Establishing Your Development Office

Staffing & Reporting

Budgets & Planning

Boards & Volunteers

The Seven Must-Have Documents
**WHO WE ARE:**
AFP, an association of professionals throughout the world, advances philanthropy by enabling people and organizations to practice ethical and effective fundraising.

The core activities through which AFP fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

AFP members abide by the highest ethical standards in the fundraising profession and are required to sign annually the *Code of Ethical Principles and Standards of Professional Practice*.

**OUR VISION STATEMENT:**
AFP will be the recognized leader in the promotion of philanthropy by empowering fundraisers to serve humankind throughout the world.
Establishing Your Development Office

• Staffing and Reporting
• Budgets and Planning
• Boards and Volunteers
• The Seven Must-Have Documents

By Linda Lysakowski, ACFRE
This booklet is the first in AFP’s Ready Reference Series for professional fundraisers.

Text by Linda Lysakowski, ACFRE.

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Most nonprofit organizations at some point in the organization’s life must face the reality that in order to continue to be viable they need to raise funds. Even if grants or fees for services finance a large percentage of their programs, eventually these funding sources may change or dry up altogether, and, if they want to remain in operation, they will need to begin a fundraising program. Most organizations, even if programs are funded by grants and contracts, have unmet needs that need to be funded. Establishing a development office before the organization finds itself facing a serious funding cut is the best way to assure the organization’s future. Most development programs take two to three years before they are “showing a profit.”

It is important to establish from the very beginning the importance of the development office within the organization. The chief development officer (CDO) should report directly to the chief executive officer (CEO) of the organization. The CEO’s role in supporting the fundraising efforts of the development office is crucial to success, and the two must work hand-in-hand in order to have the program show results.

The head of the development office needs to be on an equal level and have a good relationship with the heads of the finance office, the program administrators, and the public relations and marketing staff (if this is a separate function from development). The CDO should be a part of the management team that runs the organization.
Both external and internal constituencies need to understand that development is an important function in the organization and that development planning is something that key administrators are aware of and in which they are involved. The development office also needs to have access to the board of directors and should report at board meetings in order to assure the board’s involvement in the fundraising efforts of the development office. (See Chapter 4 for more on the role of the board.)

Fundraising Is Everybody’s Job!

All staff members need to understand the role of development in their organization and be willing to assist the development office in fulfilling its role. Having the CDO as part of the management team will help assure that all staff members understand the role of development and how they can be a part of the organization’s fundraising efforts.

First, all fundraising needs to be coordinated through the development office.

Other departments should not be doing their own fundraising without the approval and guidance of the development office. One thing that needs to be avoided is having different members of the organization out soliciting gifts from the same sources. Often, an unaware program staff person may be pleased to have received a $25 gift certificate from a local business for an event door prize, not realizing that the development office was cultivating that business for a major gift. However, the development office can benefit from the contacts, experience, and enthusiasm of program staff people who are willing to help with development projects.

The CEO’s role in fundraising should never be underplayed.

Most major donors will want to talk with the CEO when being asked to contribute. The CEO
must be willing to go on solicitation calls, speak to various groups and organizations, and support the efforts of the development staff. A good CEO/CDO team can together lead the efforts to identify, cultivate, and solicit major donors. The CEO also needs to communicate with the development office about any major changes in the organization, so hearing about changes from outside the organization does not embarrass the development officer.

- **All staff members need to be involved in the organization’s fundraising efforts.**

  Program staff can often be the best allies; they may know of potential major donors through the people served by the organization. They will be able to tell the success stories that need to be a part of the case for support.

**Life Lessons**

One organization, starting a new development office organized a “Time, Talent & Treasure Hunt.” The development officer and chair of the development committee made a presentation at each of the organization’s departmental meetings, using a “treasure chest” filled with faux jewels and candy coins. Inside the treasure chest were also some great prizes—restaurant gift certificates, etc. The development officer gave a brief talk about the role of development and what kind of activities the development office would be involved in during the coming year. The chair of the development committee then asked each staff member to make a commitment of his or her time, talent, and treasure. Each staff person was given a brief survey listing ways they might be able to help and was asked to check off their commitment. Talents might include calligraphy to address invitations, musical talents that could be utilized at events, etc. Time could be given by volunteering to help at events, stuff mailings, etc., and treasure could be given in the form of their own contributions to the organization or making connections with potential donors to the organization. When the surveys were completed, prizes were handed out by a random drawing and the organization discovered a wealth of in-house time, talent, and treasure that could help a small development office manage its activities. The staff understood the importance of development and how they could be a part of the organization’s success in fundraising.
The finance office needs to understand its role in providing good stewardship of contributions

This assures that gifts are used in the way the donor intended, funds are invested wisely, and reports are done accurately. The finance office’s role in preparing the annual 990 Form is crucial; fundraising expenses need to be reported accurately. With easy access to financial statements through vehicles like Guidestar, donors can check 990 Forms in the comfort of their homes. The 990 Form can be used as a good public relations tool to promote the organization’s programs and services and show good financial health.

Everyone in the organization can help build good donor relations

The receptionist who answers the phone and directs callers (perhaps major donors) to the right person in a professional and friendly manner, the maintenance or security staff member who courteously provides directions to a visitor—anyone can have a positive effect on a potential donor. Staff members can assist with events, provide input into grant proposals, and help identify, cultivate, and solicit donors.

It is important that the chief development officer report directly to the CEO of the organization. The development office, through the development committee, should also make a report at every board meeting and have full access to the board of directors in order to assure their involvement in the development program. The organizational chart on the next page shows how the development office function fits within a small organization.

The development office should not report to the finance office, the public relations office, or the marketing department. It needs to stand on its own in order to have credibility within the
organization and in the community. Community leaders will quickly determine the importance of the development role in an organization by the chief development officer’s title and status in the organizational structure.

Internal communication is important to assure that the entire staff is supportive of the development office. Many organizations use an internal newsletter to communicate about events and activities and report on fundraising campaigns. It is wise not to be involved in a major effort of which staff is unaware. Imagine an employee’s dismay when asked by a friend or colleague about a big campaign or event their organization is running, if their answer is, “What campaign (or event)?”

Having the CDO make a presentation about development at other departmental meetings is a good way to assure that all the staff understand the importance of the development office.

The development office is often responsible for external communication as well. If the organization does not have a separate public relations department, the development office will probably be

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**Internal Communications**

**External Communications**
responsible for press releases, speakers’ bureau, and other public relations and communications areas. If there is a public relations department that does brochures and other communications, be sure that the development office provides input into this material, including the website design.

Often there are guidelines that must be followed such as IRS regulations regarding the deductibility of donations and state registration requirements that may require disclaimers on all printed solicitation materials. The public relations office may not be aware of these nuances, so the development office needs to have final approval of all fundraising materials that are produced by the organization.

10 TIPS... FOR ORGANIZING THE DEVELOPMENT OFFICE

1. Make sure the chief development officer reports directly to the CEO.

2. Include the chief development officer as part of the organization’s executive management team.

3. Provide the chief development officer with access to the board of directors.

4. Coordinate all fundraising needs through the development office.

5. Build a good relationship with the chief financial officer.

6. Get to know and appreciate the work of the program staff.

7. Make sure the CEO understands his or her role in fundraising.

8. Hold regular staff meetings.

9. Work closely with the public relations staff, if there is one, in the organization.

10. Keep your sense of humor.
All fundraising must begin with the mission statement. A good mission statement should be just a few sentences and should tell what the organization does and whom it serves.

**SAMPLE MISSION STATEMENT**

“Big Brothers Big Sisters of Nevada…enhancing children’s lives through exceptional mentoring relationships.”

- If the mission statement does not fit on a business card, it is probably too lengthy.

  Often the mission statement is developed or revised during a strategic planning process. The board needs to approve the mission statement, and one of their major roles is to assure that programs and all operations are done in relationship to the mission of the organization.

- If there is no mission statement in place, start with the purpose of the organization.

  This should be identified in the articles of incorporation. Because an attorney most likely wrote this purpose, it may be an accurate description of the organization’s purpose, but need to be fine-tuned by the board so that it is clear, concise, and meaningful to the public.

- The most persuasive reason that people give to an organization is because they believe in its mission.

  Therefore, the mission statement should be communicated to the constituency and the
donors as often as possible. Put the mission statement on all the business cards, newsletters, brochures, and other communications including the website. Remind board members of why they serve the organization by putting the mission statement at the top of the agenda for every board meeting.

2. Vision Statement

Unlike the mission, which is a good snapshot of where the organization is right now, the vision statement is a statement of where it wants to be. This is the place to dream. The vision statement talks about where the organization wants to be in the future. Sometimes the vision is to cease to exist because there is no longer a need for the organization.

**SAMPLE VISION STATEMENT**

“To be recognized as the finest and most respected mentoring agency in Nevada; by building quality program services that promote confident, socially competent, caring children and adults; by expanding community outreach and involvement; and by maintaining and enhancing superior professional staffing and valued board governance.”

The vision statement is important because the organization needs to know both where it is now and where it is going before developing a plan on how to get there. It is like starting a trip without a final destination. The vision, like the mission, needs to be adopted and approved by the board of directors as well as the staff. Everyone can work towards a common vision once it is confirmed by the organization as a whole.

**LIFE LESSONS**

A private college had its mission statement reproduced on parchment paper, framed, and hung in every office, in hallways, and in a prominent spot in its lobby.
In today’s fast-paced world of change, a long-range plan can no longer be done for five to 10 years down the road. Most long-range planning today involves a three-year time period.

- **The board and staff develop the long-range plan, based on input from the various constituencies.**

  A long-range plan will take several months to develop, and a long-range planning committee needs to be established. This committee should include board members, staff from each department of the organization, and representatives of the various constituencies such as users, alumni, parents, funders, and community leaders.

- **The long-range plan needs to cover all aspects of the organization—program, finance, facilities, marketing, and development.**

- **The plan includes goals and objectives as well as strategies to reach those goals and objectives.**

  Goals are the broad-based aspects of the plan. A goal might be to increase awareness of the organization in the community. An objective, on the other hand, needs to be measurable, attainable, and specific. An example of an objective might be to develop a website by June 2002.

- **Each department develops its own action plan, which includes timelines, budgets, and responsibilities.**

  The plan will be meaningless if it doesn’t include the factors to implement the plan: How much will it cost? When will it be done? Who is responsible for implementing this strategy?

  Examples of strategies that the organization might use to reach the objective of developing a website might include interviewing a number of website designers, selecting a website designer,
determining the number of pages on the website, determining the content of the web pages, etc.

- The plan also needs to include a process for evaluation and must be measured at least quarterly to track progress.

The best plan in the world doesn’t work if it sits in a drawer. It must be dynamic and flexible.

4. Annual Development Plan

The development plan is an outgrowth of the long-range plan. Once goals and objectives are established for the development program and approved by the board, the development office then has the task of designing its annual plan, as all other departments will do within their areas.

- The annual development plan covers all aspects of the fundraising program.

If there is no separate public relations plan, this area is covered in the development plan since good public relations are key to development. The plan is written from the viewpoint of having an integrated development program. Building on sound public relations to create awareness, the plan includes components of annual giving, major giving, capital needs, and planned giving. The plan will include various fundraising techniques:

- Research
- Proposal writing
- Special events
- Direct mail
- Telephone fundraising
- Personal solicitations
- Cultivation
- Acknowledgment
- Recognition
Development of an action plan will assure implementation of the plan.

Items that should be included are budgeting for development; areas of responsibility for each task (staff, board, or volunteers); and timelines for implementation of each step.

The case for support is the foundation for the development of all the fundraising materials. The starting point is an organizational case for support. From this organizational case, case statements can be developed for the various appeals and campaigns and for different constituencies.

The case for support shows people why they should support the organization.

The case is based on the mission and vision and lists the history, the needs, and the solutions. It also lists the qualifications for operating the programs the organization is proposing to fund. Who runs the organization, staffs the program areas, governs the organization? What endorsements have already been received from the community?

A good case for support is both rational and emotional.

People give because they believe in the mission of the organization, and they must be shown, through the case for support, why this mission is important to them and to the community. The questionnaire/checklist on the following page is a good way to evaluate the strength of the case for support. It is crucial to develop the case for support before launching any fundraising programs.

All materials used in the fundraising efforts must be developed from the case.
QUESTIONNAIRE/CHECKLIST
FOR CASE STATEMENT EVALUATION

Look for feedback in the following areas:

☑ Does it elicit emotional as well as rational “reasons” to give?
☑ Does it tell the potential donors how their gift will make a difference?
☑ Does it evoke a sense of the history and long-term importance of the organization and its work?
☑ Does it offer proof that the plan will work?
☑ Are the benefits to the donor clearly stated?
☑ If the organization includes graphs or charts, are they striking?
☑ Is it concise?
☑ Is it reader-oriented rather than organization-oriented?
☑ Does it emphasize “opportunity” for the donor rather than “need” of the organization?
☑ Is the information presented in a logical order?
☑ Is it readable with short sentences and paragraphs?
☑ Is the typeface appropriate to the organization’s appeal?
☑ Is there enough blank space to make it easy to read?
☑ Is the type large enough for reading by older prospects?
☑ Is the cover “striking?”
☑ Is the paper stock attractive without looking expensive?
☑ If the organization uses photographs, are they effective and cropped to maximize their impact? (Photos should not include more than 2-3 people. Large group shots lose dramatic impact.)
Establishing Your Development Office

These materials will include:

- Brochures
- Website
- Speeches
- Videos
- Press kits
- Appeal letters
- Grant proposals
- Individual proposals
- Volunteer training materials

Another document needed before the organization can ask solicitors to go out on major gift calls is gift acceptance policies. These policies should be developed by the development staff and approved by the board of directors. Policies should address questions like:

- What type of gifts will we accept?
- From whom will we accept gifts?
- How will we dispose of those gifts?
- What type of recognition will we give donors?
- How will we invest donor contributions to our endowment fund?
- What percentage of our endowment fund will we use for operational expenses?

**Issues that may come up in major gift appeals, capital campaigns, and planned giving programs can be resolved by having gift acceptance policies before the solicitations take place.**

For instance:

A 30-year-old donor wishes to give the organization a gift of an insurance policy. How is this gift handled and recognized?

A prospective donor wants to give the organization a gift of real estate. What stipulations should be made before accepting the gift? What if the real estate has an underground oil tank or
Working in an art museum had its fringe benefits—when one gets frustrated with the daily routine of managing a development office, you can always stroll around the galleries and admire the works of the old masters (my favorite part of the collection). However, one day, I gained a new appreciation for great art and, at the same time, an appreciation for a director and a board that had established gift acceptance policies. As I opened my mail, I came across a three-page, very serious letter from a potential donor several hundred miles away who said he had a valuable painting he wanted to donate to the museum.

Wondering why he had selected our museum to be the recipient of this valuable painting, I eagerly read on. When I reached the third page, I realized why he might have been having trouble finding a grateful recipient of his gift when I read that this “valuable work of art” was a painting of Elvis on black velvet.

After my director and I enjoyed our laugh for the day, I said, “Okay, now how do I answer this one?” Fortunately the museum had a policy in place that all gifts to the collection must be accompanied by a cash donation to be placed into the endowment fund for upkeep to the collection. A sticky situation handled effectively thanks to written gift acceptance policies.

Many questions can be handled legally, ethically and tactfully with proper gift acceptance policies.

The AFP Resource Center has sample gift acceptance policies available to members and non-members (non-members are required to pay a fee).
Unlike the gift acceptance policies, procedures are developed and approved by staff. The procedures manual is important so that anyone in the office can handle routine day-to-day procedural items. Some areas that are covered in the procedures manual are:

- How soon does an acknowledgment letter get mailed after the gift is received?

  Twenty-four hours is ideal, 48 hours is the maximum amount of time it should take to thank a donor.

- Who signs donor thank you letters?

  Often letters to major donors are signed by the chair of the board, with the CEO signing the next level of donors, and the CDO signing the letters to smaller donors. There is no hard and fast rule about this; each organization must establish its own guidelines, but these need to be done in the form of written procedures.

- Who receives gifts?

  Some organizations have all checks going directly to the finance department. In others, the development office receives donations first for proper acknowledgment and recognition. Then, as soon as they have been copied, checks or other instruments are sent to the finance office for deposit. Unless the finance office is scrupulous about routing copies of donation checks to the development office within 24 hours for gift acknowledgment, it is best for the development office to receive gifts.

■ **Procedures manuals can also outline the coding structure for various donors and prospects as well as listing routine reports that need to be generated from the donor database system.**
Having a procedures manual in place will help temporary staff and volunteers fill in when a key staff member is out and will also help evaluate staff on the basis of how well procedures are followed.

10 Tips... on Getting the House in Order

1. Make sure the organization has a clear, concise mission statement.

2. Publicize the mission statement to donors, board and staff.

3. Have a vision for the organization that allows the organization to think big.

4. Encourage the organization to do a long-range, strategic, organization-wide plan.

5. Have our own plan of action that includes timelines, budgets, and areas of responsibility.

6. Develop a compelling case for support for all the development activities.

7. Develop gift acceptance policies before the organization solicits major gifts.

8. Plan to thank donors early and often (within 24 hours of receipt of their gift).

9. Thank donors seven times before the organization asks for the next gift.

10. Keep your sense of humor.
The title of the CDO will vary with different organizations. Many universities and colleges use the term “institutional advancement” and often have the title of vice president for their chief development officer. “Director of development” or “development director” is more common in other types of agencies. Some organizations use the term “resource development” or “fund development” to make it clear that it is a fundraising position. Although fundraising director is not often used, many smaller organizations use the term “fundraising coordinator,” which seems to imply that the position is not on a level with other administrators, but is more of a mid-management position.

- *Use a title that will convey to the public and the internal organization that this is an important position and that the chief development officer is part of the management team.*

The CDO, whatever the title, is responsible for directing the following duties:

- researching potential donors;
- designing and implementing the development plan;
- directing the efforts of volunteers in the development area;
- developing strategies for identifying, cultivating, and soliciting donors;
- developing appropriate recognition strategies;
- coordinating all the fundraising activities of the organization;
· working with the board and development committee to implement the development plan;
· educating the organization about ethical and legal issues relating to fundraising;
· identifying areas of need to be funded and developing a case for support; and
· developing appropriate materials to be used for various campaigns and appeals.

The development office is often also responsible for public relations.

Finding a chief development officer who has the skills to manage all these functions is of utmost importance.

What Makes a Good Fundraiser?

In his book *Born to Raise*, Jerold Panas describes the characteristics that make a good fundraiser.\(^1\) Integrity is at the top of the list for Panas and others with experience in the profession.

Finding a CDO who has knowledge and understanding of the Donor Bill of Rights and who will act with integrity in every circumstance is important.

This characteristic may be hard to measure by looking at a resume, but a few well-placed questions in the interview process can help determine how a person would be likely to react in difficult situations. The way the CDO treats staff and other coworkers is a good indication of how he or she will treat donors and prospects.

Other important qualifications for the CDO are enthusiasm, dedication to the mission of the organization, persistence, and the ability to listen.

Skills such as writing and public speaking can often be taught, but integrity and enthusiasm are personality characteristics that are inherent to the individual.

Having a clear job description that includes items like integrity and belief in the mission is the first step in hiring the right person for the job.

## A Development Officer Evaluation

<table>
<thead>
<tr>
<th>Performance</th>
<th>Quality</th>
<th>Timeliness</th>
<th>Initiative</th>
<th>Adaptability</th>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceeds Job Requirements</td>
<td>Must take running start to leap tall buildings.</td>
<td>Is as fast as a speeding bullet.</td>
<td>Is stronger than a bull elephant.</td>
<td>Walks on water in an emergency.</td>
<td>Talks with angels.</td>
</tr>
<tr>
<td>Meets Job Requirements</td>
<td>Can leap over short buildings only.</td>
<td>Not quite as fast as a speeding bullet.</td>
<td>Is stronger than a bull.</td>
<td>Washes with water.</td>
<td>Talks to himself.</td>
</tr>
<tr>
<td>Needs Some Improvement</td>
<td>Crashes into buildings attempting to leap over them.</td>
<td>Would you believe a slow bullet?</td>
<td>Shoots the bull.</td>
<td>Drinks water.</td>
<td>Argues with himself.</td>
</tr>
</tbody>
</table>

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A good place to start the hiring process is to post an ad in a local or association-wide AFP publication or make an announcement at a local AFP meeting.

When Do We Need a Consultant?

Many times a consultant is needed to help the organization get a development program off the ground. Consultants can assist the organization in the search for the right CDO or other staff members. A consultant can also help the organization with the development plan and give the organization guidance in specific areas of need. Once a CDO candidate is identified, find out what that person’s strengths and weaknesses are and then determine if the organization needs additional staff and/or a consultant to help round out that person’s skills and abilities.

Consultants are often brought in at the strategic planning phase to provide the outside objective viewpoint that is needed to help the organization set realistic goals and objectives.

Sometimes the best way to get started is by hiring a well-rounded person who is a generalist in development and then hiring outside consultants to perform specific tasks such as grant writing, special event management, board development, campaign management, database consulting, etc.

Support Staff

How much staff is needed to support the CDO? The answer will depend in part on the size of the organization, the scope of the job, and the dollar goals that have been established for the development program. If the organization is planning to go “full steam ahead” with the development program, there may be additional staff people needed to perform tasks such as planned and major giving, research, proposal writing, etc.
No matter what the size of the development program, the organization needs to budget for a support staff person to handle the donor database.

Looking for an experienced development person to run the program, who also has experience in donor database systems, is usually a huge mistake. If the CDO is spending all his or her time entering data into the system and doing donor research, he or she will not have time to be out contacting donors.

Put the emphasis on key responsibilities.

In order to be effective, the CDO needs to spend his or her time identifying, cultivating, and soliciting the top donors, rather than spending too much time writing grants, planning events, doing research, and tracking donor records. A good database manager is one of the most critical pieces of the development program.

Properly qualified support staff are essential.

Database management is not a task that can be assigned to a support staff person who does not understand development and does not have the skills to make good judgment calls or understand the importance of accuracy in donor

Work by the 90/10 rule.

The 90/10 rule (90% of the dollars will come from 10% of the donors) tells us that CDOs should be spending 90% of their time working with the top 10% of the donors, not the other 90% who will only provide 10% of the donations. This was formerly known as the 80/20 rule; however, a recent study by Jerold Panas found that 97% of the money came from 2-3% of the donors. Regardless of the precise figures, which will vary among organizations, there are always a small number of donors providing most of the financial support.
records. Hiring a good support staff person, and training that person in the donor database system and fundraising in general, can assure that the CDO will have time to undertake the important functions of identifying, cultivating, and soliciting donors.

Setting goals for the first year of operation is not an easy task. If there has not been a development program in the past, it may be difficult to set a dollar goal. Do not set this goal based on the organization’s deficit alone.

- **A realistic assessment of development program expectations is crucial.**

  Some questions must be answered in order to make this assessment:
  
  - First, are there potential donors who have supported the programs in the past?
  - Is there a good donor database in place?
  - Is the public aware of the program, and do they have positive relations with the organization?
  - Is the board involved with fundraising?
  - Is the CEO aware of his or her responsibility in fundraising?
  - How much time will the CDO actually spend doing fundraising and how much time may be assigned to other tasks such as public relations, etc.?

- **Consider setting goals other than dollar goals for the first year.**

  Some non-financial goals that could be set are:
  
  - Create a quarterly newsletter.
  - Establish a donor database system.
  - Add to the donor prospect list by 10%.
· Increase the level of board giving to 100%.
· Visit three prospective major donors every month.

Setting unrealistic goals, or not setting goals at all, is the downfall of many new development programs.

No matter what the overall goals for the development program are, be sure the organization has designed a way to measure success.

Develop tracking and reporting systems.

A call sheet (see the sample on pages 28-29) can help record visits to donors and track the next steps needed to cultivate this donor. The concept of “Moves Management,” developed by David Dunlop and others, is a system to monitor the donor relationship process and plan strategies for each step of the cultivation and solicitation process. There are several books written on “Moves Management” that can help the organization with this tracking process.

Establish a reporting system so that the organization can report success to the CEO and board on a monthly basis.

Develop a reporting system that lists goals and objectives for each component of the development plan and results for each objective.
Sample Confidential Contact Report

Contact Name: ________________________________________________
Date of Contact: ______________________________________________
Volunteer and/or Staff Member: __________________________________

Type of Call:  ☐ Personal Visit  ☐ Telephone  ☐ Letter

Business Address: ________________________________________________
Telephone: (with area code) ______________________________________
Fax: (with area code) ____________________________________________
E-mail: ______________________________________________________

Home Address: ________________________________________________
Telephone: (with area code) ______________________________________
E-mail: ______________________________________________________

Contact Summary:

Information obtained should be as comprehensive as possible. i.e., indications of political or religious preference, remarks about family, hobbies, community interest, state of health, quality of reception, personality traits, degree of familiarity with organization, attitudes, etc. (Please write clearly.)

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
**Date of Next Action Step:**

Next Step:
- [ ] Send Literature
- [ ] In-Person Visit
- [ ] Solicit
- [ ] Send Letter
- [ ] No Further Action
- [ ] Post-Solicit
- [ ] Phone Call
- [ ] Cultivate
- [ ] Re-solicit
- [ ] Other ________________________________

**Request Amount:**

Suggested: ________________  Actually Requested: ________________

**Priority: Recommendation After Call**

- [ ] Close within 30 days
- [ ] Close within 180 days
- [ ] Close within 90 days
- [ ] Close within 1 year

**Step: Recommend After Call:**

- [ ] Possible Prospect/Needs Research
- [ ] Capability Determined/Research Done
- [ ] Cultivation/Solicitor Assignment Made
- [ ] Solicited/No Decision  [ ] Solicited/Favorable  [ ] Solicited/Decline

**Level of Interest:**

- [ ] High  [ ] Moderate  [ ] Low  [ ] Uncertain

**Capability:**

- [ ] $1 million plus
- [ ] $50,000 - $99,000
- [ ] $500,000 - $999,999
- [ ] $25,000 - $49,999
- [ ] $250,000 - $499,999
- [ ] $5,000 - $24,999
- [ ] $100,000 - $249,000

**Interest/Project:**

__________________________________________________________________________________________
10 **TIPS**... *FOR STAFFING THE DEVELOPMENT PROGRAM*

1. Give the chief development officer an appropriate title.

2. Make integrity and commitment to the organization’s mission a part of every job description.

3. Give every staff member a copy of the Donor Bill of Rights and the AFP Code of Ethical Principles and Standards of Professional Practice and make sure they understand and commit to these standards.

4. Hire to complement weaknesses—surround your CDO with people who have the skills and talents he or she lacks.

5. Remember the 90/10 rule—spend 90% of the time identifying, cultivating, and soliciting the top 10% of the donors who will give 90% of the money.

6. Hire a good database manager.

7. Set financial and non-financial goals for staff.

8. Evaluate and celebrate the successes.

9. Learn from the failures.

10. Keep your sense of humor.
The Role of the Board of Directors

There is an often-quoted formula for successful board fundraising known as the “Three G’s—Give, Get, or Get Off.” While often used in a humorous vein, this adage is a good basis to judge the effectiveness of board giving.

- **It is important to have 100% participation from the board in any fundraising appeals or campaigns.**

  Before going to the public to support the fundraising efforts, every member of the board must make a financial commitment. For years, private foundations have asked for 100% board commitment before considering a grant proposal. In an age of increasing donor sophistication, corporations and individuals are taking a closer look at board commitments when considering requests. The amount of the commitment is not as important as having 100% participation, and that each board member gives at a meaningful level for them.

- **The board should be willing to use its affluence and influence to help the organization.**

  While many smaller organizations do not have affluent members on their boards, every board member does have a sphere of influence that they can use to help with the fundraising efforts. They must be willing to support the efforts of the CDO and CEO in all the organization’s fundraising efforts.
All board members can help with the process of identifying, cultivating, and soliciting donors.

A thoughtful “screening” process in which board members are asked to brainstorm to come up with a list of people they may be able to approach, or to whom they can open doors for the organization, is often a real eye opener for the organization and the board itself. Have the board members participate by inviting their contacts to cultivation events, writing a personal note to friends or colleagues on the annual appeal letter, and setting up appointments for the staff to accompany them on solicitation calls.

Board Position Descriptions

It is vital to have position descriptions for board members and for these descriptions to include the expectations of board members. Typically the CEO and development office work together on developing board position descriptions, and the board then approves them.

When recruiting new board members the expectations should be clearly conveyed and accepted by a potential candidate before they are invited to serve on the board.

Some typical items covered in board position descriptions are:
- attendance and participation at board meetings;
- attendance at events;
- financial commitment;
- willingness to use their contacts and clout to bring others into the organization;
- assessment of their own performance as a board member and the board’s effectiveness as a whole;
- fiduciary responsibility as a board member;
Establishing Your Development Office

- service on committees and participation in committee work; and
- willingness to be an advocate for the organization.

Get rid of the nominating committee! In its place, appoint a board resource committee. This is the committee that assesses board makeup, evaluates board performance, and identifies and recruits new board members.

**Identifying potential board members is a year-round process, not just a once a year task that gets assigned when board terms end.**

Using the name “board resource committee,” “committee on directorship” or “governance committee” implies the full scope of this committee’s important work. Any of these committee names are more descriptive of the true work of the committee than using the name, “nominating committee.”

The most important person on the board of directors is the chair of the board resource committee. This person should be carefully selected with consideration given to his or her understanding of the importance of the position and knowledge of the community and governance issues.

**The first task of the board resource committee is to assess the make up and performance of the board.**

They begin by doing an evaluation of the diversity of the board and the skills and talents required for the board. Then the committee determines a profile of prospective board members, based on the assessment of needs. The board grid on page 35 is a good way to assess the needs of the board.
Once a profile of prospective board members has been developed, the board resource committee asks all board members to help identify people who would meet this required profile.

The CEO and a member of the board resource committee should interview prospective board members.

It is important to have an open dialogue with prospective board members.

Review the board position description with them and make the expectations clear. It is important to make sure that board members understand their commitment to become involved with the organization and to support it financially. This is also a good opportunity to answer questions they may have about the organization and the role of the board.

It is sometimes necessary to re-involve and re-energize board members who may have become disconnected from the organization or who do not seem to have an interest in participating as fully as they should. There are several ways to address these issues:

First, as a preventive measure, establish term limits on the board and make sure that the organization adheres to them.

Avoid the assumption that board members can serve their maximum number of years, rotate off the board for a year, and automatically return to the board after a year’s absence. The organization may want to return a valued board member, but this should be the exception rather than the rule. Many boards get hung up on rotating board members off for a year and then bringing them back. Getting new people on the board is important. Term limits are there to help an organization avoid “tired board syndrome.”
### Sample Board Profile

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<tr>
<th>Demographics</th>
<th>Board Member Names</th>
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<tbody>
<tr>
<td>[revision date]</td>
<td>Term Expires 20___</td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<td>21-30 Years</td>
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<td>41-50 Years</td>
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<td>61-70 Years</td>
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<tr>
<td>Over 71 Years</td>
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<td>African-American</td>
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<tr>
<td>Latino</td>
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<tr>
<td>Other</td>
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<td>Giving Potential</td>
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<td>High</td>
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<td>Medium</td>
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<td>Low</td>
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<tr>
<td>Expertise in</td>
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<td>Legal Issues</td>
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<td>Personnel Management</td>
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<tr>
<td>Financial Management</td>
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<td>Fundraising</td>
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<td>Public/Community Relations</td>
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<td>Planning/Organizing</td>
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<td>Organization’s Service Area</td>
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<td>Influence With</td>
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<td>Power Group</td>
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<td>Business/Financial Community</td>
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<td>Ethnic/Minority Groups</td>
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<td>Media</td>
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<td>Government</td>
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Past board members can be engaged by having them serve on advisory boards or committees or by honoring them with the title of director emeritus.

Keep board members active and involved by ensuring that they understand the mission and the work of the organization.

- Put the mission statement at the top of all the board meeting agendas.
- Have an educational session at all board meetings relating to the organization’s work.
- Invite a program staff person or an outside expert to talk about some aspect of the program.

For instance, a social service agency might have a case worker give a five-minute presentation at each board meeting about a client being served; a museum may have a curator or a docent give a brief presentation on some aspect of the museum’s collection. In this way the organization can keep board members interested and involved while providing an educational opportunity for them to learn more about the organization.

Plan a board retreat.

A board retreat is a great way to energize the board, get them better acquainted with each other, and build a strong team working together for a common vision. Board retreats are often held in conjunction with the strategic planning process.

The board retreat should be held off site, giving board and staff an opportunity to get away from the usual routine and allowing freedom from interruptions. It works best when coordinated by an outside facilitator—the board and staff will be able to focus more fully if someone else is facilitating the day.
The board retreat gives the organization an opportunity to spend time on long-range visioning and strategic thinking and should not focus on the day-to-day decisions that often take place during regular business meetings of the board. If possible, delay any routine business for a regular board meeting.

Be sure the retreat’s outcomes are recorded and that these outcomes help guide the board work during the next year. An annual retreat is recommended, but the organization should, at a minimum, hold a board retreat every two years to enable new board members to participate.

10 Tips... for Board Development

1. Emphasize 100% financial participation of the board as essential.
2. Encourage all board members to give at a level that is meaningful for them.
3. Have board members find ways to promote the organization within their spheres of influence.
4. Develop board position descriptions and review them with potential board candidates before they are invited to serve on the board.
5. Get rid of the nominating committee and appoint a board resource committee, using the most effective person on the board to chair this committee.
6. Make sure the bylaws include term limits for board members and enforce these limits.
7. Hold an educational session at each board meeting.
8. Conduct a board retreat once a year.
9. Involve the board in the strategic planning process.
10. Keep your sense of humor.
The Role of Volunteers in Fundraising

A good volunteer base is important for the development office. Volunteers, like board members, are often the best source of identifying, cultivating, and soliciting donors. Volunteers will be more likely to have the connections to businesses and individuals that have affluence than staff. Volunteers can approach the “ask” from the standpoint of not being a paid employee and should always tell the prospect about their own commitment to the organization. Volunteers can also be asked to help with specific areas of expertise, such as planned giving, public relations, or strategic planning.

The Development Committee

The development committee is an important part of setting up the development program. This committee can help the organization design and implement the development plan, as well as assist with opening doors to potential donors and soliciting gifts.

- The development committee should invite several board members to serve, but should draw the majority of its members from outside the board.

This will help the organization expand the fundraising efforts and cultivate potential board members. A development committee of 15 or more members will provide the skills and talents the organization needs. The committee should be divided into subcommittees such as a planned giving committee, event committee, annual fund committee, etc.
Recruiting members of the development committee or other fundraising volunteers should follow the same process as board recruitment.

- **Assess the needs and then find the appropriate persons to serve.**

  Some potential members for the development committee might be past board members who want to stay involved in the organization’s fundraising activities, those who have volunteered at events, donors, Chamber of Commerce members, and graduates of leadership programs. The organization may also want to enlist the help of media and public relations people, development officers, and entrepreneurs. These are people who will have the skills and talents the organization needs on a development committee.

- **Just as in recruiting board members, it will be important to have a position description with clear expectations before the organization recruits new committee members.**

Volunteers and board members often need training in fundraising practices and techniques. Inviting key volunteers to AFP meetings, conferences, and seminars is an inexpensive and effective way to help educate and train volunteers. Another option is to hire a consultant to help train the volunteers.

- **If the budget is tight, ask another nonprofit organization if one of their key volunteers can assist with the training of your volunteers.**

Just as the board resource committee evaluates the board’s performance, the organization needs to evaluate the performance of the development committee and assess the needs on an ongoing basis. If a plan of action is developed at the beginning of the year,
the committee’s success can be measured against the goals and objectives established in the plan.

- Did the committee members get actively involved with the plan?
- Did they help the organization identify donors?
- Did they contribute financially and solicit donors?
- Are there new ventures the organization is considering, such as planned giving, that might require specialized skills on the committee? If so, look for people who can fill these special needs.

**All volunteers need to be recognized.**

Special recognition can be given to volunteers in the newsletter and annual report. Invite the development committee to make a presentation to the board of directors on the work they have accomplished.

**Elevating effective development committee members to the board of directors is a good way to recognize their work and commitment.**
10 TIPS... FOR MAKING GOOD USE OF VOLUNTEERS

1. Form an active development committee on the board, headed by a board member, but having membership of board and non-board members.

2. Develop position descriptions for volunteers and review these with potential candidates before inviting them to serve.

3. Ask all volunteers to make a financial contribution before they approach anyone else for a donation.

4. Join and get involved in the local Chamber of Commerce to help find good volunteers.

5. Consider inviting entrepreneurs to join the volunteer committees.

6. Recognize volunteer efforts.

7. Evaluate and “fire” or “promote” volunteers as needed.

8. Reassign ineffective volunteers to an area in which they can be more effective.

9. Use the development committee to lead and guide the board’s fundraising efforts.

10. Keep your sense of humor.
Establishing the Development Budget

Establishing the development office budget needs to be done by the development officer and the administrative team of the organization.

■ To think that a development program can succeed without making an investment in the development office is unrealistic.

It often takes two to three years for a development office to begin bringing in sufficient funds to cover expenses. Start-up costs may be substantial, and developing a donor base may take a while. Seven essential elements need to be included in the budget.

**Personnel**

Staff salaries and benefits usually make up the greatest part of the development office budget. The AFP Compensation and Benefits Study can guide the organization in determining an appropriate salary range.

**Professional Development**

Allocating money in the budget for professional development is vital, particularly if the staff is inexperienced. This may include attendance at seminars and conferences and continuing education. If the CDO is not currently a Certified Fundraising Executive or Advanced Certified Fundraising Executive—CFRE or ACFRE—the organization may want to invest in helping him or her gain certification.

■ The level of professionalism in the department is important.
Prices for donor software programs run from several hundred to the tens of thousands of dollars. More information on donor software programs is available through the Chronicle of Philanthropy’s Technology Guide.

- **A good donor database can make or break the development program.**
  
  Also be sure to budget for the hardware as well as other software programs that may be needed.

- **Internet capability is a must for any development office.**
  
  Office furniture also needs to be considered since donors will often visit the development office.

- **The organization does not want to appear too frugal; people may get the idea that there are financial difficulties.**
  
  On the other hand, the development office of small social service agency should not look like a corporate CEO’s office.

Membership fees for AFP, the local Chamber of Commerce, and other civic or professional organizations need to be included in the budget. Include a budget item for subscriptions to the Chronicle of Philanthropy, Foundation Center directories, and fundraising books.

Special letterhead and envelopes are often used for different fundraising campaigns and appeals, as well as materials for volunteer training, donor filing systems, etc.

Be sure to budget adequate funds for developing brochures, an annual report, a newsletter, and a website.
If special events are part of the development program, the organization may need to budget seed money for events the organization will be holding—for instance, deposits on a hotel and an orchestra for a dinner dance, entertainment at events, a deposit on the golf course for a golf tournament, etc.

10 Tips... on Budgeting

1. Make sure the development office creates its own budget or has significant input into the budget process.

2. Budget realistically for professional salaries.

3. Build into the budget enough money for professional conferences and seminars.

4. Budget for upgrades to rapidly changing technology.

5. Remember that development officers need to be active in the community in order to network and allow for memberships in local Chambers of Commerce, Rotary clubs, etc.

6. Keep up with the latest trends by budgeting for books and other publications.

7. Have development communications professionally prepared, but don’t let them appear to be too costly.

8. Allocate adequate seed money for up-front expenses required by special events.

9. Evaluate the budget carefully and review quarterly so the organization can make adjustments if needed.

10. Keep your sense of humor.
The organization has determined that it is ready to set up a development office. What are the next steps to take to ensure the success of the development program?

First, establish goals for the office. The development office should establish financial and non-financial goals. Goals should be set in consultation with the CEO, the development committee, and the board.

- **Goals should be reflective of the organization’s mission and vision.**

  How much money is needed in order for the organization to provide programs that will fulfill its mission? A consultant, if used, can provide input into the goals and will have a good handle on what other organizations are doing and how to set financial goals for an office that has no track record.

- **Be sure the CEO and board do not have unrealistic expectations about what can be accomplished in the first year.**

  Take into consideration the infrastructure that is in place, the willingness of the CEO and board to get involved with the fundraising program, and the number of donors and donor prospects available.

- **Make sure the goals are measurable and realistic.**

- **Establish benchmarks to measure success.**
Once the organization has established the goals, determine the amount of staff and volunteers needed to achieve these goals.

- Do not try to establish a program without adequate staffing.

A CDO who is going to be sidetracked by other duties such as public relations, marketing, or program areas will not be able to devote enough time to the fundraising tasks.

- The CDO’s success depends in large part on having the necessary support from the staff, CEO, and board.

Everyone needs to be involved. Be sure they understand their roles.

- Establish a development committee.

If the organization doesn’t already have a development committee, plan for the number of volunteers needed on this committee and develop a list of potential members.

When all the staffing and budget is in place, the plan can be developed. Look at all the aspects of development and plan an integrated program.

- An integrated program includes grants, special events, direct mail, telephone fundraising, and major gifts.

Also think about long-term goals such as a capital campaign or planned giving. Incorporate all aspects of fundraising into the plan and include time for research and cultivation as well as developing a stewardship program.

- Determine how much the organization wants to raise from each component of the plan and set realistic goals for each aspect of the program.
When developing the plan, set measurable goals and incorporate a process for evaluating success.

- **Monitor the development plan monthly at staff meetings and development committee meetings.**
  
  If some goals have not been attained, examine the reasons why: Did another opportunity take precedence? Were needed resources, either human or financial, unavailable?

- **Develop a system to generate regular reports from the software program.**
  
  Some standard reports that will help the organization evaluate success and plan for the next year are:

  * **new donor report** to measure the number and percentage of new donors acquired each year;
  * **increased donations report** to measure the number and percentage of increased donations for donors;
  * **cost of fundraising reports**, broken out by each appeal, to measure how much each segment of the program costs to raise a dollar;
  * **results by appeal report** to measure what percentage of the fundraising income comes form the various components of the development program;
  * **unpaid pledge report** to measure how many pledges have been unfulfilled; and
  * **LYBUNT and SYBUNT reports**, to measure the number of donors that gave Last Year But Unfortunately Not This (year) and Some Years But Unfortunately Not This (year).

  These reports will help the organization evaluate its success and plan for the year ahead. For instance, the organization might want to address a special appeal to the LYBUNTs and SYBUNTs.
Tracking increased sizes of gifts and increased number of gifts will tell the organization if the program is improving or not. Percentage of funds raised by appeal will show which appeals are the most successful, and the cost of funds raised will help to determine which appeals are the most effective from a cost standpoint.

- **These reports will help determine the amount of time and portion of the budget that should be spent on each of the various components of the development program.**

Costs of fundraising should be evaluated using acceptable standards. Jim Greenfield in his book *Fund Raising: Evaluating and Managing the Fund Development Process*, provides a guideline to measure fundraising costs.¹

**Celebrate Success**

Finally, be sure to celebrate the successes.

- **Reward the development and other staff for reaching goals.**

A pizza party or small token gifts will show staff that they are appreciated and that their efforts were part of the success.

- **Be sure to report successes as well as areas that need improvement to the board.**

Use a board meeting to thank board members for their help with the development program.

# A Donor Bill of Rights

*PHILANTHROPY* is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

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<th>I.</th>
<th>VI.</th>
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<tr>
<td>To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.</td>
<td>To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.</td>
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<th>II.</th>
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<td>To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.</td>
<td>To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.</td>
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<th>III.</th>
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<td>To have access to the organization’s most recent financial statements.</td>
<td>To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.</td>
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<td>To be assured their gifts will be used for the purposes for which they were given.</td>
<td>To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.</td>
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<td>To receive appropriate acknowledgement and recognition.</td>
<td>To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.</td>
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**Developed by**

- Association for Healthcare Philanthropy (AHP)
- Association of Fundraising Professionals (AFP)
- Council for Advancement and Support of Education (CASE)

**Giving Institute: Leading Consultants to Non-Profits**
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- **Getting Ready for a Capital Campaign: Your Blueprint for Evaluating Internal and External Readiness**  
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- **Bringing a Development Director on Board: Assessing Needs, Recruiting, Interviewing, Hiring**  
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