

# **Six Stages of Infrastructure Development for Fundraising**

**This Fundraising and Sustainability brochure is a 6 step guide for non-profits to use in developing the foundational infrastructure to fundraise more effectively. After working through these stages, you will have the basic tools you need to have conversations with donors.**



# Stage 1: Aspirational Vision, Strategic Plans, Goal Setting

- **Aspirational vision and strategic planning with internal stakeholders (Board, organizational leadership)**

Before building a fundraising plan, an organization should determine its long-term, aspirational vision and develop its strategic plan. Aspirational vision should articulate the transformative impact an organization would like to have on society and/or within a community over the next 20+ years.

Aspirational vision should inform an organization's strategic plan. Strategic plans are roadmaps of the work for organizations that help them work towards achieving their aspirational vision. Furthermore, strategic plans help organization's prioritize goals and objectives; align leadership, employees, and key stakeholders; provide benchmarks for the organization's progress; and ensure strategies are backed by sound reasoning.

- **Identify and codify fundraising goals**

An organization's campaign/fundraising goals should be derived from an organization's aspirational vision and strategic plan.

Fundraising goals should be:

- 1) Current projects
- 2) Expansions of current projects
- 3) New projects needed to carry out a strategic plan

Projects should be priority initiatives that require funding to undertake. Fundraising goals should be limited to no more than five (5) at a time so that they can clearly and concisely communicated to prospective funders.

Once an organization has its goals defined, specific needs under each goal should be listed and budgeted for three (3) years in the future.

## Budget for this Project

**1. Budget:** What are the costs for each of the needs identified for each of your goals? Be sure to use amounts that have been researched. Add any needs that you may have overlooked.

**2. Budget Justification:** Please provide an explanation for why each of the line item expenses are necessary in accomplishing your goal.

# Stage 2: Case for Support

## • Develop a Case for Support

A case statement is a graphically designed collateral piece that introduces an organization, its work, and its fundraising goals. It is generally to complement a donor meeting or conversation. A case statement should include the following components:

- 1. Organizational Story:** Brief history of the organization and achievement highlights
- 2. Aspirational Vision:** Established vision of the organization.
- 3. Call for More:** Concise statement that describes why the organization is looking for annual support or long-term/campaign funds.
- 4. The Need:** Summary statement that lays out what work, initiatives, and infrastructure will be supported with philanthropic support.
- 5. Impact Statement:** Statement of the vision and what it will look like when the fundraising initiative is successfully completed.
- 6. Fundraising Goals:** Description of each of your organization's fundraising goals (up to five).
- 7. Success Stories:** Success stories from your organization. They can include beneficiary highlights, staff profiles and priority projects, impact of work.
- 8. Financial Overview of Organization:**
  - a. Annual Operations** – Functional charts that show the last fiscal year of (1) Revenues and (2) Expenditures.
  - b. Fundraising Goals** – Listing an amount of your organization's fundraising goals.

# Stage 3: Gift Pyramid & Identification of Prospects

*Gift Pyramid Chart*

Once a fundraising goal is set, a gift pyramid should be produced. A gift pyramid is a tool that helps an organization determine the number of donors and prospects it needs at specific gift levels to reach their fundraising goals. The power of the gift pyramid is that it helps an organization get specific about how it can reach its fundraising goal and reveals potential shortfalls while an organization is still in its planning process. This helps ensure organizations set realistic fundraising goals and implement a targeted, well-defined strategy to reach them. The higher-level donors/gifts should fund 70% or more of an organization's fundraising goal. **Donors/gifts** at the top of the pyramid will be larger, but fewer prospects will be needed; **Donors/gifts** at the bottom of the pyramid will be smaller, but more donors will be needed. Generally, in a campaign, 70–75% of the project cost/ philanthropic support will come from a handful of large donors.

## • Determine Your Prospect to Donor Ratio

**Determining your Prospect to Donor Ratio:** A donor to prospect ratio will help your organization understand the number of prospects it needs to be in conversation with for every gift it expects to close. For organizations with more mature donor constituencies (meaning donors are very close to the organization and have a higher propensity to give), the Prospect to Donor should be three (3) prospects for every donor they expect to get. For organizations with less mature donor constituencies (meaning donors are not connected to the institution, have not given in a long time and/or have only given small amounts), the Prospect to Donor ration should be five (5) prospects for every one donor they expect to close.

## • Populate prospects (Individuals, corporations, and foundations) into the gift pyramid

Populate your prospect names into the prospect column at the appropriate gift levels. If you do not have enough prospects to meet your prospect number, your organization must identify new prospects or revise its goals. Continue to add prospect names as you identify new prospects.

Ask board members, donors, and key constituents to help you identify prospects at various levels. As your organization secures donors at each of the levels, adjust the number of prospects and gifts needed at each level. Continue this process until your organization reaches its fundraising goal.

Barber & Associates, LLC Recommendation: Gift Pyramid \$20,000,000 Goal (4:1 ratio)			
Gift Amount	# of Gifts Needed	# of Prospects Needed	Total Amount Needed
\$5,000,000	1	4	\$5,000,000
\$1,000,000	4	16	\$4,000,000
\$500,000	6	24	\$3,000,000
\$250,000	8	32	\$2,000,000
\$100,000	20	80	\$2,000,000
\$50,000	40	160	\$2,000,000
\$25,000	50	200	\$1,250,000
\$10,000	50	200	\$500,000
\$5,000	50	200	\$250,000
<b>Total</b>	<b>229</b>	<b>916</b>	<b>\$20,000,000+</b>

\*Gifts can be made over a 5-year pledge cycle.

barberandassociatesllc.com | ask@barberandassociatesllc.com | 202-734-3111

*Donor Maturity Chart*

MATURITY LEVEL	COMMON DONOR CHARACTERISTICS	PROSPECT-TO-DONOR RATIO
high	<ul style="list-style-type: none"> <li>▶ many large donors and long-time recurring donors</li> <li>▶ donors know the organization well</li> </ul>	3:1
average	<ul style="list-style-type: none"> <li>▶ some mid and large donors</li> <li>▶ donors have some engagement</li> <li>▶ donor cultivation in progress</li> </ul>	4:1
low	<ul style="list-style-type: none"> <li>▶ small donor base giving small gifts</li> <li>▶ organization does not know many of these donors</li> </ul>	5:1

# Stage 4: Stewardship Structures

- Design an integrative stewardship structure, with a codified donor recognition and engagement structure

Stewardship is the process of acknowledging, thanking, and keeping a donor engaged with your organization after they have made a gift. This is a critically important process in the development cycle because maintaining relationships with current donors ensures your donor pipeline is sustainable.

Designing a Recognition and Benefit structure is a way of standardizing engagement opportunities and benefits for donors at various levels of support. By developing this structure, an organization can build stewardship into their daily operations and build trust and transparency with their donor audience. Donors can trust that all donors at the same level will receive the same treatment from the organization.

*Donor Benefit and Recognition Structure*

Donor Benefit	President's Circle \$25,000	Curators Circle \$10,000	Collectors Circle \$5,000	Art Lover \$1,000	Supporter \$500	Friend \$100
Opportunity to host a curator	✓					
Dedicated staff liaison	✓					
Executive Director Exclusive Updates	✓					
Complimentary Gala seats	2 seats	2 seats	1 seat			
Annual Report recognition	✓	✓	✓	✓		
Printed donor newsletter	✓	✓	✓	✓		
Pin	✓	✓	✓	✓		
Decal	✓	✓	✓	✓		
Electronic supporter updates	✓	✓	✓	✓	✓	✓
Tax deduction	✓	✓	✓	✓	✓	✓

# Stage 5: Policies and Procedures

- **Define and codify a internal fundraising policies and procedures**

Below are a list of the primary policies and procedures an organization that is fundraising should have in place:

1. Gift Acceptance Policy
2. Gift-Entry and Recording Policy
3. Gift Acknowledgement Policy
4. Naming Rights Policy
5. Corporate Support Policy
6. Donor Privacy Policy
7. Pledge Payment Policy



- **Finalize pledge forms and gift agreements**

Pledge forms and gift agreements are documents that ensure your organization is documenting gifts from donors correctly. Pledge forms are generally used for smaller levels gifts and pledges for existing projects and initiatives. Gift agreements are generally contractual agreements between organizations and a donor that are creating new funds, naming facilities/endowments, or where they are specific promises made between the donor and the organization.

- **Ensure your organization has a Customer Relations Management (CRM) system to capture donor's biographical information, giving history, donor strategy, and contact status in a CRM donor database or software.**

# Stage 6: Pitch

- **Fundraising One-Pager - Develop a one-page document articulating your organizations fundraising goals and processes and standard talking points for a donor meeting**



## Talking Points To Include

- Clear and concise mission, vision, priorities and goals
- How is your organization addressing your work, uniqueness, and impact
- Budget, philanthropic support seeking and how are you currently funded
- The impact that donors will have through their gifts
- Benefits and recognitions offered
- Different Methods of giving (Cash, DAF's, Planned Gifts)
- The Specific "Ask"

- Conduct staff, board, and volunteer training with the One-Pager
- Prepare standard written correspondence–solicitation letters–for donor engagement
- Schedule meetings with major donor(s) or prospect(s)

# Professional Skillsets Needed to Execute

Fundraiser and/or Fundraising Designee
Prospect Research or Designee
Administrative Support
Writer (20-30 hours)
Graphic Designer (10-20 hours)

If you, or your organization, are interested in purchasing the Fundraising and Sustainability Toolkit, please send an inquiry to [ask@barberandassociatesllc.com](mailto:ask@barberandassociatesllc.com)

Content for this brochure was developed by  
Barber & Associates, LLC  
[www.barberandassociatesllc.com](http://www.barberandassociatesllc.com)