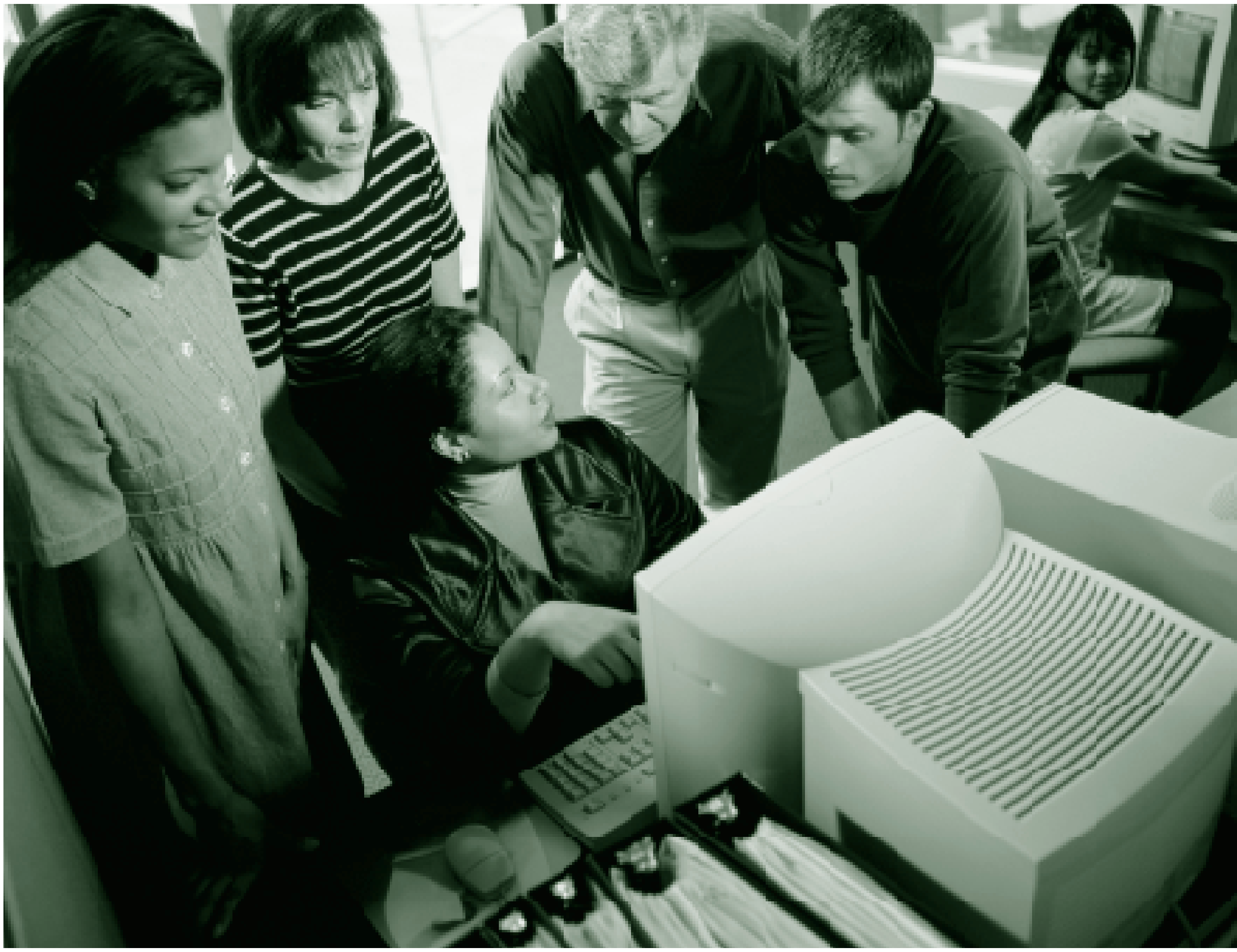
THE ENTERPRISE FOUNDATION

Organizing Your Office and Staff for Your Fund-Raising Efforts



FUND RAISING

Creating Materials To Streamline the Fund-Raising Process

Launched in 1982 by Jim and Patty Rouse, The Enterprise Foundation is a national, nonprofit housing and community development organization dedicated to bringing lasting improvements to distressed communities.

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COMMUNITY DEVELOPMENT LIBRARY™

This book is part of the Enterprise Community Development Library, an invaluable reference collection for nonprofit organizations dedicated to revitalizing and reconnecting neighborhoods to mainstream America. One of many resources available through Enterprise, it offers industry-proven information in simple, easy-to-read formats. From planning to governance, fund raising to money management, and program operations to communications, the Community Development Library will help your organization succeed.

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The Enterprise Foundation provides nonprofit organizations with expert consultation and training as well as an extensive collection of print and online tools. For more information, please visit our Web site at www.enterprisefoundation.org.

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About This Manual

How can you streamline the fund-raising process?

By creating a consistent format to record donor information, you can respond quickly and easily to fund-raising opportunities. Boilerplate letters, tickler files and standard organizational packages help as well.

Organizing Your Office and Staff for Your Fund-Raising Efforts is designed for staff and board members of nonprofit community development organizations who want to make fund raising easier and more successful. It includes information on:

- Prospect and donor records
- Press clippings about your organization and donors
- Tickler files and calendars
- Organizing information and resources
- Boilerplate samples of proposals, correspondence and information files

This manual is part of the *Fund Raising* series within The Enterprise Foundation's Community Development Library™. This series also provides detailed information to:

- Familiarize yourself with the fund-raising process.
- Establish a relationship with a federated campaign.
- Stage special events.

Table of Contents

Introduction

One key to successfully raising money for your organization is having the tools you need to respond quickly to fund-raising opportunities that arise. These are the systems and files that can help you track and collect donor information, as well as pre-written materials such as sample letters and proposals and boilerplate information about your organization, which make it easy for anyone in your organization to quickly put together a packet of information about your efforts.

By creating these tools you will be able to more effectively monitor relationships with donors, provide consistent and timely follow-up, and develop new fund-raising opportunities. For more information about fund raising, refer to *The Fund-Raising Process*, another manual in this series of the Community Development Library.

Organizing Information and Resources

Prospects are individuals or organizations that might give money to your nonprofit. Donors are individuals or organizations that have already given money. To accurately track your relationship with these people, create a separate file for each prospect and donor, including their community contacts, funding interests and complete documentation of their history with your organization (contacts, correspondence, gifts). Once prospects donate money, move their files into the donor section. It is very important to save and update these records so your nonprofit will have a complete history and paper trail of contacts with each prospect and donor.

GOOD RECORDS MAKE YOU LOOK GOOD

Being prepared to take advantage of fundraising opportunities begins with good record keeping. For example, you have been asked out to dinner and you know two donors will be there. If you have a complete profile on these individuals, you can refresh your memory and be better prepared for meeting them. You will know when and how much they gave your organization, and what motivates them to contribute. You should have on record any personal information you may have learned through conversation, such as a prospect's marital status or the name of his or her spouse and children. Remembering details shows your interest in the donor and can help build a long-term relationship.

STEP 1

HOW TO SET UP RECORDS

Create a separate file for each prospect and donor. To make it easier to keep on track, color-code file folders to differentiate between corporations, foundations and individuals. For corporations and foundations, be sure to identify an individual as your primary contact. Start a profile on each contact and keep it in the appropriate folder (see the sample profile forms provided). Create a checklist (a sample is provided) and attach it to the inside of each prospect and donor file. This will help you keep track of what your files already contain and what information needs to be added.

STEP 2

GATHERING PROFILE INFORMATION

Assign a staff member the task of profiling prospects and donors. Some of the information will be public record, available in an organization's annual report and its publications. To gather all the critical facts you need, scour industry publications, the Internet and daily newspapers for related news stories about these groups and individuals. Check with other organizations, networks and advisory board members. Continue to update information on a regular basis.

STEP 3

VISIT AND TELEPHONE REPORTS ARE A MUST!

Once you have the profile information, keep records of every contact with the donor or prospect on file. Fill out a report after each visit and telephone call so there is documentation of any conversations and follow-up tasks. Share these reports with all staff and board directors who need to be informed about prospect and donor status. Always put a hard copy in the appropriate file so you or your staff can quickly get an overview of the status and history at any time. If follow-up is needed, include the information in your tickler file (see the section on Tickler Files and Calendars). *Remember, it does little good to have all these files if you do not keep them current.*

STEP 4

ABOVE ALL, KEEP TRACK OF ALL DONATIONS

Once you receive a donation, your organization is responsible to keep close, accurate records — you must be a good steward of their dollars. Keep accurate and timely records of all gifts and contributions in the appropriate donor file or create a special file — whatever makes sense for your organization. Your gift documentation records should include:

- A copy of your proposal or letter (as accepted by the donor)
- A photocopy of the donor's check or transmittal statement
- A copy of the award letter and any accounting materials (flag any donor requirements — reporting, publicity, etc., and add to your tickler file)
- A copy of the thank you letter sent to the donor
- A list of any donor reporting or required activities
- Copies of reports written to date

STEP 5

WHEN YOU RECEIVE A DONATION

Always acknowledge a contribution and thank your donor in writing immediately. Sample thank-you letters can be found in the last section of this manual. You may end up sending two letters — one when the pledge is verbally committed and another once the money is received. *You cannot over-thank a donor.* Just respond in a timely manner and keep a copy of your response in your files. Also, send a tax receipt when you receive the funds.

If this is a first-time contribution, move the file from "prospect" to "donor" status.

Prospect and Donor Checklist

(Use this checklist to be sure you have all the information you need in your files.)

Type:

- ☐ Individual
- ☐ Foundation
- ☐ Corporate

Contents:

- ☐ Prospect visit reports
- ☐ Telephone contact records
- ☐ Correspondence
- ☐ Gift documentation
- ☐ Contact/donor profile
- ☐ Annual reports, published guidelines (where applicable)
- ☐ Press clips

Special files (updated as needed):

- ☐ Donor lists
- ☐ Summary statistics
- ☐ Press clips
- ☐ Tickler file
- ☐ Gift documentation
- ☐ Boilerplate file
- ☐ Working or cultivation calendars

STAFF RESPONSIBILITIES

Since fund raising is one of the most important activities of your nonprofit, you might want to assign one person to oversee your efforts. That person should be responsible for:

- Creating donor, prospect and tickler files
- Keeping files up-to-date
- Deciding what types of information to gather
- Deciding how and where to store the information
- Assigning and supervising volunteer and intern tasks
- Reviewing and approving any written materials sent to a prospect or donor
- Collaborating with the executive director to ensure use of funds complies with donor's request

STUDENT INTERNS AND VOLUNTEERS

Interns and volunteers can be a wonderful resource, helping you manage fund raising, especially when staff is limited. Here are 10 jobs they can do:

- Clip news articles
- Research donors and prospects
- Create databases
- Organize mailings
- Enter information into a database
- Set up files
- Maintain files
- Revise forms
- Pull ticklers each week
- Circulate news clips each month

RECRUITING VOLUNTEERS

When recruiting volunteers, you should be specific about what work you want them to do. Break all jobs into small, manageable steps so that if a volunteer has to leave before the job is done, someone else can easily complete the work. Be flexible about how much time volunteers can commit and when they can work. Some people may be available to work only on the weekends. Others may want to work at home. Try to use their time effectively. Always thank and recognize volunteers for their time and efforts.

There are many sources for volunteers in your community. For example, Retired Senior Volunteer Programs (RSVP) is a good source for skilled people. To see if they have volunteers in your area, call 1.800.424.8867. You can also check with your local library for other sources of volunteer help.

Sample Fund-Raising Checklist

Checklist for Successful Fund Raising

- ☐ Set your fund-raising goal.
- ☐ Network to create a list of current supporters and potential prospects.
- ☐ Set up a filing system to organize records.
- ☐ Review and update prospect, donor and supporting documentation files on a regular basis.
- ☐ Enlist help to create profiles for each.
- ☐ Set up system to collect and file organization, prospect and donor press clips.
- ☐ Develop written materials:
  - ☐ Tracking forms — visit and telephone reports
  - ☐ Board list with affiliations
  - ☐ Mission statement
  - ☐ Case statement
  - ☐ Door opener letter
  - ☐ Thank you letters
  - ☐ Cover letters
  - ☐ Progress report (amend one you already have)
  - ☐ Proposal (amend one you already have)
  - ☐ Letter of inquiry (amend one you already have)
- ☐ Develop tickler files and review weekly (or more frequently if necessary).
- ☐ Cultivate donors.
- ☐ Solicit for support.
- ☐ Follow up.
- ☐ Other.

Sample Profiles and Reports

The following section offers sample profile forms for individual, foundation and corporate donors, as well as report forms for visits and telephone calls. Any of the forms may be downloaded from *Enterprise MoneyNet* available at **www.enterprisefoundation.org**. Or they can be photocopied or typed into your computer so you can tailor them to your needs.

You will want to copy the appropriate profile, complete it for each prospect and donor and put it in the file. You may want to attach detailed information you receive about the prospect or donor to the form.

Sample Individual Profile

Copy and attach in appropriate file.

INDIVIDUAL PROFILE

NAME: ______________________ OFFICE PHONE: ______________

TITLE: ______________________ FAX: ______________

BUSINESS ADDRESS: ______________________ HOME TELEPHONE: ______________

____

WEB SITE: ______________________ EMAIL: ______________

PREFERRED ADDRESS: ☐ BUSINESS ☐ HOME

FAMILY INFORMATION: ______________________

SPOUSE HAS SEPARATE DONOR REPORT? ☐ YES ☐ NO

SPOUSE'S NAME: ______________________

CHILDREN: ______________________

RELATIONSHIPS: ______________________

HOME ADDRESS: ______________________

TELEPHONE & EMAIL: ______________________

SALUTATION: ______________________

SECRETARY'S OR ASSISTANT'S NAME: ______________________

SIGNIFICANT RELATIONSHIPS: ______________________

EDUCATION: ______________________

CONNECTIONS TO ORGANIZATION: ______________________

COMMUNITY INVOLVEMENT: ______________________

RELIGION/CONGREGATION: ______________________

POLITICAL: ______________________

PERSONAL INTERESTS: ______________________

KNOWN PHILANTHROPIC INTERESTS: ______________________

OTHER

GIVING SUMMARY: AS OF (DATE)

COMMENTS: NOTE ANYTHING OF INTEREST — "HOT SPOTS," POSSIBLE CONTACTS, PREFERENCES THAT MAY BE IMPORTANT FOR PREPARING A PROPOSAL OR SETTING UP A MEETING.

PREPARED BY: ______________________

DATE: ______________________

Sample Foundation Profile

Copy and attach in appropriate file.

FOUNDATION PROFILE

NAME: ____________________ CONTACT NAME: ____________________

ADDRESS: ____________________ TITLE: ____________________

____

PHONE: ____________________ FAX: ____________________

WEB SITE: ____________________ EMAIL: ____________________

CLASSIFICATION:

☐ FAMILY FOUNDATION ☐ INDEPENDENT FOUNDATION

☐ COMMUNITY FOUNDATION ☐ OTHER

FINANCIAL DATA: (SEE HINT BELOW)

YEAR	ASSETS	TOTAL GRANT $$$	# GRANTS

AREAS OF INTEREST: (SEE HINT BELOW)

CONNECTION TO OFFICERS & TRUSTEES:
(SEE HINT BELOW)

CEO: ____________________

COO: ____________________

TRUSTEES: ____________________

KNOWN CONNECTIONS TO YOUR ORGANIZATION:

RELEVANT RECIPIENTS/AMOUNTS: (SEE HINT BELOW)

____________________ __________

____________________ __________

____________________ __________

____________________ __________

____________________ __________

____________________ __________

PREPARED BY: ____________________

DATE: ____________________

HINT: IT MAY BE EASIER TO PHOTOCOPY INFORMATION FROM A FOUNDATION DIRECTORY AND ATTACH.

Sample Corporate Profile

Copy and attach in appropriate file.

CORPORATE PROFILE

NAME: ______________________ CONTACT NAME: ______________________

ADDRESS: ______________________ TITLE: ______________________

PHONE: ______________________ FAX: ______________________

EMAIL: ______________________ WEB SITE: ______________________

TYPE OF BUSINESS: ____

____

PHILANTHROPY DONE THROUGH:

☐ CORPORATE FOUNDATION

☐ CORPORATE DEPARTMENT ______________________ (IDENTIFY)

DO THEY PUBLISH GUIDELINES? ☐ YES ☐ NO COPY ATTACHED? ☐ YES ☐ NO

AREAS OF INTEREST:

CONNECTION TO OFFICERS & TRUSTEES:
(SEE HINT BELOW)

CEO: ______________________

COO: ______________________

TRUSTEES: ______________________

KNOWN CONNECTIONS TO YOUR ORGANIZATION:

RELEVANT RECIPIENTS/AMOUNTS: (SEE HINT BELOW)

______________________________ __________

______________________________ __________

______________________________ __________

______________________________ __________

______________________________ __________

______________________________ __________

______________________________ __________

PREPARED BY: ______________________

DATE: ______________________

HINT: IT MAY BE EASIER TO PHOTOCOPY INFORMATION FROM A FOUNDATION DIRECTORY AND ATTACH.

Sample Donor/Prospect Visit Report

Complete a report after prospect visit and file in appropriate file.

DONOR/PROSPECT VISIT REPORT

DONOR/PROSPECT NAME: ______________________________

PHONE: ______________________________

CONTACT: (IF DONOR/PROSPECT IS A CORPORATION OR FOUNDATION)

NAME: ____________________ TITLE: ____________________

MEETING LOCATION: ______________________________

ATTENDEES: ______________________________

NOTES ON MEETING:

DATE: ____________ TIME: ____________ APPROX. LENGTH: ____________

COMMENTS:

MATERIALS LEFT WITH DONOR/PROSPECT: ______________________________

____

FOLLOW-UP ACTION:

	RESPONSIBILITY	TARGET DATE	DATE COMPLETED
LETTER			
PHONE			
MEETING			
PROPOSAL			
OTHER			
NEXT ACTION			

Sample Telephone Contact Record

Complete after each donor/prospect telephone conversation and file in appropriate file.

TELEPHONE CONTACT RECORD

PROSPECT OR DONOR NAME: ______________________________

CONTACT: ______________________________

DATE: ______________________________

CONTACT INITIATED BY: (YOUR ORGANIZATION OR PROSPECT OR DONOR)

____

NATURE OF CALL: ______________________________

____

____

____

____

____

FOLLOW-UP NEEDED? ☐ YES ☐ NO

IF YES, DESCRIBE: ______________________________

____

____

COMPLETED BY: ______________________________

Daily Working or Cultivation Calendar

Successful fund raising requires a communications strategy that concentrates on cultivating prospects and donors as well as building relationships through regular contact. A cultivation calendar will help you keep your relationships in perspective on a regular basis. Summarize all contact your nonprofit has had with a prospect or donor. This will allow you to fill any gaps in your communications process. You can adapt the form below to fit the needs of your organization. You may choose to alter headings or keep separate worksheets for cultivation and solicitation.

Sample of Daily Working or Cultivation Calendar

Organization/ Individual	Gifts	Board Connections	Comments	Cultivation			
				Call	Visit	Letter	Other

Organization/ Individual	Gifts	Board Connections	Comments	Solicitation			
				Proposal	Other	Follow-up	Comments

Sample of Completed Working or Cultivation Calendar

Organization/Individual	Gifts	Board Connections	Comments
Bigbucks, Sally 789 Valley Rd. Anycity, USA 555.897.0978		Possibility	Knew founder well. Very active in community. Was United Way Chair
Bogus Bank John Smith – CEO W. Alton Piedmont – Retired CEO 123 Main Street Anycity, USA 555.419.1234	Average potential – $5,000	Yes: Piedmont – Chair	Piedmont – potential for personal gift; help get corp gift
Reach Advertising Jane Jones, Mgr. Reach Foundation 1100 Wilson Blvd. Otherplace, USA 555.728.3285	$10,000: Look for creative approaches to neighborhood improvement, etc. Average: $1,000 – $10,000		Interest in crime prevention – may be possibility for new community safety program
Wealthy Foundation Henry Dough – Exec. Director 1104 Commonwealth Anycity, USA 555.456.1879	Average: $50K – $500K Human services & higher ed		Large potential; lists housing and community development as interests; needs connection

Note: Adapt to your environment — you may choose to alter headings or to keep separate work plans for cultivation and solicitation. Create what works best for your office!!

CULTIVATION				SOLICITATION			
Call	**Visit**	**Letter**	**Other**	**Proposal**	**Other**	**Follow-Up**	**Comments**
Piedmont to call – 6/10	Chair to visit 6/20	Thank you letter 6/21	Cultivate for board first, then look at possible gifts				Revisit for gift potential in November
7/12 – call to set appt with Piedmont & Smith	7/20 – visit Piedmont; ask to submit proposal	7/23 – sent thank you for meetings	Update Piedmont monthly as chair	Submit for corp support $10,000 by 9/15	Get letter of support from Piedmont	Local director to call week of 9/21 re: status proposal	Be sure to cc Piedmont on proposal
7/15 – call to get guidelines – no calls accepted – send letter	Try to get appt for local director next trip 8/15	Letter to local contact for appt 8/2	7/12 – research for potential				Hold for further cultivation
COMPLETE WHEN STRATEGY IS CLARIFIED WITH A CONTACT			Include on prospect list for review with board				Hold for further cultivation

Press Clippings

Organizations should build and keep an ongoing clip file of articles highlighting their organization and its accomplishments. Each issue of local and national newspapers, magazines, newsletters and other print publications that might publish articles on your organization should be read and clipped. Clippings should also be kept in your boilerplate file of information about the organization. (See the section Boilerplate Files for more information.) If your organization will be featured or spotted on television or radio programs, these should be taped and added to the clip file. The clip file can be used as samples to your prospective donors or to better inform them of what you do.

In addition to keeping a clip file on your organization, you should do the same for your current and prospective donors. Along with reports and profiles, prospect and donor files should include press clippings featuring the organization or individual. These are especially useful when cultivating prospects because they help your nonprofit become more familiar with prospect interests, and provide information to use in writing proposals or approaching prospects. The clipping may also contain a photo, so you can identify a prospect at social and business functions.

Interns, volunteers or administrative assistants can do the clipping for your organization and for donors and prospects, but all news stories and articles should be circulated to your staff and board to build awareness. It is important to establish a routine of clipping relevant material. Give the clipper a set of guidelines (see Clip Tips on next page) and a list of the names of individuals, companies, foundations and issues that are important to you.

Share these tips with those who are reading and collecting press clippings and articles for your nonprofit. It will make their job easier.

Clip Tips

What To Look For	Where To Look	When You Find Something
Clip anything that mentions ▪ Your organization ▪ Any donor or major prospect (ask for a list of names to watch for) ▪ Your executive director or any board member (ask for a list of names to watch for) ▪ Any references to the services your organization provides (ask for a list) ▪ Any references to specific programs or program areas relevant to your mission (ask for a list) ▪ Any public policy issues relevant to your work (ask for a list)	▪ Under general news, real estate, society and local business sections in the daily newspaper ▪ Weekly, community newspapers and magazines ▪ City and regional business or trade journals ▪ Clippings sent by other organizations ▪ National papers ▪ Internet sites	▪ Cut out the entire article. ▪ Cut out the name and date of the publication and attach to the article. ▪ Keep all pieces of the article together — either stapled, in an envelope or taped to a piece of paper (do not staple or tape articles in such a way that they will not be able to be photocopied). ▪ Ask the director or person in charge of fund raising where to file the articles and make copies as needed.

Tickler Files and Calendars

A tickler file, sometimes called an active file, is a separate folder in which you keep information on matters that need timely attention. The purpose of these files is to help you keep records up-to-date and follow up on potential fund-raising opportunities.

WHY A TICKLER FILE?

As you are rushing out the door to a meeting with a prospect, you get a sinking feeling that you have forgotten to do something. What was it? You go back to your desk and dig through the stack of papers. Then you remember you had promised to send this prospect some information weeks ago. The tickler file would have reminded you, saved stress and time, and given the prospect the impression that you — and your organization — could be depended upon to deliver what it promises.

USING YOUR TICKLER FILE

If a prospect or donor requires follow-up, note it on your contact report, put a copy in the tickler file and mark the calendar when it is due. Make sure you check the tickler file at least once a week, if not daily, to make sure tasks are done on time. When follow-up is completed, move the report into the appropriate prospect or donor file and write on your calendar that you have finished that task.

Active or Tickler File Checklist

Use this checklist to keep track of contacts and communication.

Your tickler file should contain the following items:

- ☐ Prospect and Donor Visit Reports that require follow-up
- ☐ Telephone Call Reports that require follow-up
- ☐ Correspondence that requires follow-up
- ☐ Tickler file calendar
- ☐ Prospect and donor communications strategy and worksheet
- ☐ Donor reporting requirements

KEEPING CALENDARS

Use your calendars to keep track of everything you need to do. You might find it easiest to keep two calendars: an annual calendar with major events, such as submitting a proposal or report; and a daily working or cultivation calendar with detailed follow-up, such as phone calls, letters and contact status. Keep up with the thank you and other letters you need to write. Mark a date and time when you need to make important phone calls. Note when proposals and reports are due and mark off how much time you will need to write them. Add all deadlines for the year such as donor updates, reports and proposals. Most importantly, keep the calendar current.

Sample Annual Calendar

Record the follow-up date and note what task needs to be completed.
Create codes like those on the bottom to keep your calendar neat and legible.

Donor or Prospect Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Code:
A = Follow-up needed.
(See tickler file or donor or prospect file.)
B = Report due
C = Revisit proposal for renewal
D = Pledge gifts expiring
E = Regular contact

Boilerplate Files

All organizations should write and maintain a file of factual and up-to-date boilerplate information about their organization. Boilerplate information is standard information about your organization that is written and filed so that it can quickly be incorporated into a fund-raising proposal letter or other documentation. Boilerplates include such information as your organization's name, location, mission statement, activities and accomplishments. They also include standard cover letters, proposals, thank you letters, etc. Clip files about your organization should also be kept with the boilerplate information for easy access.

WHY CREATE BOILERPLATES?

You just heard that an organization has some money left that it wants to donate before the end of the year. It is looking for proposals in a week. Does your nonprofit have the ability to pull materials together in time? Without having boilerplate materials, probably not. Tight deadlines are a reality of fund raising. An updated file of factual information about your organization will ensure you are prepared to meet them.

Attach this checklist to the inside of your boilerplate file folder. You may also want to store it on your computer to keep it current.

Boilerplate File Information Checklist

Boilerplate documents:

- ☐ Most commonly requested proposals — for unrestricted grants and specific program grants
- ☐ Proposal cover letters
- ☐ Thank you letters
- ☐ Letters of inquiry
- ☐ Door opener letters
- ☐ Request for proposal (RFP)

Boilerplate information about your organization:

- ☐ Your board and their affiliations
- ☐ Your fund-raising committee (names, titles, business affiliations, address, phone numbers)
- ☐ Annual reports
- ☐ Organization brochure
- ☐ Budgets (office, specific projects or programs, organization)
- ☐ Case statement
- ☐ "Credibility" — letters of support, testimonials from persons served
- ☐ Marketing sheet (For help preparing this one-page summary, refer to *Marketing Sheets: Promoting Your Program* in the *Communications* series of the Community Development Library.)
- ☐ Funding sources
- ☐ Internal Revenue Service 501(c)(3) determination letter
- ☐ Mission statement
- ☐ Press clips (local, national)
- ☐ Resumes (key staff)
- ☐ Staff job descriptions

Boilerplate Documents

Elements of a Proposal

When funding opportunities knock, it pays to be prepared. You may need to deliver a proposal at a moment's notice to meet fund-raising goals, and knowing what pieces are essential in creating that proposal may secure thousands of dollars for your nonprofit. Below are the basic elements to include in a proposal for support. Keep in mind that some donors have predefined formats for proposals. Be sure to check.

Cover Letter

- Identify the organization submitting the proposal, including a brief description of your organization's mission and history, if necessary. Set the stage for the proposal.
- Briefly summarize the project, what you are asking the prospect to do to support it, and your organization's role.
- Provide a contact name and phone number; specify a follow-up time.
- Have the letter signed by your director (may be co-signed by board chair or member, if there is a relationship to the donor).

Cover Page

- Name of prospect (Proposal to...), project name (if applicable), your organization's name and the date.

Table of Contents and List of Attachments

Executive Summary

(This is best written after you have finished the proposal.)

- Limit the summary to one page or less.
- Include an introductory statement of the problem.
- Briefly explain how the project or program deals with the problem; include former outcomes, if appropriate, and expected results.
- Link these results to the potential goals and priorities of the donor.
- Describe how this program or project represents a unique response to the problem; what sets it, or your organization, apart from others? Include at least one sentence on your credibility.
- Provide a total budget and amount requested.

Challenge Statement

- Supply a precise statement of the problem and its underlying causes. Include documentation but do not present a picture of doom and gloom. Show the opportunity for success that the prospect's support will create.
- Demonstrate the seriousness of the problem in a positive way: How many people are affected? What are the likely consequences if the problem is not corrected?
- Briefly characterize your organization as unique in helping to address the problem.

Proposal Request

- Ask for a specific amount of support.

Description of Organization

- Briefly describe your organization nationally and the structure of its local program, including partners and population served (history, mission, goals, structure, scope of service).
- Describe other programs and activities, including accomplishments.
- State why your organization is interested in the subject area of the proposal.
- Identify other sources of support (including non-financial).
- Mention recognition received from others (use direct quotes).
- Convince the reader of your credibility, professionalism and ability to responsibly manage the funds requested.

Program Narrative

Your program narrative should review and explain your goals, objectives and methods and the time frame of your project. It should also include how you plan to evaluate your progress. Be careful not to use too much technical language or jargon.

Goals

- Identify what you want to accomplish. Include a target population.
- Show the direct relationship between this goal and the underlying causes of the problem so it becomes obvious why achieving the goal will ameliorate the problem.
- Be realistic.

Objectives

- Define specific, concrete and measurable outcomes.
- Identify who will be responsible for them.
- State dates by which they will be accomplished.
- Explain how achieving each objective contributes to achieving the overall goal and eventual eradication of the problem. Why is your organization suited to accomplish this goal?

Methods (Activities) and Timetable

- Describe how you will accomplish each objective. If there are historical accomplishments to help build the case, include them.
- Specify the personnel needed, including staffing requirements, job descriptions and qualifications.
- List the facilities, equipment and materials needed.
- Describe how the program will be administered. How will it be coordinated with your other activities? The scope of activities should be reasonable within the time frame allotted.
- Describe the involvement, if any, of the target population in the activities.

Evaluation

- Outline the criteria and procedures for measuring success.
- Who will be responsible for overseeing the evaluation?
- When will evaluation be conducted? Address how you will assess your progress as well as measure results.

Budget

- Include itemized budget and justify all cost items.

Future Funding

- Offer some estimates of future funding needs.
- Identify potential resources and how you plan to secure them.

(Note: Goals and methods also may be organized in terms of smaller program areas, within the context of the overall program.)

Attachments (Supporting Material)

- Tax-exemption letter — 501(c)(3)
- Audited financial statements
- Budget — operating and projected for each year of anticipated funding
- Letters of support
- Resumes of key personnel
- List of board members
- Any relevant printed materials, such as the annual report or other printed communications about your organization

Some Proposal Writing and Presentation Tips

- Your case is bigger than your organization. It's about a vision for the future, how and why you can help realize that vision, and offering your prospect an opportunity to make an investment that will have a realistic return.
- People (and organizations) give opportunities; they do not simply fulfill your needs. (There is plenty of need out there; donors are looking for an opportunity to make a difference.) Keep this perspective in mind as you develop your proposal.
- Stress your successes, not your distresses. Communicate a winning attitude. Do not present your financial difficulties; invite investment in a solid program or activity.
- Remember key words: achievement, accomplishment, performance and success.
- Use active verbs and, wherever possible, present (not future) tense.
- Avoid adjectives, acronyms and technical language.
- Avoid unsupported assumptions. Prove points and assertions with facts. Do not assume that the donor knows anything about your organization; do not assume that documenting the existence of a national problem is sufficient to prove its existence in your community.
- In your cover letter, statements such as "We know you are committed to ...." or "We know you will find this proposal ...." may be viewed as patronizing. Avoid them.
- Introduction to your organization:
  - Find a good opening line, perhaps a strong quote or testimonial statement. This is your first opportunity to hook the reader. Make it interesting!
  - Do not drone on about history or organizational structure.
  - Balance statements about your organization's philosophy with documented achievements.
- Problem statement:
  - Avoid circular reasoning or stating a problem and then answering it without describing the full benefits, such as "The problem is the lack of a community health center. Our objective is to create a community health center by [method] building a community health center adjacent to the middle school."
  - The problem statement should refer to your target population — who will benefit? You must also present a positive reason for investment. Do not dwell on the negative issues in your community.
  - Do not make assumptions: document that the need you allege actually exists.
- Goals and objectives:
  - Objectives are problem-related outcomes, described in words such as "to increase" or "to decrease." Modify them with measurable criteria: to increase by five, to reduce by 25 percent.
  - Goals are long-range benefits, stated in broader terms.

Sample Proposal Cover Letters

The following section contains sample letters to help your organization better manage the proposal process. All samples can be copied and altered to fit the needs of your organization.

LETTER OF INQUIRY

This is the first phase of the proposal process for some donors. The donor usually requests letters of inquiry in a prescribed format. The letter of inquiry or intent presents an outline of what you would propose. Typically, it describes:

- The proposal's area of work
- The importance of the problem to be addressed
- The strategies to be employed
- An estimate of the amount of funding required
- Expected outcomes
- Relevant qualifications of the staff directing the project

COVER LETTERS

Following a meeting with the donor's program officer, you need to write a proposal and cover letter. The cover letter should identify your organization and include a brief description of its mission and history. Briefly summarize the project and your request for funding. Always provide a contact name and phone number. The letter should be signed by your executive director and, if possible, co-signed by your board chair or trustee (this is particularly wise if one of them has a relationship with the donor).

PROPOSAL COVER LETTER

Dear

Since 1992, the ABC Foundation has provided leadership and financial support for (*your organization's program*) in Anywhere's Eastside neighborhood. ABC's investment is making a difference in the lives of the residents who make their home in Eastside. There are many visible signs that the quality of life is being positively affected by efforts to change systems that were not working.

The lessons learned in Eastside help to guide all of your organization's neighborhood revitalization efforts. And, we are using information technology as the vehicle to disseminate the lessons of transformation. Technology allows us to leverage our experience and expertise beyond a single program and disseminate it to assist community-based organizations working in our state's poorest urban areas and rural neighborhoods.

We are deeply grateful for the past support of the ABC Foundation and respectfully request a three-year $75,000 grant to: 1) deepen our work in three program areas that are crucial to ensuring the sustainability of transformation efforts in the Anywhere neighborhood — education, employment and economic development, and community building — and to evaluate our progress in achieving program outcomes; and 2) expand our use of information technology in order to share what we are learning with practitioners in urban and rural communities throughout the state.

ABC and (*your organization's name*) share a deep commitment to building the capacity of disenfranchised individuals, families and communities. Thank you for partnering with us to make our vision a reality in neighborhoods and communities striving for self-sufficiency.

Sincerely,

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

Dear

Thank you again for meeting with me and *(names of participants)* on *(date)*. As we discussed, I am enclosing a proposal to *(their name or name of their organization)* for support of *(name of your organization's)* work in *(name of city or neighborhood)*.

(Name of neighborhood) is *(name of city's)* first neighborhood transformation initiative. All of the problems that plague inner-city neighborhoods across the country are magnified in this 50-square block community of 7,000 residents:

1. Of the 3,452 households, 50 percent have incomes under $11,000 and 25 percent have incomes under $5,000.

2. Of the 4,534 units of housing, 79 percent are in substandard condition, 800 are vacant and only 20 percent are occupied by owners, not rental tenants.

Education is critical to ensuring the sustainable transformation of *(name of neighborhood)* and the improved quality of life for all of its residents. Low educational achievement and poverty are inextricably linked. Without significant improvements in the educational system, the chances that the children of *(name of neighborhood)* will escape the cycle of poverty are severely limited.

(Include a brief description of how the program specifically addresses the problems in the educational system and a brief statement of desired outcome.)

We respectfully request a grant of $__________ *(in year or over how many years)* from *(name of prospect)* to support the transformation of the educational system in *(neighborhood name)*. We are requesting the use of these funds as a portion of the entire three-year program budget. Your commitment will allow us to leverage the support of other donors to implement this systemic change. We will act as a fiscal agent for the grant to ensure that the funds are devoted to the work outlined in the proposal.

If you would prefer to support specific aspects of the project, we hereby request that you consider the following priorities: *(specify)*

We deeply appreciate your consideration of the proposal, and look forward to working with you to affect the transformation of the educational system in this community.

Sincerely,

Enc: (*Enclose the full proposal with relevant attachments, such as a budget.*)

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

Other Boilerplate Document Samples

TIMESAVING TOOLS TO THE RESCUE

You have had eight meetings with prospects and donors in one week! Lots of chances for funding, but, oh, the paperwork. How will you ever find the time to do it on top of your regular responsibilities? Simply pull up these form letters, fill in the blanks and cross it off your list.

DOOR OPENER

As the name implies, this letter introduces your organization and its mission to a prospect — getting your organization's foot in the door — and requests a meeting with the prospective donor. It is usually sent by an organization at the suggestion of a board member or other person with a connection to the potential donor. It is even better if the person opening the door sends the letter on his or her company letterhead, making a personal request for the potential donor to come meet the nonprofit.

Dear *(name of prospect),*

I am writing you at the suggestion of *(name, title and affiliation of your referring contact person).*

For the past *(number)* years, *(your nonprofit's name)* has been working *(or, if appropriate, working in partnership)* with *(names of key local partners)* to assist local community development organizations revitalize *(name of city)*'s neighborhoods. Our primary objective is to *(paraphrase your organization's mission).*

To date, we have *(fill in with a brief summary of successful projects).* We are committed to building on these accomplishments to improve the quality of life in the greater *(name of city)* area.

One of the cornerstones of our success has been our ability to build partnerships. As a leader in the *(corporate or foundation, etc.)* community, your insight into how we might best share our story with others in the *(corporate or foundation)* sector and involve them in our efforts would be invaluable. I *(we)* would appreciate the opportunity to talk with you about *(your nonprofit's name).*

I will call you *(specify a time frame)* to arrange a meeting at your convenience. In the meantime, I am sending you some information about *(your nonprofit's name).*

Sincerely,

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

Sample Thank You Letters

THANK YOU FOLLOWING A MEETING — PROSPECT ASKED FOR MORE INFORMATION

Dear *(prospect's name,)*

Thank you for taking the time to meet with me and *(names of other participants on your team)* to discuss the work of *(name of your nonprofit).* We appreciate your interest.

As you requested, I am sending additional information about *(our work and the specific project),* including *(itemize what you are sending).* If you have questions about any of this material, please give me a call.

I will follow up with you in *(specify a time — maybe in a few weeks to give them time to read what you sent)* to further discuss *(your [if the prospect is an individual] or the name of their organization)* joining us as a partner in *(our work or the specific project).*

Again, thank you for your time and consideration.

Sincerely,

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

THANK YOU FOLLOWING A MEETING — PROSPECT ASKED FOR A PROPOSAL

It will take you at least a week (and probably longer) to put together a good proposal. Meanwhile, do not wait that long to thank a prospect for the meeting. Send the thank you, restate what it is you think the prospect requested, and tell them when to expect to hear from you again.

Dear *(prospect's name),*

Thank you for taking the time to meet with me and *(names of other participants on your team)* to discuss the work of *(name of your nonprofit).* We appreciate your willingness to consider an investment in the future of our city through the work of *(name of your nonprofit).*

As you requested, we are preparing a formal proposal for your review and consideration, which you will receive no later than *(date).* In the interim, if you have any further questions or requests, please do not hesitate to contact me.

Again, many thanks for your time and interest in furthering the mission of *(name of your nonprofit).*

Sincerely,

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

THANK YOU FOLLOWING A MEETING — PROSPECT MADE A COMMITMENT

If you receive an immediate commitment during a meeting, send a letter of thanks for the meeting and pledge from the executive director. This could also follow written notification of an intent to make a contribution (without reference to any meeting). Tax language is not included because you are thanking for the pledge or commitment prior to actual receipt of the check.

Dear *(name of prospect),*

Thank you for meeting with *(names of participants)* and for *(your [if the prospect is an individual] or the name of funding organization's)* pledge of $______ to further the mission of *(name of your nonprofit).*

As the *(your title)* of *(name of your nonprofit),* I welcome your partnership in our efforts to make a difference in *(name of neighborhood or target area).* By *(paraphrase your mission),* our work benefits the entire community. Together, we can and will make a difference.

If you have any questions regarding fulfillment of your pledge or about our work, do not hesitate to call me.

Again, please accept my sincere appreciation for your commitment to the goals and mission of *(name of your nonprofit).*

Sincerely,

(This sample serves as a guideline only. To be most effective, customize it to your organization.)

ACKNOWLEDGMENT OF RECEIPT

This letter is sent following the "Thank You Following a Meeting–Prospect Made a Commitment" letter, upon receipt of the actual gift. If the letter serves as a receipt, you should include language in conjunction with IRS requirements. Consult your legal counsel or tax consultant for appropriate language for your organization.

Dear *(name of prospect):*

We gratefully acknowledge receipt of your check in the amount of $_____ to support the work of *(name of your nonprofit).*

Your generosity will help *(name of your nonprofit) (summarize mission). [If they have funded a specific program, make a brief reference to it here.]* We look forward to reporting to you on our progress.

Again, thank you for your commitment to bringing this spirit of change to our neighborhood.

Sincerely,

(Name of your nonprofit) is a 501(c)(3) nonprofit organization and acknowledges that no goods or services were provided to you in return for your contribution. This letter is your receipt and should be kept with your tax credit records. The charitable deduction may be disallowed if you are unable to provide this acknowledgment to the Internal Revenue Service upon request.

Note: This acknowledgment is only appropriate if no goods or services were received. You should verify appropriate language with your tax consultant.

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Notes

THE ENTERPRISE FOUNDATION

The Foundation's mission is to see that all low-income people in the United States have access to fit and affordable housing and an opportunity to move out of poverty and into the mainstream of American life. To achieve that mission, we strive to:

- Build a national community revitalization movement.
- Demonstrate what is possible in low-income communities.
- Communicate and advocate what works in community development.

As the nation's leader in community development, Enterprise cultivates, collects and disseminates expertise and resources to help communities across America successfully improve the quality of life for low-income people.

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