

Key Steps in the Fund Development Cycle – A Guide

Disclaimer: This document is not intended as legal advice. Your organizational goals, purpose, bylaws, and values should drive the creation of this document.

Fund development is the process an organization undertakes to build lasting relationships between prospects/donors and the mission. There are many ways to engage in each step. This example explores some options. The final steps should be captured in the written fund development plan.

Research: Be strategic and organized

1. Set a realistic organization operating budget (Don't let fundraising make up the difference in the budget)
2. Create the gift chart to include all the charitable dollars needed to meet the budget goals
3. Determine your audience
 - The more you segment your donor/prospect audience, the more successful you will be
 - Match your donors/prospects to your gift chart
 - Start with your "hot prospects"
4. Determine your case – know your key messages – stay values-driven
 - Match your messages to your audiences
 - Be prepared to answer: Why you? Why now? What difference will it make? How can people participate?
5. Develop and know how to implement a recognition strategy (see below)
6. Determine who will be on the team and their roles
7. Determine your benchmarks and metrics for success (retention, upgrades, new donors, etc.)
8. Write a fund development plan that captures steps 1-7 – the board approves the plan
9. Approve necessary policies and procedures
10. Ensure an accurate and up-to-date donor relational database

Relationship Building: Be donor focused

1. Educate the prospects/donors using your case
 - House party, mission event, newsletter, letter, coffee, website, face-to-face, etc.

2. Create ways to hear from your donors/prospects about the points that matter to them
3. Create opportunities for emotional and/or physical involvement
 - Slow down and listen
 - Match your message to your audience
4. Create opportunities to hear and tell mission-impact stories

Request: Be strategic and specific

1. Develop multiple “ask” strategies to match the level of interest and the level of commitment of the donor
 - No such thing as one-size-fits-all – focus your message and approach
 - Combine your strategies for donor service and consistent connection (Mail, phone, event, face-to-face, proposal, electronic--web, social media)
2. Create a timeline for your “asks”
 - Start at “home” – inside the organization and work out into the community – donors before prospects
3. Ask (Don’t bury it. Don’t apologize. Be clear. Be specific.)

Recognition/Reporting: Be thoughtful and intentional

1. The goal of recognition is to connect the donor more deeply to the mission/values physically and/or emotionally – focus on them and their connection
2. Write your recognition plan (one each for individuals, corporations, and foundations)
3. Send acknowledgments “out” within 24-48 hours of receiving the gift (“Thank before you bank”)
4. Commit to all necessary and promised follow-through with donors
5. Report on progress (internally and externally)
6. Educate – inspire (internally and externally)
7. Listen to your donors
8. Capture all important information in the donor database

A healthy culture includes the whole donor cycle . Make time for it.

- **30% Research**
 - Policies/Procedures/data
 - Internal team alignment
 - Fundraising Plan
 - Budget
 - Gift chart
 - Audience identification (constituency)
 - Key Messages (Case)
- **30% Relationship Building**
 - Education (mission connect)
 - Communication- LISTEN
- **10% Request**
 - All ways: face-to-face, mail, phone, web, events, proposals, pcg. etc.
- **30% Recognition / Reporting**
 - Strategic and consistent

