

How to Run a Major Gift and Endowment Program

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September 10, 2015

Major Gift Fund Raising Today

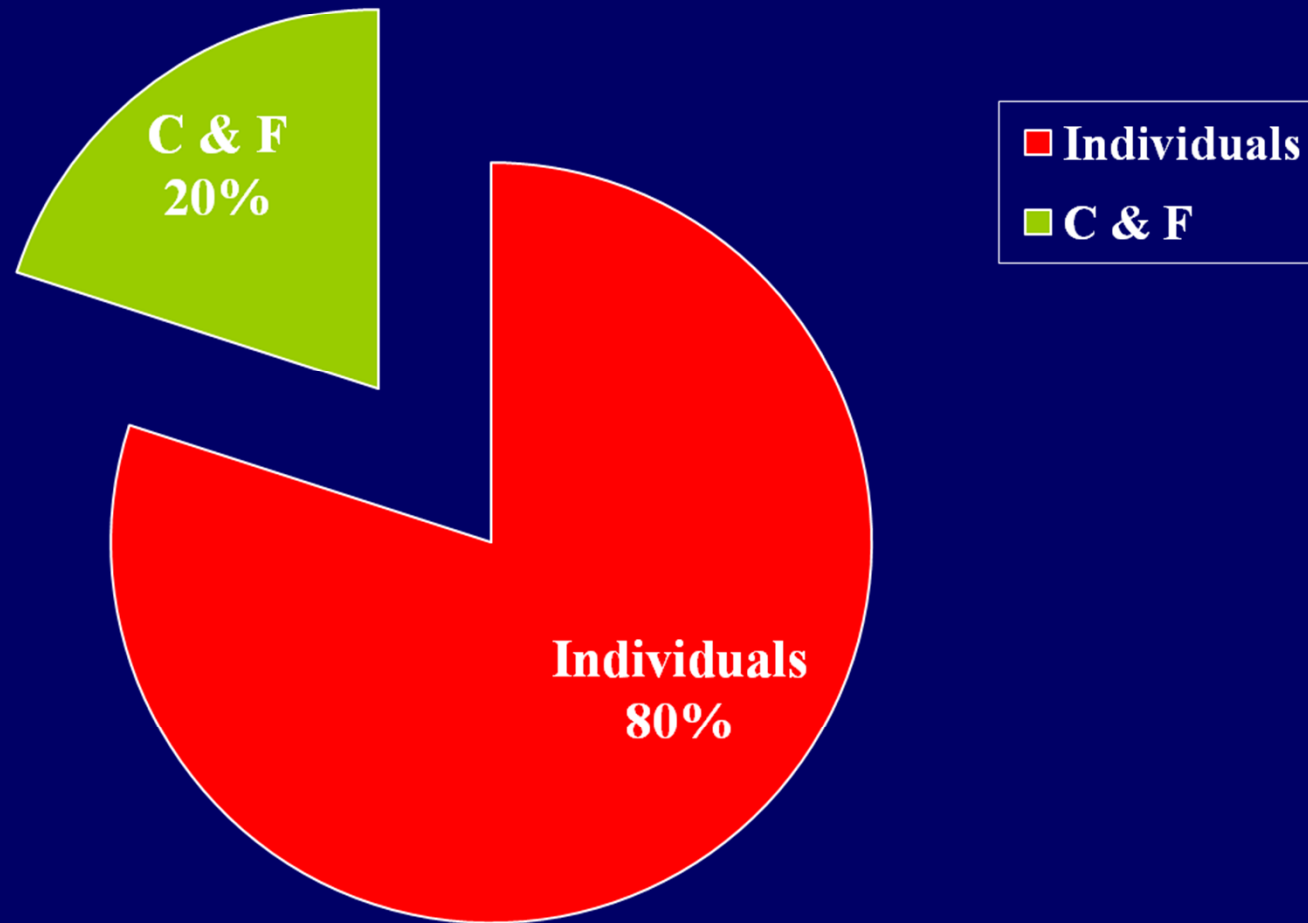
- ❑ Competition
- ❑ National Figures
- ❑ Sources of Giving
- ❑ Demographics
- ❑ Economic and Tax Issues
- ❑ For profit influences

2014 Giving \$358.4 B Giving USA 2015

- Individuals
- Bequests
- Corporations
- Foundations



2014 Giving



Adding Major Gifts to a Full Plate

- ❑ It takes the same amount of time to get a \$100,000 gift as it does to get \$5,000.
- ❑ The results of implementing a major gift and endowment program will far exceed net income from all your events combined.
- ❑ Building endowment will help you become self sufficient in the future.

Essentials for Major Gift and Endowment Program

- ❑ Clearly defined institutional goals
- ❑ Structure for named endowed gifts
 - ❑ Creating a donor menu for Endowment Needs
 - ❑ Identifying program or project areas that drain the operating budget
 - ❑ Creating minimum gift amounts for different levels

How Endowment Affects Operating Budget

Boston Chinatown Neighborhood Center

Operating Budget Item	Annual Cost	Endowment Amount at 5%
Children's Book Fund	\$1,250	\$25,000
ESL per student	\$2,500	\$50,000
Per Child for day care	\$5,000	\$100,000
Fund for Field Trips	\$25,000	\$500,000
Summer Camp	\$75,000	\$1,500,000

Essentials for Major Gift/Endowment Program

□ Donor needs

- How does donor's gift make a difference?
- Why you vs. any other charity?
- Are donors inspired to make a stretching commitment?
- Monthly review of major gift prospects with colleagues, CEO, President, or Chairman of the Board

Gift Pyramids

\$500,000

1	@	\$100,000	=	\$100,000
2	@	\$50,000	=	\$100,000
4	@	\$25,000	=	\$100,000
10	@	\$10,000	=	\$100,000
20	@	\$5,000	=	\$100,000

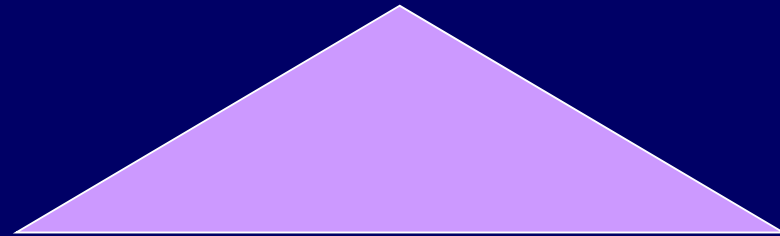
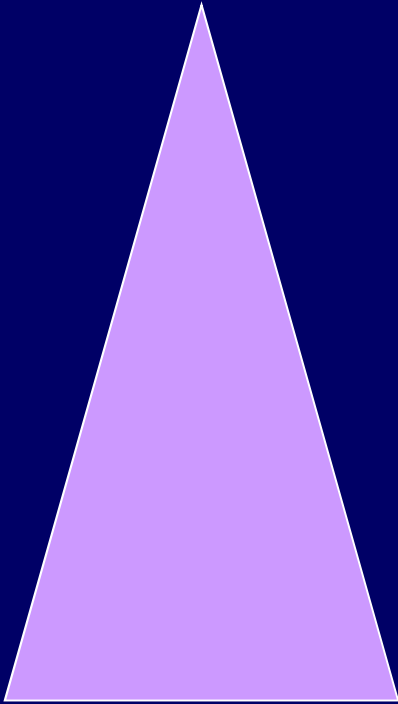
Gift Pyramids

\$2,000,000

1	@	\$500,000	=	\$500,000
2	@	\$250,000	=	\$500,000
3	@	\$100,000	=	\$300,000
6	@	\$50,000	=	\$300,000
10	@	\$25,000	=	\$250,000
15	@	\$10,000	=	\$150,000

Gift Pyramids

What shape is yours?



Commitment of the Leadership

- ❑ Are trustees committed to the MG plan?
- ❑ Do trustees feel ownership of the plan?
- ❑ Have trustees stepped up with a MG?
- ❑ Reasons why trustees do not participate as you hope

Identifying Prospects

- ❑ Anecdotal information
- ❑ VIP receptions after events
- ❑ Screening sessions

Prioritizing Major Gift Prospects

- ❑ By gift capacity
- ❑ By readiness
 - ❑ People ready to be asked
 - ❑ People who need more cultivation
 - ❑ Past donors needing stewardship
 - ❑ New discoveries
 - ❑ Not Viable

A Sample Rating System for Gift Capacity

W	\$50,000	-	\$100,000	K child of W
X	\$100,000	-	\$500,000	L child of X
Y	\$500,000	-	\$,1000,000	M child of Y
Z	\$1,000,000	and over		N child of Z

A Rating System for Readiness

- A Ready to be asked for the rated level
- B Needs more cultivation for the rated level
- C No cultivation yet/new discoveries
- D Already gave, continue stewardship
- X Not Viable

Working with Volunteers

- ❑ Why you cannot succeed without them
- ❑ Problems with volunteers
- ❑ Creating a Trustee Development Committee
- ❑ Don't make the volunteer program a headache for yourself

Going on a Visit with a Volunteer

- ❑ Getting the appointment
- ❑ Location of the appointment
- ❑ Cultivation or Solicitation?
- ❑ Who should be there?
- ❑ Briefing the volunteer
- ❑ Who says what?
- ❑ Asking for a gift

Streamlining Gift Proposals

1. Mission Statement
2. Program or Project Description
3. What do we want from you?
4. Ways to give

Listening for Cues

- ❑ “I’m living on a fixed income.”
- ❑ “I give \$14,000 per year to my kids”
- ❑ “My accountant says I can’t give any more this year.”
- ❑ “I have CDs coming due.”
- ❑ “My broker says”
- ❑ “I’m supporting my mom with Alzheimer's”

Questions for the Perfect Cultivation Visit

1. Whom do you respect most at [charity]?
2. Which of the trustees do you know personally?
3. When was the last time you toured/visited our organization?
4. Do you read the organization's magazine and what do you think of it?
5. What is [charity's] greatest strength?
6. What is [charity's] greatest challenge?

Questions for the Perfect Cultivation Visit

7. What are your top three charitable causes?
8. Which of your charitable causes is number one?
9. [If your charity is not number one] What would it take to make [charity] number one?
10. Who makes gift decisions in your household? Is it you? Your spouse? Do you do it together or is someone else involved?

The Failed Solicitation

- ☐ Was the prospect solicited by the right person?
- ☐ Is there something the prospect is not telling you?
- ☐ Did you offer the appropriate gift vehicle?
- ☐ Did you leave the door open for reconsideration?
- ☐ Should this person stay on your MG list?

The Failed Solicitation

- ❑ Is there a better chance to involve the prospect in your charity's activities?
- ❑ How can you move your charity up in the prospect's priorities?

Tasks Required for Endowment Program

- ✓ Establish gift minimums
- ✓ Establish rules for multiple year pledges
- ✓ Develop list of budget items needing funding
- ✓ Create boiler-plate Endowed Fund Agreement
- ✓ Define staff roles for supervision/administration
- ✓ Retain expertise (legal counsel) on PMIFA (Prudent Management of Institutional Funds Act)
- ✓ Approve investment policies and spending policies that conform to PMIFA
- ✓ Identify investment manager

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