

Essentials for Fundraising and Development

MISSIO NEXUS IMPROVE SERIES

Essentials for Fundraising and Development

*A Collection of Best Practices,
Ideas, and Strategies*

Michael R. VanHuis and Heather Pubols, eds.

 MISSIO NEXUS®

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Preface

It was a cold and blustery fall day. I landed at the Hartford, Connecticut airport with a list of potential donors to visit in the area. As I left the airport and started driving toward my hotel, two of my contacts canceled their meetings. Over the next few hours, I reached out to two other contacts who did not return my calls. I ended up with one meeting for lunch the following day.

The next day I arrived early at a classic northeastern diner to meet with a couple that had given to projects in the past with our mission agency. A few minutes later an older lady arrived alone, and we worked through those uncomfortable moments of realizing we were the ones meeting with each other. Her husband had decided he did not want to come. I barely introduced myself when she let me know they would not be giving to any more of our organization's projects. I didn't even get a chance to update her on past projects, let alone dive into a presentation.

I put my notes away, ordered coffee, and realized that this would not be about promoting our new initiative. This visit was all about hearing, listening, and being the minister on duty to this woman. I left the meeting only to find out that a storm was approaching, and all flights were being scrubbed. I rushed to the airport to find my flight canceled. I had one chance to grab a taxi with two strangers and head to a neighboring airport to get the last flight that would not take me back to Chicago but to Charlotte and then to Chicago.

My three-hour flight turned into eight hours of travel. Tired and confused, I sat on the plane flying from Charlotte to Chicago, when I should have already been home, wondering what the point was. A small quiet voice reminded me that God is sovereign. Yes but ... time, money, and effort for what? That voice said, "A woman needed a minister, and I put you there for that reason." I still had much to learn about being a major gifts officer, but that day I realized an important lesson: relationship trumps transaction.

MISSIO NEXUS SEEKS TO CATALYZE RELATIONSHIPS, collaboration and ideas within the Great Commission community. For over one hundred years this association has strengthened mission agencies by providing opportunities for mission focused people to learn, meet and engage together around critical issues and priorities for global evangelism and church planting.

As we continue to engage with leaders of mission agencies, one of the greatest needs is training and tools in the arena for fundraising and development. With the help of a partner foundation, we are endeavoring to not only provide new training tools, but to begin thinking through the present and future realities of funding Great Commission work.

It has been said that the right activities lead to the right outcomes. I fully believe this. But that begs the question, what are the right activities? In this book we will help you discover a few of the right fundraising and development activities.

Key fundraising practitioners collaborated with us to bring practical insights for you and your agencies to help you determine how to get your ministry funded and flourishing.

The original intended audience for this book were small to mid-sized ministries that did not have a plan for fundraising or had only established small gains in this area. But it has become clear as the chapters have been submitted that no matter where you are in your knowledge and execution of fundraising activities, this book and its content will be of great benefit.

James 5:16 says, “The effectual fervent prayers of a righteous man availeth much” (KJV). As you enter the world of fundraising, it becomes quickly apparent that being a hard worker is not enough. Instead, this is a spiritual act of faith and dependence upon God. Only through prayer and seeking God to move in the hearts and minds of his people will you see the resources provided for his work among the nations. You can labor all day with good work, but unless it is consecrated in prayer it will availeth little and leave you frustrated and worn out.

Prayer begins with our boards and senior leaders as they ensure funds are raised for the activities that God established and not just things that feed your ego or make our organizations look good. Prayer guides your teams and staff as you consider the culture of your organization and the way in which you will approach potential resource partners. Prayer comes before every phone call, email, text message, and meeting. It precedes every conversation and follows every interaction.

Prayer increases our awareness of our dependence upon God and not on our own efforts. Without prayer our efforts become hollow and self-serving and, in the end, unproductive. With prayer, we are transformed into people dependent on a sovereign God who will direct his resources to meet the needs of his work among the nations.

AS YOU BEGIN THIS BOOK, I would encourage you, even now, to spend a few moments in prayer. I hope and pray that God has something new and fresh for you as you read the ideas and concepts that have been curated in the following pages. You will identify several recurring themes as you engage in the following chapters.

CHARACTER MATTERS: Knowledge without character leads to short cuts and tactics that leave potential partners feeling used. Strong character fosters healthy relationships that enables your ministry to flourish and partners to celebrate the opportunity to steward resources effectively. Character is essential in approaching potential partners, reporting information to foundations and in the people you hire to be part of your development team.

INTENTIONALITY MATTERS: Take time to know your culture and know your comfort level with different fundraising strategies. Be intentional with knowing your audience whether that is a couple you are meeting for a first time or a foundation that you are preparing a grant request. Intentionality takes time, but the

benefits are exponential. Intentionality values relationships over transactions.

INTEGRATION MATTERS: Placing all the weight of fundraising on one person may produce short-term results, but long-term it leads to frustration and burnout. Fundraising is a team sport. Integration of efforts from the board to individual missionaries is essential. It results in a collective effort that leads to broader impact and sustainability for the organization and those directly caring out development efforts.

RELATIONSHIP MATTERS: As you engage with potential donors, your mindset needs to be one of relationship building and stewarding. Too often donors feel like they are simply receiving a sales pitch. Your mindset in engagement should deeply value establishing relationships and caring for people. It is an honor to help people see the broader picture of global needs and how God has equipped them to serve through giving. Relationship is what you want to achieve, not securing a transaction.

DISCIPLESHIP MATTERS: Relationships with potential and current donors go beyond interpersonal. The heart of fundraising is discipleship. It is an invitation you give to another to journey more deeply into God's mission. As you walk with donors, God works to bring transformation not only in the lives of those your ministry serves, but also in your donors' hearts as well as yours.

ATTUNEMENT WITH GOD MATTERS: When your plans and efforts inevitably fail along the way, as happened to me in Hartford, remember that you are nested in a bigger story – God's story. As kingdom workers, sometimes the King's plans diverge from ours. Don't miss the moments God gives you to attune to what he is doing as well as the opportunities he presents to discover ways to work more effectively.

Each chapter will provide you with questions to ponder and resources to allow you to take next steps. Heather Pubols and I, along with the writers of these chapters, hope that you will take time to deeply reflect and consider the ideas and suggestions you will find in the following pages. You are not alone. All of us are learning and growing together. We are each deeply dependent on our Heavenly Father to steward donors and resources for his glory and his name to be proclaimed among the nations.

MICHAEL R. VANHUIS

Vice President

Missio Nexus

Creating a Culture of Philanthropy

By Barbara Bowman



ONE DAY AS I WAS WALKING down the hallway, I ran into our CFO as he rushed to a meeting about an upcoming fundraising event. This annual event brought together donors, leaders, fundraising staff, board members and mission partners. I noticed a small label with the letters *IAATF* in large letters taped to his nametag. I stopped, stared, and threw up my hands in defeat.

“What does *IAATF* mean?” I asked.

He responded, “It’s all about the field.” The *field* was our overseas program locations where our missionaries served, and our mission was carried out. He continued, “The purpose of everything we do here at headquarters is to enable and ensure people living in the remote corners of the world experience the love of Jesus.”

As I continued walking, I kept thinking about what the CFO said. I agreed that our organization, like all missions, existed to share the gospel, but tension still rose inside me. Then it hit me. Our organization served more than just the *field* overseas. The fundraising team saw *donors* as their front-line ministry, and as the chief advancement officer, I saw my *direct reports* as people I led and disciplined. In fact, the work of missionaries abroad and fundraisers working from a home office are not all that different.

Development leaders and fundraisers are also called to discipleship.

Development leaders and fundraisers are also called to discipleship and ministry so that missionaries in other places can fulfill their purpose on that front-line.

I continued to unpack this discomfort over the next week as I recalled various other disturbing statements and observations. Someone once joked that my department was a “piggy bank.” I noted that not every board member contributed financially. Leaders regularly questioned expenses for development activities and staff, and they did not prioritize investments in donor relationships and field experiences.

A troubling reality emerged. The organizational culture did not support our fundraising work. Like many mission organizations, fundraising started with a deputized fundraising approach: missionary staff each raised funds for salaries and ministry expenses while the headquarters staff operated on a fixed percentage of those raised funds. This long-standing tradition was deeply entrenched in the culture. Eventually, it became necessary to grow our fundraising capacity, but the culture never shifted. It needed to adapt so that both fundraising models would be accepted and resourced. A culture of philanthropy for the cause of the organization needed to be embraced alongside the long-held culture of supporting individual missionaries.

What is Organizational Culture?

I define organizational culture as the collective attitude that characterizes and impacts the ways an organization’s people perceive one another and work together. Culture is crafted on both

conscious and subconscious levels. The older an organization is the more likely each generation has left its mark. Culture creation may be one of the most significant and lasting legacies for an executive team and board. Many global mission organizations are seventy to one hundred years old, and organizational culture is deeply entrenched and complex to deconstruct or change.

My observation is that most global mission organizations view fundraising as an important function for a group of staff at their main office in North America, rather than an organizational-wide ministry of philanthropy. Changing this reality is well worth the effort on many levels. Most importantly, it will increase charitable income for both the organization and individual missionary support.

Culture does not change overnight, but with a concerted effort, starting with the board and executive leadership, change will happen. The key is it needs to be nurtured and cared for like new grass seed that eventually roots and flourishes into a strong drought-resistant lawn. If you lead development or advancement for your organization, always keep culture change at the top of your strategic plans, not just one time.

There are several reasons why culture has become an important topic in the last ten years. The top reason is fierce competition for philanthropic dollars. Organizations that rely on the collaboration and cooperation of all board, leaders, and staff in sourcing charitable dollars for their important mission receive the best results. When one hundred staff reach out to their networks on social media platforms, mention the impact of their organization and contribute their own ideas internally so more people hear *the story*, the number of people seeing and engaging with your cause is multiplied exponentially. This is far more effective than relying on ten people in the fundraising department to do the same.

Another reality is that donors do not enjoy being a piggy bank. Donors want a relationship instead of a financial transaction. Increasingly, donors want to give strategically, build new momentum for ministry in the field, and have a partnership where

their voice matters and their sweat equity is leveraged. Lastly, stakeholder communications are changing rapidly with technological advances and social media platforms. More content and stories are needed to fill the space across channels from blogs, podcasts, media clips, Facebook campaigns, Instagram, and others. Specialized communication strategies are in demand for major, mid-level, and mass-level donor segmentations.

Robert Gass founder of the Transformation Project says, “Fundraising is limited more by organizational culture and structure than by lack of strategic or tactical know-how.” Changing culture is more than an intellectual exercise. Gass goes on to say that sustainable organizational change only comes about when employees are willing to engage in three places: *hearts and minds* – feelings and thoughts; *behavior* – choices and norms; and *structures* – the external processes and practices that organize activities. If there is only an emphasis on external processes and practices without a change of heart or belief system, the change is likely to be short lived.

According to the report *Beyond Fundraising: What Does it Mean to Create a Culture of Philanthropy* there are four core areas that lay the foundation for a culture of accountability:

FUNDRAISING IS A SHARED RESPONSIBILITY. Raising funds is not only one person’s job or the job of one department or board committee but universally shared and valued by everyone – paid staff, deputized missionaries, volunteers, the CEO, board and constituents. This does not mean that everyone dedicates one hundred percent of their work efforts to it, but everyone shares in some level of fundraising effort, collaboration, and success.

FUNDRAISING IS INTEGRATED AND ALIGNED WITH THE MISSION. Fund development is a valued and mission-aligned component of the organization’s overall work, rather than a standalone function or of a lesser strategic importance. Building a culture of philanthropy means viewing fundraising as a tactic for achieving larger

The best place to begin a culture change is with an honest assessment of your current culture.

programmatic goals and mission, rather than an end unto itself or paying for overhead.

FUNDRAISING FOCUSES ON ENGAGEMENT. Fund development is no longer separated from cross-channel engagement. People connect with nonprofits through multiple channels (e.g., social media, volunteering, blogs, meet ups, petitions) and engage with them in multiple ways (e.g., as donors, volunteers, board members, constituents). Donors own how they engage and are not passive in the process.

FUNDRAISING EMPHASIZES STRONG DONOR RELATIONS. Donors are authentic partners in the work, sometimes known as *builders*, not simply as dollar signs, or *buyers*. These organizations establish systems to build strong relationships and support donors' connection to the work. Donors receive credible ways of giving that connect with their unique hearts and passions.

Rating Your Culture

The best place to begin a culture change is with an honest assessment of your current culture. Then you can identify what key areas need to be addressed to move incrementally towards a development friendly culture. Approach the process without judgment or blame. Use a sliding scale to rate several factors which are demonstrated in organizations with thriving philanthropy cultures using the following questions.

Does your mission statement encompass donors as vital to the work being carried out overseas? Do you work as hard to see transformation in your donors as you do with your beneficiaries?

NO ————|—————|—————|—————|—————|————— YES

Does your organization respond to one of the world's greatest needs and your donors' passions? Do these change in unison and is open dialogue a norm? Does one inform the other and vice versa?

NO ————|—————|—————|—————|—————|————— YES

Are requests for funding based on the mutual desires of donors and the organization to fulfill the mission rather than by only internal needs? Do you ask, "What would our donors think about this new idea or new initiative?"

NO ————|—————|—————|—————|—————|————— YES

Do all staff and board members know how to communicate the organization's *story* of impact and the way donor gifts make a direct difference?

NO ————|—————|—————|—————|—————|————— YES

Do all staff know the strategic funding priorities in every budget cycle? Can they speak about them with anyone in their own network they encounter casually or formally?

NO ————|—————|—————|—————|—————|————— YES

How is communication with donors handled? Is it focused on donors making a difference, creating impact, and stewarding God's

resources or does it instead use *shortfall* language and request help so *we* can make a difference?

NO ————— YES

Do the board, leadership, and the entire staff embrace fundraising as a noble ministry that is essential to carry out the organization's mission?

NO ————— YES

When a donor walks through the front doors of your organization, do all staff treat them as equals and honored guests? Do donors have direct access and relationships with staff from your field operations team, human resources, finance, and other key areas beyond the fundraising team? Would a donor feel comfortable arranging a visit to a field program and would the field team be willing to host them with little to no hesitation?

NO ————— YES

Does the CEO and the entire executive team share the annual fundraising goals and successes? Do they solve fundraising problems that emerge throughout the year together?

NO ————— YES

Do field leaders have close and trusted relationships with fundraising colleagues? Do they spend time in each other's contexts and support each other's needs? Are requests from the fundraising team considered essential and not an interruption to field programs?

NO ————— YES

Has the marketing team experienced the impact of the *story* firsthand on the field? Do they receive impact stories on a regular basis because they are in long-term relationships with field staff?

NO ————|—————|—————|—————|—————|————— YES

Are board members as excited about the fundraising report on the agenda as they are about field program reports? Do board members personally know any of the staff from your fundraising and marketing departments?

NO ————|—————|—————|—————|—————|————— YES

Do board members open their networks gladly? Do they regularly speak about your organization in their own social networks in addition to hosting and attending donor events, vision trips, and weekend gatherings?

NO ————|—————|—————|—————|—————|————— YES

At the end of a successful fundraising campaign, do all organizational staff celebrate the outcomes or does only the fundraising team?

NO ————|—————|—————|—————|—————|————— YES

Do publications feature a donor story, describe impact, and tell how to give? Or do publications only inform or feature field stories?

NO ————|—————|—————|—————|—————|————— YES

Does your CEO embrace fundraising and feel comfortable sharing impact stories and strategic organizational goals? Does he or she spend significant time (30%–50%) meeting with donors and seeking their input? Does the CEO know many donors beyond

their portfolio by name? Do fundraising leaders feel like the CEO is a part of their team?

NO ————— YES

Are your fundraising and marketing departments viewed as an income centers rather than only expenses? Are their expenses seen within the context of the income they generate?

NO ————— YES

Does your fundraising team leader serve on the executive team and report directly to the CEO? Can he or she access the board and speak regularly to them?

NO ————— YES

Does your organization's strategic plan address costs for growing impact or field programs and resources needed to raise the charitable income? Is the conversation a multi-directional one involving the fundraising team, finance team, and field team?

NO ————— YES

Is information shared about fundraising and field ministry successes, challenges and failures open and transparent both inside and outside the organization?

NO ————— YES

Do the fundraising, marketing, and communications departments share mutual goals, support one another and celebrate together?

NO ————— YES

Does the whole fundraising team, no matter the position, share the fundraising goals, have knowledge about campaigns, and participate in planning processes?

NO ————— YES

PERHAPS BY THE TIME YOU CAME to the end of this list, you created a mental list of why moving towards the right of the continuum of many of these cultural indicators won't work in your global ministry. You may be concerned that your field team leaders have too many other priorities. Maybe you believe your board members will resist culture changes. Perhaps you do not believe other departments will share responsibility for fundraising goals. It could be that others think the development department is already overfunded. Maybe you have these concerns and more or others!

Addressing Internal Challenges

Several internal challenges often need to be addressed first to significantly improve outcomes down the road. Start with finding ways to help your development director nurture good communication and trust with both your CEO your CFO. Cultivate team building and collaboration between fundraising, communication, marketing and program staff. Find ways to retain fundraising staff, including the development director, for longer beginning with setting clear and realistic income expectations. Create realistic portfolio sizes so development officers can build deep relationships with donors and deliver customized communication to them. Shift your means of measuring fundraisers' individual successes so that competition is reduced and credit for gifts is shared.

The good news is that most of these priorities can be owned by leaders within development, marketing, and communications. Once these departments shift their internal culture, then new cultural priorities can be established in other areas of the minis-

Donors want to invest in a healthy philanthropic culture.

try. They take notice and become willing to engage with further cultural change.

Building connections with field staff is also essential. You want the development team and field staff to participate together as a unified team. This takes effort to build mutually supportive and empathetic relationships. Get your fundraising leaders involved in field leadership meetings to deepen empathy and increase mutual understanding and respect.

Sending a resource specialist to the field to stay with a missionary family and meeting the whole program team is an even better investment of time and money. The development professional will leave the program with new friends and a greater understanding of the field context. And the next time the resource specialist reaches out to request the yearly statistics, he or she will be met with less resistance. It can also work the other way. When a field program family visit their home office and the marketing team joyfully invites them to share stories from their personal experience, relationships strengthen, and the organization becomes more unified.

Changing Your Culture Brings Rewards

Shifting the culture is hard work, but the payoffs are huge for the whole organization. Donors want to invest in a healthy philanthropic culture. Over a five to seven-year period while I was working with the global missions organization I mentioned at the beginning of this chapter, I experienced the difference this can make first hand. We made many organizational changes and achieved our goal of creating a philanthropic culture. Donors

went from only having relationships with development staff to becoming part of our organizational family. Deep and long-lasting friendships were forged between field missionary staff development staff and marketing staff. The team became willing to spend time together, serve one another, and pray for each other's needs.

Now, I assess organizational culture for many of my consulting clients and coach them on a roadmap forward. While each organization is different, I find that they can incrementally grow a culture of philanthropy. My hope for you as you move forward is that you would find joy in that journey!

BARBARA BOWMAN holds a bachelor of science degree in guidance and counseling with an emphasis in career management from Colorado Mesa University. She has more than thirty years of experience in nonprofit management and corporate career management including nine years as the vice president of advancement for a US\$46 million global faith-based nonprofit. She and her husband live in Boise, Idaho. They have two adult children.

Chapter Reflections

- What weaknesses can you easily identify as your organization's current culture of philanthropy?
- What would it take to make small, incremental steps towards a healthy culture of philanthropy?
- What pay-off would your organization experience if it developed a healthy culture of philanthropy?
- How can you engage your board and/or executive team in the process of developing a culture of philanthropy?

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