation. A good assessment system will make it easier to adjust your action steps as you go along.

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Before you start...

No Experience in Fundraising?

If you are new to fundraising, you will need to do a quick review of your current circumstances. A few key questions can help start your organisation on its path to fundraising.

- Is the subject of fundraising coming up from a desire or need?

You might have the need, but if you do not have the desire, you might not achieve the outcomes you seek. One of the worst reasons for starting a fundraising programme is the inability to balance the budget of the organisation each year. Fundraising is not a quick fix solution to address a cashflow problem.

- Is there someone in the organisation who will take a leadership role, advocating for and doing fundraising? Do you have board members who have expressed interest in playing a role in fundraising?

If “Yes,” then you will be more likely to be successful in fundraising. If the answer is “No,” then you will have work to do in getting your board on board with fundraising.

These preliminary questions are not to stumble you. It is a great deal easier to engage in fundraising when there is a consensus that it is a priority activity. Fundraising is not a quick-fix solution to solve money problems. If your organisation has money problems, then fix those issues first. People are not going to give you their money if your organisation is fiscally-challenged. A donation is an investment in your organisation and people generally do not like to invest in losing propositions.

Let us assume the board and staff have talked openly about why fundraising is an important activity. If everyone is willing to do his or her part to support the process, then go forth. If you are not ready, then draw upon the resources of your local arts support group or arts council to get you started.

This toolkit and other online resources aim to help you better understand what it takes to start and sustain a fundraising programme.

Strengthen your Success

Your success as a fundraiser can be strengthened if you work hard to retain your donors and by taking advantage of matching gift programs offered by arts councils and foundations. For example, the Cultural Matching Fund provides dollar-for-dollar matching for cash donations and arts charities should leverage this opportunity to double the funds raised. The Patron of the Arts Awards, organised by the National Arts Council, is also a national platform to appreciate your donors for their gifts.



Part I – Preparation

***“Spectacular achievement is always preceded
by unspectacular preparation.”***

—Robert Schuller

Getting Ready to Fundraise

Given the limited time, people, and financial resources most arts organisation face, it is essential to be organised and to plan. It helps if you create a map with multiple routes to your destination. A good plan does just that. If your organisation is making it up as it goes along, you may not be ready to engage in fundraising.

The fundraising plan should be part of your organisational plan. However, formal planning which results in a strategic or operational plan is not as common as it should be. For some organisations, planning is short-term and almost entirely focused on meeting the demands to open the next show or exhibit.

Figure 1.1 illustrates the cycle of a typical planning process. The fundraising planning process follows the same five steps with the focus on achieving the strategies, goals, and objectives related to connecting to donors and securing funds each year.

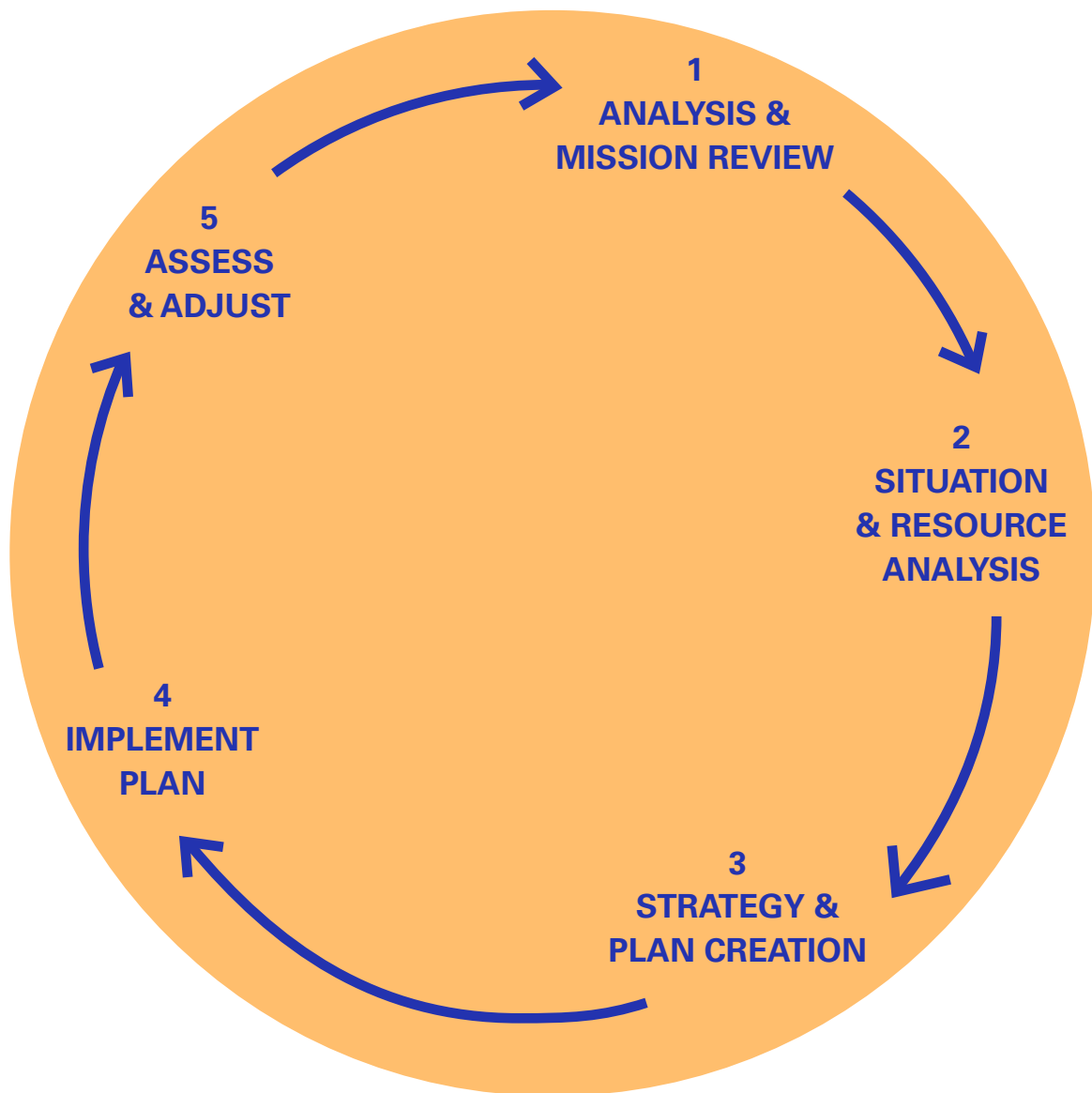


FIGURE 1.1 Organisational Planning Process



Assessing your Readiness for Fundraising

A self assessment is important to draw your attention to any gaps you may have in your organisational alignment and fundraising processes. It is often recommended that a third party gather the responses from the leadership, staff, board members, and key stakeholders. The results should be shared and discussed after they have been compiled and organised. Problems or gaps in the organisation's readiness should be addressed before trying to implement a comprehensive fundraising plan. The goal is to avoid creating "Ready, Fire, Aim" situations in your organisation.

Tool 1:

Fundraising Readiness Assessment Checklist

Organisational Fundraising Self-Assessment	Yes / No / Not Sure	Follow Up Needed?
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Part 1: Mission, Vision, Values, Reputation, Case for Support

Clear mission that can be connected to fundraising?

Vision for the future is clear?

Organisation's beliefs and values are clear to staff, board, donors, and community?

Organisation has a solid reputation and strong brand identity?

A clear and compelling Case for Support exists?

Part 2: Human Resources

Board and staff contribute money and time to the organisation?

Sufficient number of staff to execute a fundraising plan?

Volunteers ready to help support the organisation?

Part 3: Financial & Fiscal Management

Five-years of effective budget management?

Adequate budget support for fundraising?

Past fundraising revenue and expenses been on target?

Part 4: Current Donor Programmes & Fundraising Processes

Annual fund and donor retention growing?

Special giving, major gifts, legacy giving, and events are reaching goals?

Fundraising support systems and donor tracking are working well?

Part 5: Planning & Evaluation

The current planning process is effective?

Are the assessment systems in place and effective?



Case for Support

The reasons donors may want to give to an arts organisation range from the very personal all the way to broadly stated ideas like they want to “help strengthen the community.” A good experience of an arts event or an appreciation of the benefit of a programme can lead to a donation and lay the foundation for a long-term relationship between the donor and the arts organisation.

Of course, this assumes that the arts organisation asks for a donation. One of often-cited reasons people do not give, even though they are interested in an organisation and its programming, is because they were never asked.

While people in the community may have positive thoughts and feelings about the arts, it is up to the organisation to help potential donors see how they can make a difference through their support.

One key way arts organisations communicate the value of the arts is through the “Case for Support.” It provides evidence to potential donors, helping them understand why donating can make them feel good and can address problems your organisation is uniquely qualified to address.

Crafting a Case for Support

This statement becomes the source for a wide range of fundraising appeals. An arts organisation’s website, social media posts, grant applications, and public events should clearly reinforce the reasons for giving that are rooted in the case statement.

The case statement is always undergoing revision because organisations evolve and change over time. It should be revisited at least annually to ensure that it is up to date, and it makes the reasons for support crystal clear.

Tool 2:

Case for Support Checklist

Checklist for Case for Support Statement



Our mission, vision, and values statements clearly explain our purpose, where we want to go, what we believe in and what is important to us.



We explain to our community what needs we fill, why and how our programming is making a difference.



We make it clear to people who it is we serve and how these stakeholders benefit from our programmes. (Offer specifics to help clarify who benefits.)



People reading our Case for Support understand what distinguishes our arts organisation from others in the community. The Case for Support also communicates to the hearts and minds of readers.



We explain to your community how we achieve the outcomes we seek. We help them see how their support helps us create a positive impact. We also enlighten them about how we assess what we do. (Provide evidence of performance.)



Making a Case for Support Come to Life

The case statement is the source for making the world aware of who you are and why supporting your organisation is the right thing to do. The idea is to make your case more donor-centric by helping them see how their gift is making an impact.

Donor-centric reasons for giving to your organisation are also going to produce better results. You want to be able to answer the donor's core question, "How will my donation make a difference?" The goal is to enhance the good feeling they get when they make their gift by, and the way to do this is so offer examples of their gift's impact.

The Case for Support should also be distilled down to what is commonly called an "Elevator Pitch." The goal is to introduce your organisation and its Case for Support in a 30 to 40-second memorable speech.

Figure 1.2 demonstrates how an arts organisation can bring its case for support to life through a clever mix of feelings and facts to appeal to and inform prospective donors. The headline poses a question that puts the donor first. The text explains what their contribution helps pay for.

The “Did you know?” paragraph provides some facts and figures, and the sidebar quote from board member Linda Greenberg offers a positive personal story about the impact of giving. The embedded link “Donate Now” helps guide the potential donor to sources of more information before they make their philanthropic decision.



Which role do you want to play? headline

Donors are a very important part of the Playhouse family. Your generous contribution to the Playhouse’s annual fund builds sets, purchases props, brings theatre to schools and community centers, and puts extraordinary artists on our stages. When you make a gift to the annual fund, you can choose which program you’d like your gift to support. Options include Mainstage Productions, New Plays, Education Programs, Multigenerational Production, Diverse Voices, Artist Training and Collaborations. Select the one that you like best, or let us use your gift for the greatest need!


text

Did you know?

Your support affects more than 190,670 people who attend Playhouse performances and programs each season. Your donation subsidizes the Playhouse’s education and outreach programs that serve more than 57,000 students and their families every year.

To make a gift to Cincinnati Playhouse in the Park you can donate [online](#), contact Individual Giving/Stewardship Manager Kendra L. Struthers at kendra.struthers@cincyplay.com or 513-977-2024 to make a gift via credit card or stock or mail a check to:

Cincinnati Playhouse in the Park
Attn: Development Department
962 Mt. Adams Circle
Cincinnati, OH 45202



"Playhouse has always been a special place for my entire family. My mother took me to see *The Fantasticks* when I was a young girl, and I've been hooked ever since. My husband and I have been season subscribers for the past 34 years, and we feel as though Playhouse is simply a part of our lives. My mother supported the Playhouse, and I, too, want to support it for our entire community to enjoy."

Linda Greenberg
Member, Playhouse Board of Trustees

[DONATE NOW](#)

quote

link

FIGURE 1.2 Cincinnati Playhouse in the Park “Support” Information – Case Statement Content



Developing your Fundraising Strategies

What is a Strategy?

It is a statement about how you intend to marshal your resources to achieve an outcome.

A strategy can help you focus your budgetary and human resources by clarifying your priorities for the next year or two. Having clear strategies mean that you can create plans with a purpose. For example, “raising more revenue from annual giving” may be your overall **planning goal**, but a **strategy** might be to then “offer more donor giving levels and programmes to increase revenue.”

Tool 3:

Testing your Fundraising Strategies

Questions to ask yourself when you formulate your fundraising strategy:

1. Where do we want to go?

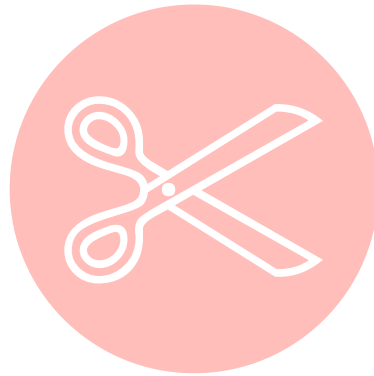
(Example 1: "We want to be known as one of the top five cultural organisations in Singapore." Example 2: "We are known and recognised for our programming excellence in choral music." You start with the end in mind.)

2. Why do we want to go there?

(For example, "We want to connect to our mission with our goal to develop the next generation of choreographers in Singapore.")

3. How can we get there?

Now you come to one of the more creative parts of strategy development. How you get to where you want to go is up to you.



Part II –Execution

***“If everyone is moving forward together,
then success takes care of itself.”***

—Henry Ford

Preparing your Fundraising Plan

The fundraising process is akin to a strategic planning process and should start with an assessment of how well your current fundraising activities are performing.

The planning process helps you focus on how fundraising fits within the overall aspirations of your organisation. For example, if your organisation only raises 10% of its operating budget from fundraising and it wants to increase that total, then you are going to need to create a “growth plan” that seeks new donors. On the other hand, if your organisation already relies on 50% of its operating budget from fundraising, then your plan may want to focus on maintaining that ratio (stability strategy) and, at the same time, be working to increase the dollar amount of giving per donor (growth strategy).

For small arts organisations with a limited number of staff and a modest budget, the fundraising plan might want to focus on building a loyal core of annual givers. When your resources are limited, narrowing your options can make achieving your goals much more possible.

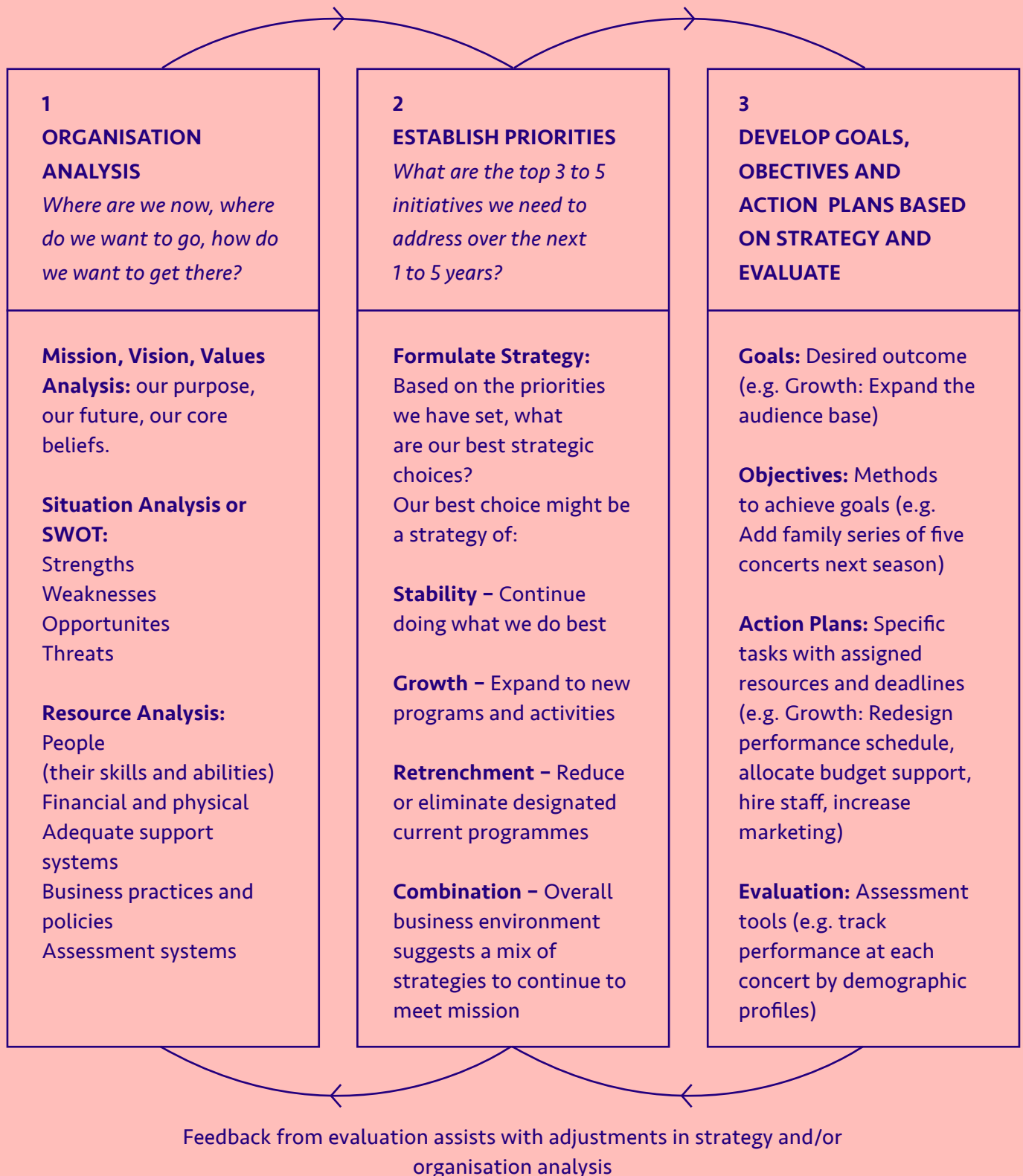
For larger organisations, the option might be to operate several giving programmes at the same time along with special events like an annual gala. Trying to accomplish what is called a “comprehensive fundraising programme” (annual giving, special events, special and major gifts, legacy giving, plus data management) with fewer than four full-time people is going to be challenging.

Regardless of the size of your organisation, the process of your fundraising planning is similar.

KEY POINT - Remember, define your planning terminology for the staff and board and work to get everyone speaking the same planning language. For example, agree on what is a “Goal” or “Objective”.

Success in executing your fundraising plan depends on willing donors, but it also is a result of how well-organised you are.

Tool 4: The Planning Process



Footnote: This planning process can also be applied to marketing, organisational planning or even used to create a personal plan.

Fundraising Softwares to Support your Plan?

There is no standard fundraising plan you can pull off the shelf, plug in your organisation's information, and off you go with the perfect plan. However, there are many companies selling software products and services that support the creation and implementation of fundraising and organisational plans.

Tool 5:

Writing Strategies, Goals, Objectives and Tactics

- **Strategy**

Statement about how you intend to marshal your resources to achieve an outcome.

Example: Strategy A - Offer more options for donors by expanding annual giving program.

- **Goals**

Statement that clearly states what you aspire to accomplish.

Example: Goal A - Increase revenue from our annual giving program in 2018 by adding three new giving categories.

- **Objective**

A statement that details an action to be taken (use a verb), in a specific area, to achieve a change over a time frame.

Examples:

Objective A1 – (Process objective) Analyse the revenue per current annual donor category for 2017 through January 30, 2018. [After completing A1, then write A2 and implement.]

Objective A2 – (Outcome objective) Increase annual giving revenue in 2018 by 25% by adding three new annual giving categories on or before Feb. 1, 2018.

- **Tactics**

Specific actions to be taken to support accomplishing the objective(s) by a specific date and by a person or a group.

Examples:

Tactic A2-1 – Revise and post new “Donate Now” form on the website to include new annual giving categories by Feb 15, 2018. Assigned to Fundraising Assistant in coordination with Web Services vendor.

Tactic A2-2 – Design and print new annual giving brochure with revised annual giving level by Feb 15, 2018. Assigned to Graphic Designer and coordinated by Fundraising Assistant.

Managing existing donors / prospects: Moves Management

One of the techniques available to any fundraiser is a process for managing the type and frequency of your interactions with your donors. This activity is often called “Moves Management”. Moves management employs some of the elements that may be part of your current marketing activities and includes things such as segmentation, targeting, and positioning.

To strengthen your long-term relationship with your audiences/donors, you will probably want to segment them based on programme preferences. With this information, you can target them with offers that align with their preferences. You can also use positioning to help differentiate the fundraising offer and strengthen the long-term relationship with the donor.

Tool 6:

Moves Management

Moves Management Stages	Activities
1) Identification	Rate donor pool based on annual review of giving patterns. The number of donors depends on your organisation's capacity.
2) Research	Research donors and giving history, do a wealth assessment, and consider the long-range potential for ongoing support from each of these donors.
3) Develop Cultivation Strategy	Develop a plan for points of contact through the coming year.
4) Plan Next Moves (10 to 12 moves)	Varies with each donor and can include casual meetings (pre-show or intermission chats), invites to specific events (meet the talent or CEO), approach about feedback on projects or proposals being considered, or any number of other activities with the organisation.
5) Implement & Monitor	Depending on donor's readiness, have a series of giving opportunities that are explored in more depth as the year progresses.
6) Assess, Adapt, Stewardship	Assuming an ask is made and is successful, prepare for stewardship stage of the relationship. Continue assessing and adapting the moves as needed for each donor.

Moves Management on a Smaller Scale

Interacting with donors is often informal and improvised. Moves management turns this casual approach into a system of working with donors, and makes it part of your strategic fundraising process. Your overall goal should be to acquire new donors and convert occasional givers to annual givers. You then want to move your annual givers to sustainers, so on and so forth.

Despite lacking the resources to manage multiple contributors, an arts organisation can still formulate plans to help donors see how their passion for your organisation may be leveraged to achieve a greater impact. The message you want to communicate to all your donors is that their increased financial commitment will result in a stronger arts organisation that is better able to fulfill its mission.

Making “Asks” for Donations

For a moves management system to work effectively, the arts organisation needs to have a well-designed and versatile process for making what is called “the ask.” The ask is a critical step in any well-designed fundraising scheme.

The process of asking for gifts is part art and part science. The art of the ask is about the ability of your fundraiser to creatively and empathetically connect with the donor at an authentic level. In fact, donors often tell the asker what they feel most passionate about, and it is up to the person making the ask to ensure the donation aligns with the needs and the mission of the organisation.

The “Five R’s,” often mentioned in fundraising literature, is useful to remember if you want to be successful at making an ask. The odds of your success are better if the **right person** being asked by the **right person**, at the **right time** for the **right amount**, and for the **right project**.

It is also worth noting that sometimes the donor may attach more conditions or terms to their gift than the asker is comfortable with. In other words, not all gifts should be accepted. A gift acceptance policy is an important resource for the asker to share with donors. Find additional information on acceptance policy under the Appendix.

How to Make the Ask

- Research the prospect’s profile and his/her donation history.
- Decide on the amount for the ask or establish a range if you are not sure of

the donor's giving capacity.

- Outline a script for the ask which includes several pathways to giving and include how you will respond if the donor declines to make a gift. Rehearse for the meeting with the prospect.
- Set up the meeting and clarify its purpose with the prospect. You want to prime them to give.

Main Objectives When Making an Ask are to:

STEP 1 – Break the ice by starting a conversation that may have nothing to do with donations or the organisation. Tune into the donor's communication style and take your cues from them when it is time to move beyond the chit-chat.

STEP 2 – After the social amenities have run their course, bring the prospect up to speed on what has been going on in your organisation. Ask questions to confirm what the prospect cares about and how your organisation's work might address his or her interests. Adjust your pitch if needed.

STEP 3 – Make the ask for a specific amount or range.

STEP 4 – Encourage the prospect to agree to a next step.

This could include him or her:

- a) Making a gift or a pledge.
- b) Suggesting other prospects.
- c) Volunteering to help with programme or fundraising needs.
- d) Agreeing to come to your organisation to see a programme or meet a staff person.

STEP 5 – Assuming you receive the gift, then take care of the technicalities and set up the stewardship process especially if it is a major gift connected to a programme. For example, a big gift to the arts education programme may mean you will provide quarterly updates to the donor on how their gift is making a difference.

The better prepared the asker is, the more likely the desired outcome will be achieved. Asking for a major gift means your organisation has the capacity and capabilities to use the money wisely and to keep the donors informed about how their gift is being put to good use. [Find additional information on developing prospect profiles in the Appendix - Prospect Research.]



Part III – Assessment

“When it is obvious that the goals cannot be reached, don’t adjust the goals, adjust the action steps.”

–Confucius

Looking at Numbers

Assessment and reporting results are a fact of organisational life in the 21st Century. However, there is only so much time you can afford to spend assessing and reporting your activities. Deciding what to track and report starts back in the preparation part of your plan where you are pondering the ends you have in mind. Assuming you have considered where you want to end up, then the activities you track, and the data you collect, should help make your job of reporting easy and informative. However, what should be reported?

Reporting Numbers

Donors and funders usually want to know how much you spend on your fundraising programmes. However, the cost of fundraising is not always the most useful metric to track. Sometimes you must spend money to raise money. For example, if it costs \$0.80 to raise \$1.00, you can expect donors are going to assume you are not using their money very efficiently. However, if spending \$0.80 to raise \$1.00 in year-one results in a future cost of \$0.15 to raise \$1.00, you can argue you have spent the donor’s money quite wisely in year one. Regardless, be ready to defend your spending on fundraising when costs exceed 30% of the total raised.

As noted, some of your fundraising activities will cost money, with some being more expensive than others. For example, an annual giving programme may generate \$50,000, and you may only spend \$10,000 to accomplish this. However, event like galas are often costly. The gala may cost \$25,000 to produce, and it generates \$58,000 in gross revenue. The net revenue of \$33,000 may sound impressive, but since your cost was \$0.43 per dollar raised, this event was a far less efficient fundraising activity than your annual giving programme.

It is true that galas can be very labor-intensive. However, arts organisations often produce galas because donors like a good party. Therefore, costly or not, galas can have a long-term strategic benefit. These events can be important entry points for donors who make large contributions in the future.

The key is for you, the staff, and the board to agree on is what is important to measure. Measuring progress or growth, for example, may be more important than measuring efficiency or units costs.

Assessment Frameworks

Your assessment framework should be built around how well you meet your objectives, fulfill your goals, and achieve important outcomes based on your strategies. Which reminds us to consider the end goals that we are trying to achieve with the plan.

An assessment framework can be created at the same time as your fundraising plan. Typically, you want to assess whether you achieved the agreed upon outcomes, so that you can share your success story and continue to get the internal support you need for your efforts.

The Assessment Framework below is focused on Planning Outcomes. Strategies, goals, and objectives are shown, but you can select one or two of the three outcomes for your framework. The idea is to hold yourself accountable for achieving the desired results of your plan. This assessment tool will work best if it is aligned with your Key Performance Indicators or (KPIs).

Tool 7:

Sample Assessment Framework for a Fundraising Plan

Assesment Criteria for Fundraising Plan (Select among key Strategies, Goals, Objectives?)	Expectations: Exceeded [3] Met [2] Below [1]	Comments and Notes
<p><i>Strategy:</i> <i>Offered more options for donors in annual giving programme.</i></p>	2	
<p><i>Goal:</i> <i>Increased annual giving revenue in 2018 in three new donor categories.</i></p>	2	<p><i>Revenue increased by 39%. New donors were acquired, and existing donors upgraded to the new categories.</i></p>
<p><i>Objective:</i> <i>[Outcome] Increased 2018 revenue by 25% in 3 new giving categories which were implemented Feb. 1.</i></p>	3	

Key Performance Indicators

The value of determining your KPIs is that it gives you a quick way to assess your progress in meeting core operational functions. Depending on your organisation's strategic priorities, performance indicator #1 (see next page) may be judged to be critical because it gives the important information needed to make decisions. For example, if your Donor Retention Rate goal was 60% and the KPI shows you are only at 40% half-way through the year, you may decide to deploy more resources to increase the retention rates.

Tool 8:

Key Performance Indicators

A. Donor Retention Rate [DRR] = # Donors Both Yrs/ # Last Yr Donors

Example - 40 donors both Yrs/100 donors from last Yr = 0.4 or 40%

B. Donor Acquisition Costs [DAC] = Fundraising Expense (on annual giving) / Gross Revenue in Annual Giving

Example - \$2500 expense / \$10,000 Gross Revenue = \$0.25 per donor acquired

C. Return on Investment [ROI] = Revenue by program (e.g. annual giving) / Expense by program (e.g. annual giving)

Example 1: \$10,000 gross revenue / \$2500 expense = 4:1 ratio
[less efficient]

Example 2: \$10,000 gross rev/ \$6000 expense = 1.66:1 ratio
[least efficient]

Example 3: \$10,000 gross rev / \$1500 expense = 6.66:1 ratio
[more efficient]

D. Dependency Quotient = (Sum of contributions from 5 largest donors) / Total Organisational Expenses

Example 1: If top five donors contributed \$250,000 over three years and expenses over the same three years were \$1,000,000, then DQ is 25%.

Example 2: Top five donors contributed \$225,000 over last three years and expenses over three years were \$500,000, then DQ would be 45%.

A higher DQ means the organisation is much more operationally vulnerable should these donors stop giving.

Other Performance Indicators

There are many indicators you can use to assess how your fundraising programmes are doing. For example, you might measure the number of major gifts, calculate the average dollar amount of your gifts, or track how many pledges-to-give were converted to actual gifts.

There is a link to a website with 20 KPIs in the Appendix. However, be careful about having too many KPIs. How many KPIs are too many? More than 10 can start to become too much work to manage, given all your other duties.

Measure What Matters by Determining What your Organisation Values Most.

Not everything your organisation does should be reduced to a number. For example, you might conduct satisfaction surveys of your donors to gather qualitative information about your organisation and its programmes. Asking people to agree or disagree with qualitative statements can provide useful insights as you ponder over how to communicate with your donors and prospects.



Conclusion

A few important takeaways from the Fundraising Toolkit are:

- In order to raise money, you have to actually ask for it. Yes, you want “support,” but you need money.
- Effective fundraising is about research and preparation and be sure to craft a memorable case for support and then use it everywhere.
- Planning is an essential part of fundraising. If you take time to plan, then your chances of raising more money increases greatly. Also remember the “Five R’s” when making an ask. A missing “right” can derail the ask.
- If you do not assess your fundraising activities, it makes it hard to improve your performance. Always ask yourself if what you are doing is working. Things you try will fail. That is life. Move on. If one strategy is not working, try a new one.



Appendix

Here are a few resources you can use to help you fine-tune and enhance your fundraising programme. Please do not take these recommendations as endorsements of these companies, their products, or services.

PART I – PREPARATION

The National Arts Council Singapore's website offers several resources to support fundraising. Start exploring at:

<https://www.nac.gov.sg/whatwedo/championing-the-arts/arts-philanthropy/overview.html>

Research resources are also available on the NAC website.

<https://www.nac.gov.sg/whatwedo/support/research/Research-Main-Page.html>

Information on the Cultural Matching Fund.

www.mccy.gov.sg/cmfi

The Patron of the Arts Awards celebrate and recognise organisations and individuals who have contributed significantly towards the development of the arts.

www.nac.gov.sg/PatronofTheArts

Here are four other resources to get you started on your fundraising

programme.

This website offers good resources to help arts fundraisers.

<https://mcahalane.com/>

The International Fundraising Conference (IFC) is a good resource if you want to connect to a conference on fundraising.

<http://resource-alliance.org/events/ifc/>

The Lilly Family School of Philanthropy at Indiana University in the United States provides quality education and training programmes. They also offer a Master's degree in philanthropy if that is your passion.

<https://philanthropy.iupui.edu/>

"The balances" website has 17 different templates that can be used to write missions statements to, grant application cover letters etc:

<https://www.thebalance.com/samples-and-templates-for-nonprofit-organisations-2502286>

Case for Support

Here is a good resource for crafting more donor-centered communications:

http://www.cygresearch.com/files/Client_Services.pdf

A good book on crafting effective messages to potential donors is

The Fundraiser's Guide to Irresistible Communications by Jeff Brooks.

This short book delivers a lot of practical methods to achieve greater success at raising money.

<http://emersonandchurch.com/bookstore/the-fundraisers-guide-to-irresistible-communications/>

PART II – IMPLEMENTATION

Strategy and Planning

This link will take you to a free example of another way to organise your fundraising planning. In exchange for providing some of your basic information, you can download a three-tab fundraising planning template. It is not the template to end all templates, but it does provide ideas you may find useful for creating your planning template.

<https://blog.everyaction.com/nonprofit-fundraising-strategic-plan-guide>

Planning Software Comparisons

<https://www.softwareadvice.com/nonprofit/fundraising-software-comparison/>

ClearPoint Strategy Website

This resource offers a very clear and easy to follow method for writing strategic goals and objectives.

<https://www.clearpointstrategy.com/how-to-write-strategic-objectives/>

Moves Management

A quick and concise overview of how to put a moves management process to work.

<https://www.gailperry.com/how-to-use-moves-management-to-raise-major-gifts/>

Prospect Research

Here is a link to a resource for prospect research templates:

<https://www.donorsearch.net/prospect-profile-templates/>

This link provides information on how to go about doing prospect research, as well as developing prospect profiles:

<https://fundraisingcoach.com/2014/03/11/donor-research-7-tools-creating-prospect-profile/>

Making the Ask

There are several tips on making asks at the Fundraising Authority website:

<http://www.thefundraisingauthority.com/individual-fundraising/guide-to-making-asks/>

Sources for information about gift acceptance policies can be found at:

<https://www.councilofnonprofits.org/tools-resources/gift-acceptance-policies>

Here is a link to a sample gift acceptance policy:

<http://grantspace.org/tools/knowledge-base/nonprofit-management/other-nonprofit-management-issues/examples-of-gift-acceptance-policies>

PART III – ASSESSMENT

Fundraising Metrics

Four resources on measuring fundraising effectiveness:

<https://boardsource.org/research-critical-issues/measuring-fundraising-effectiveness/#downloads>

Key Performance Indicators

This site contains 20 KPIs that are grouped in four categories: Fundraising, Donor Retention, Email, and Social Media Metrics.

<https://www.salsalabs.com/blog/key-performance-indicators-nonprofit-management-needs-to-track>