BY David Allen

OPERATIONS FUNDRAISING

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Unrestricted operations money. Many consider it the most difficult money to raise each year. Land trusts that do it consistently well have a broad base of individual support, a diversity of giving opportunities and strong board member engagement.

People and institutions give unrestricted money because they want to support the mission, they trust the board and staff to get it done and they are in the habit of giving. They are loyal. Land trusts should reward that loyalty by saying thank you right away, sharing news that communicates that their investment is being used well and otherwise staying in touch. Land trusts should also avoid creating unnecessary restrictions for unrestricted gifts. If a donor seems ready to make a $5,000 or $10,000 gift, avoid the temptation to help him or her direct it.

The first job is to determine how much you need to raise. In doing so, separate "core expenses" from one-time expenses limited in scope and time. Core expenses are incurred every year and include things like salaries, office space, communications and insurance. One-time expenses might include a new copier, a website makeover or a facilitated planning exercise.

Here is an overview of sources for unrestricted money.

Board

Board members should have "skin in the game." Individual board members should be asked to make gifts commensurate with their capacity and leadership positions. It is *critical* that every member of the board gives something. It is *important* that each member's donation be seen by others as "substantial" for them. In this regard, *time is not the same as money*. Volunteers contribute time. Donors contribute money. Land trusts need board members to do both.

How much should board members give? There really isn't a standard level of participation. Board member giving can be assigned to cover (or partially cover) something important, such as office rent or conservation planning, or presented as a challenge grant to encourage others to give.

Giving Clubs

A giving club is an annual giving group whose threshold gift is higher than regular membership, usually $1,000 or more. The purpose of a giving club is to provide a reason and a structure for donors to contribute large unrestricted gifts *each year*.

There are four basic organizing principles of $1,000+ giving clubs:

- Qualifying gifts are understood to be completely unrestricted—no exceptions.
- Qualifying gifts are made as a single giving decision, even if multiple pledge payments are involved.
- Qualifying gifts are made by a single donor.
- Qualifying gifts are in cash or liquidated immediately to cash. (In-kind

gifts do not count, unless the gifted item is immediately sold.)

Giving club solicitations should be made in a very personal way by board members, such as writing letters by hand or meeting prospects in person. Remember, it is important to make these donors feel special, and frequent communications to them as "insiders" can accomplish that. Giving club membership is assumed to be renewable every year, and donors are asked to increase their giving over time.

Giving clubs represent the single largest growth potential available to most organizations.

Annual Renewals and Appeals

There are two differences between renewals and appeals. The first is that renewals depend on a short loyalty argument while appeals depend on making the "case" for giving. Renewals point out that the donor gave a similar amount last year and perhaps for many years. It's time to do so again. The letter is complete on one page, references how long he or she has been giving and how much he or she gave last year, and asks for a modest increase.

Appeal letters are much more complex, often running two to four pages in length. They describe in much more detail why the money is needed and how it will be used. There is no explicit assumption of renewal—you have to make the giving case from scratch each time.

The second difference is in the results. Renewal mail generates a 70-90% response overall, depending on how long the donors have been giving. Appeal mail generates a 25-40% response. For maximum results you should be sending both renewal and appeal mail to your donors.

Both renewal and appeal mail should be segmented, meaning that the list should be separated into several groups based on what they gave last year. In this way, donors who gave $500 last year are not asked for $35 this year, even by implication. Segmentation requires several different letters and response cards.

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A renewal program is best seen as a sequence of letters—an initial request and up to three follow-up letters—separated by three to five weeks each. All letters feature a clear and specific ask amount based on what the donor gave the previous year. I have had good results asking everyone in the lowest segment ($0-99) for $100 in the first notice. Then, if they don't respond, ask them for the amount they gave the previous year in second and third notices.

Major Operations Gifts and Grants

If you separated core expenses from one-time expenses, you are ready to prepare proposals for the one-time expenses. The proposals can be prepared for individuals as well as foundations and businesses. (Remember that these grants, by definition, will not be renewable.)

Most foundations support projects and outcomes instead of operations and process, but there are a few. Several hours of research here may pay dividends.

Also, consider passing a board resolution that 20% of every grant will be used for administrative purposes unless otherwise stipulated in writing. Include a copy of the resolution with every foundation proposal.

Events

If you hold events to raise money for operations, keep two things in mind. First clearly understand your return on investment. I asked a friend who raises several million dollars each year from a blues festival whether it was worth the effort. He responded emphatically, "No way."

"Why do it then?" I asked. He replied, "It's the 23rd year of this annual event!"

The second thing to keep in mind is that many people come to fundraising events for the entertainment; the specific charity is immaterial. Your golf tournament might have netted $30,000 for you, but the golfers who played that day may not remember your name a week later. If you want to establish a longer-term relationship with attendees beyond the event, have a method in place to collect their names and contact information.

One exception that is gaining some popularity is the highly structured charity social luncheon, with table captains, a rigid program and varying degrees of pressure tactics for donors to make pledges at the tables. Under the right circumstances, and with adequate training, land trusts are successfully raising $40,000 – $150,000 in unrestricted money at such events.

New Donors

In the short term, recruitment strategies almost never make money and should not be counted upon to return a net to the program. However, in the long run, these are people from whom you can raise money in the years to come. I recommend budgeting a certain amount of money each year for recruitment as an expense.

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Resources

Looking for more details on some of these ideas? Go to www.lta.org/savingland/extratlc for information borrowed from the Land Trust Alliance's Learning Center.