E-Book Series

Six Steps to a Successful Appeal

Timi Paccioretti

Timi is passionate about assisting mission-driven organizations to better manage their data so that they can be more strategic in their development efforts. She is a true evangelist of LGL, first as an early adopter and user of Little Green Light, and now, as LGL's Senior Marketing Manager.

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Introduction

The development of a comprehensive annual giving program can be a daunting task. While there are many methodologies, we've found the following six steps to be critical to a successful outcome:

Step 1: Identify your prospects and acquire data
Step 2: Create constituent segments
Step 3: Develop a stewardship and cultivation plan
Step 4: Personalize your approach
Step 5: Proper gift acknowledgment and accounting
Step 6: Evaluate your appeal strategy and results

Annual giving campaigns don't need to follow these steps sequentially. In fact, moving back and forth between them fluidly is often the best course of action. The most important thing is to adapt your program to your situation.

Step 1: Identify your prospects and acquire data

Keys to building a successful appeal:

- Take your donor information seriously
- Use your data to drive strategy
- Be more personal in your approach

Reaching prospective donors

To best develop a comprehensive list of constituents for an appeal, it is vital to capture data on all who interact with your organization as well as those that you'd like to inform about your work. Start with those who are currently engaged with your organization, perhaps those who use your services, pay tuition or membership fees, or volunteer for or attend your events. These constituents are your organization's most committed, and therefore your most willing, investors.

In educational organizations, alumni are often considered to be the primary donor pool. But as you can see on the chart below from the National Association of Independent Schools Benchmark for Giving, there are no fewer than six sets of constituents that typically contribute to independent schools. In addition to alumni, parents and grandparents of students can be strong supporters of annual giving programs. Many schools new to annual giving programs avoid asking parents to give a philanthropic gift, believing that they would be unresponsive because they are paying tuition.

NAIS's data proved to the development team at St. Paul Catholic High School, where LGL Senior Marketing Manager Timi Paccioretti formerly served as Director of Advancement, that private schools are successful in soliciting parents and securing substantial support.

By considering current parents a viable prospect source and expanding their solicitation outreach to include them, St. Paul's development team tested the strategies that independent schools and colleges have utilized successfully. By doing so, the current parent segment yielded the largest growth in the annual appeal.

Your organization probably has a similarly broad set of constituents to draw upon. They belong to the community your school or organization interacts with and can include event attendees, board members, teachers, grandparents, and others. In other words, for nonprofit organizations, members or volunteers shouldn't be overlooked.

For schools, parents (current and past), grandparents, and teachers shouldn't be overlooked.

If you expand your database to include all of your organization's stakeholders, you will have identified additional constituency groups in your community who are potential donors.

NAIS Benchmarks for Annual Giving

CONSTITUENCY GROUP	% PARTICIPATION	AVERAGE GIFT
Board members/trustees	100%	$2,399
Faculty/staff	93.7%	$142
Current parents	65.9%	$1,209
Current students	49.1%	$21
Grandparents	14%	$665
Parents of alumni	10%	$867

source: National Association of Independent Schools, 2019-20

Figure 1. Look beyond your typical donor populations when building your constituent database. In the case of schools, remember that alumni, current and past parents, grandparents, vendors, teachers, and event attendees are all potential investors.

Gathering the information

It's a challenge to be effective at collecting data about potential donors. Recognize that there are many within your organization who have contact with your stakeholders and they may have valuable information to assist you in your development efforts.

Consider performing an organization-wide information audit, where your team can meet to discuss who keeps what types of information, and develop ways to communicate and capture that valuable insight. One such organization audit in a school setting revealed that the guidance office frequently received transcript requests from graduated students, many of whom were considered "lost" in the development database.

Many possible sources from within your organization's structure include admissions, volunteer or membership applications, event attendance and mailing lists, emergency contact forms, and more. Your website is a great portal to collect data as well, as are your organization's social media sites such as Facebook or LinkedIn. It's amazing how many sources of information there are in an organization.

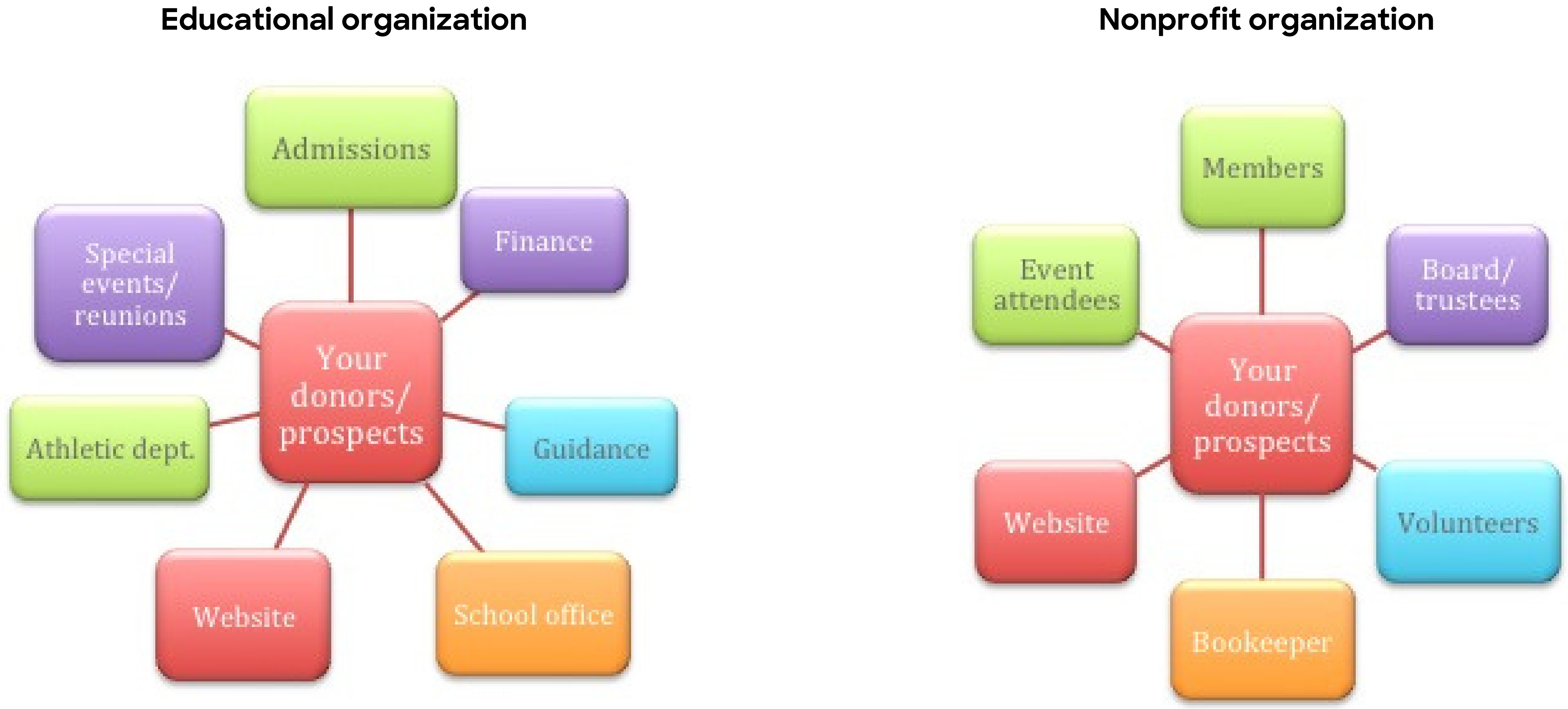


Figure 2. Your donors and prospects can come from many different points of interaction in your community.

Data: Your institutional memory

Much of the outreach you do with your stakeholders is dependent on collecting accurate demographic and contact information. Maintaining complete contact information for each of your donors and potential donors is crucial for email blasts, newsletter mailings, and solicitation requests. You need to know how to reach everyone. But, equally important is gathering data about your stakeholders' involvement with your organization, their interests, and their relationships with others in your organization's community. It is this information that can help drive your solicitation strategy, and help you to devise appropriate cultivation and stewardship activities for your constituents. For this reason, we encourage you to think of your database as your institutional memory with an importance and value that are far greater than simple contact information.

Your database comprises knowledge about how those prospects and community members are involved in your school or organization. It's valuable to look at a database and see how John Smith has been interacted with over the last several years because it gives you a much better idea how to continue building a relationship with him so he'll become an investor in your mission.

Example of a history of interactions with a constituent

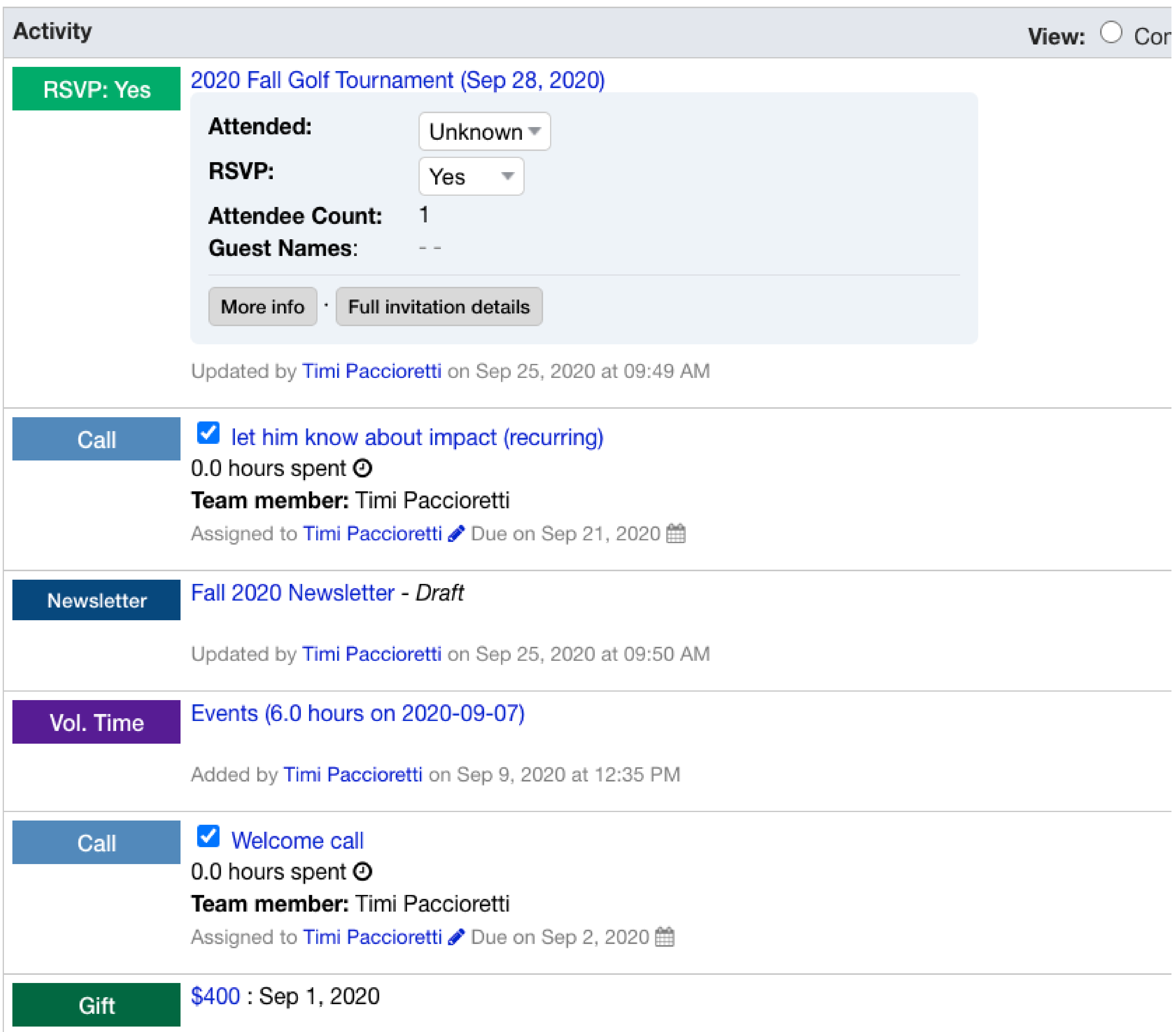


Figure 3. What information do you need to know about your prospects? Remember, your database is your institutional memory.

So, what information do you need to collect, and how do you get it? One of the issues many organizations and schools face is that facts, anecdotes, and other key information are kept in the heads of the many hardworking volunteers, advancement professionals, and board members, who have sometimes spent years developing relationships with and knowledge about donors and prospects, When they retire or go on to another job either within or outside your organization, they take that “data” with them—and sometimes the relationship as well.

Ideally, you have a comprehensive system to track these attributes, conversations, and interactions, and it would remain accessible to all in your organization.

Data can also be collected and enhanced through events such as phonathons. Figure 4 shows a phonathon form developed through LGL. This is a great way to track the results of a call you're making and get the data into your database, but it can also help you see exactly what information you have on particular constituents and what information can be updated. You can use this as a way to reach out to your constituency groups and find out more information about them (not to mention gathering pledges for your campaign).

LGL Demo
Phonathon Information Card

Current Information

Name : Lew Archer
Spouse/Partner:
Children :

Home Address : 8411 1/2 Sunset Boulevard
Hollywood, CA 90210
US
Phones : (888) 555-0050 [MOBILE]
Emails : archer's@seriesofnovels.com [HOME]

Employer :
Class Year(s) :
Groups : Friend
Capacity : N/A
LGL ID# : 951360

New Information

Name :
Spouse/Partner:
Children :

Home Address :

Phones :
Emails :
Employer :
Class Year(s) :
Groups :

Result of your call

- ☐ Donation $____________________
- ☐ Pledge $____________________
- ☐ Considering a donation
- ☐ Sent a gift earlier this year
- ☐ Refusal

Constituent Unavailable

- ☐ Call back:________________
- ☐ Call back during day

Phone Disconnected / Out of Service

- ☐ Check here

Wrong Number

- ☐ Constituent no longer lives here
- ☐ Wrong number
- ☐ Unsure whether this is the right number

Other Information

- ☐ Deceased
- ☐ Death in family:______________
- ☐ Currently unemployed

Please charge my gift to:

I wish to pay by:

☐ Visa ☐ Mastercard ☐ AMEX ☐ Discover

Card #:____________________
Name on card:________________
Expiration Date:______________
Card Security Code:____________
Confirm Billing Address:

Giving history to LGL Demo

AG 2016/2016	: $100	1 gift
AG 2018/2018	: $1,650	4 gifts
AG 2019/2019	: $35	1 gift
Total gifts	: $2,135	9 gifts
Avg. gift	: $237.22	
Largest gift	: $1,000 on 10/8/18	
Latest gift	: $35 on 11/8/19	

Recent Notes

Figure 4. Phonathon Form in LGL

You need a 360-degree view of your data

Another challenge in collecting data is the need for a secure and useful way to store it, as well as the ability to quickly and easily see and search for information that will help you know your constituents better and be able to relate more personally to them.

This can include how a constituent is engaged with your organization, their giving history, which appeals they've received, meetings or calls you've had with them, events they've attended, how they are affiliated with you, and their relationships with your other constituents.

Not only is it useful to be able to pull that up at the individual level, you can also use it to identify certain segments of constituents. If you can see a 360-degree view of the constituent and use that information to drive your strategy, you'll be much more effective.

Engaging with Little Green Light can help you manage your information and see your constituents more clearly. LGL gives you this information in a single page view and also enables you to easily segment your data. This way you can see whole segments of your data, so you can plan and target your initiatives.

Screenshot of a constituent detail page in Little Green Light

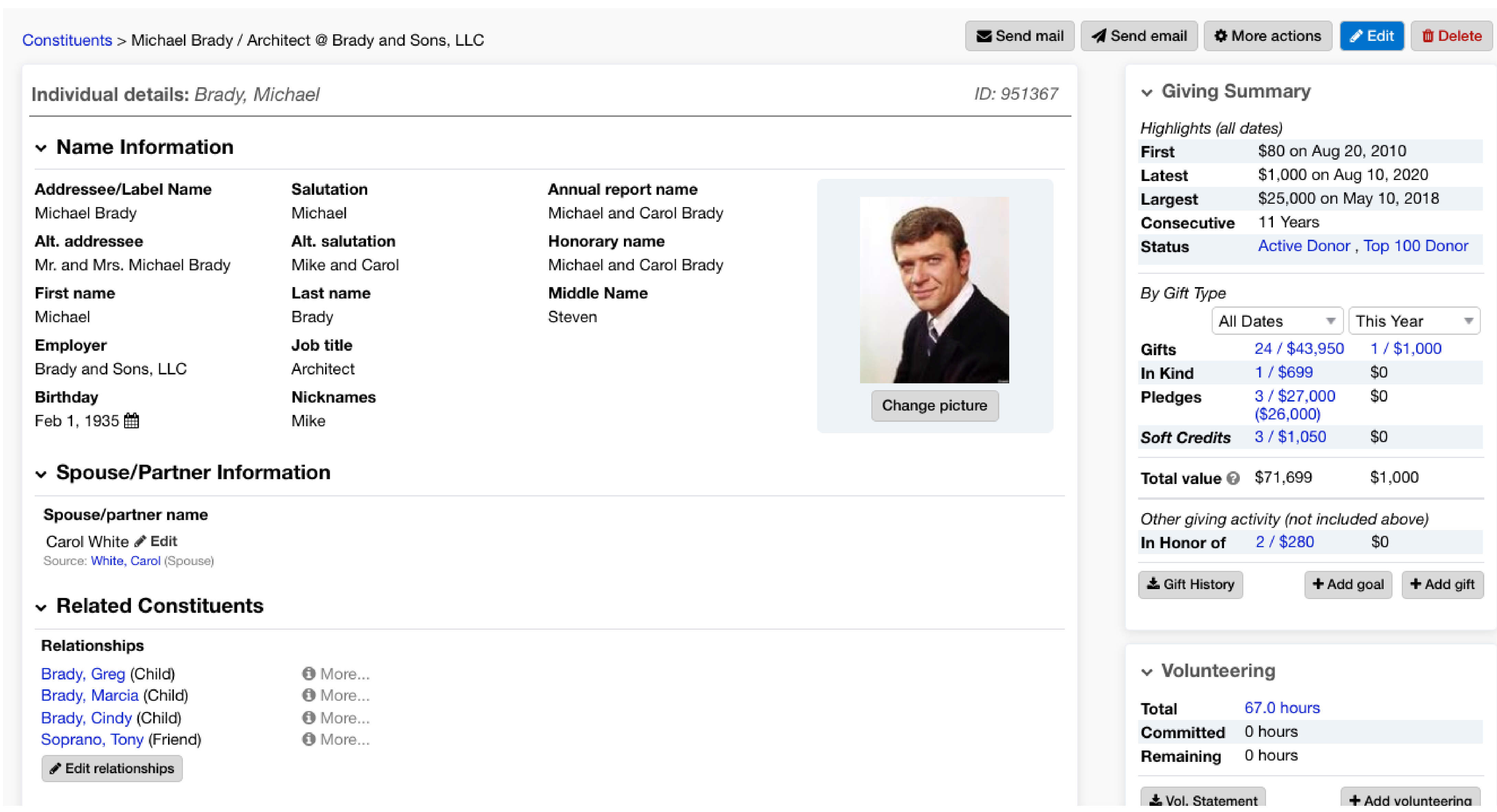


Figure 5. Constituent record in LGL, where you can see a 360-degree view of each individual constituent.

In addition to contact information in the bottom-right corner, you can capture what groups the constituent belongs to and show affiliations through tagging, past giving history, class year, employer information, and contact reports.

You can see all the contact that your school or organization has had with the constituent over the years.

It's also easy to collect knowledge that would otherwise have retired or departed with your school's or organization's former volunteers and development and advancement professionals.

Step 2: Create constituent segments

Segmentation is the practice of categorizing constituents into mutually exclusive groups based on a set of criteria, such as giving history and expected future giving or affinity for your organization. It can help you focus your appeal and maximize your fundraising efforts.

It's important to note that year-over-year donor retention is typically just below 50% (according to the Fundraising Effectiveness Project, 2014). The likelihood of recapturing a previous donor who didn't give last year is much lower, around 20%, and the likelihood of acquiring a brand-new donor from a general list is below 2%.

A segmented approach allows you to focus the bulk of your efforts on those who are most likely to support your organization.

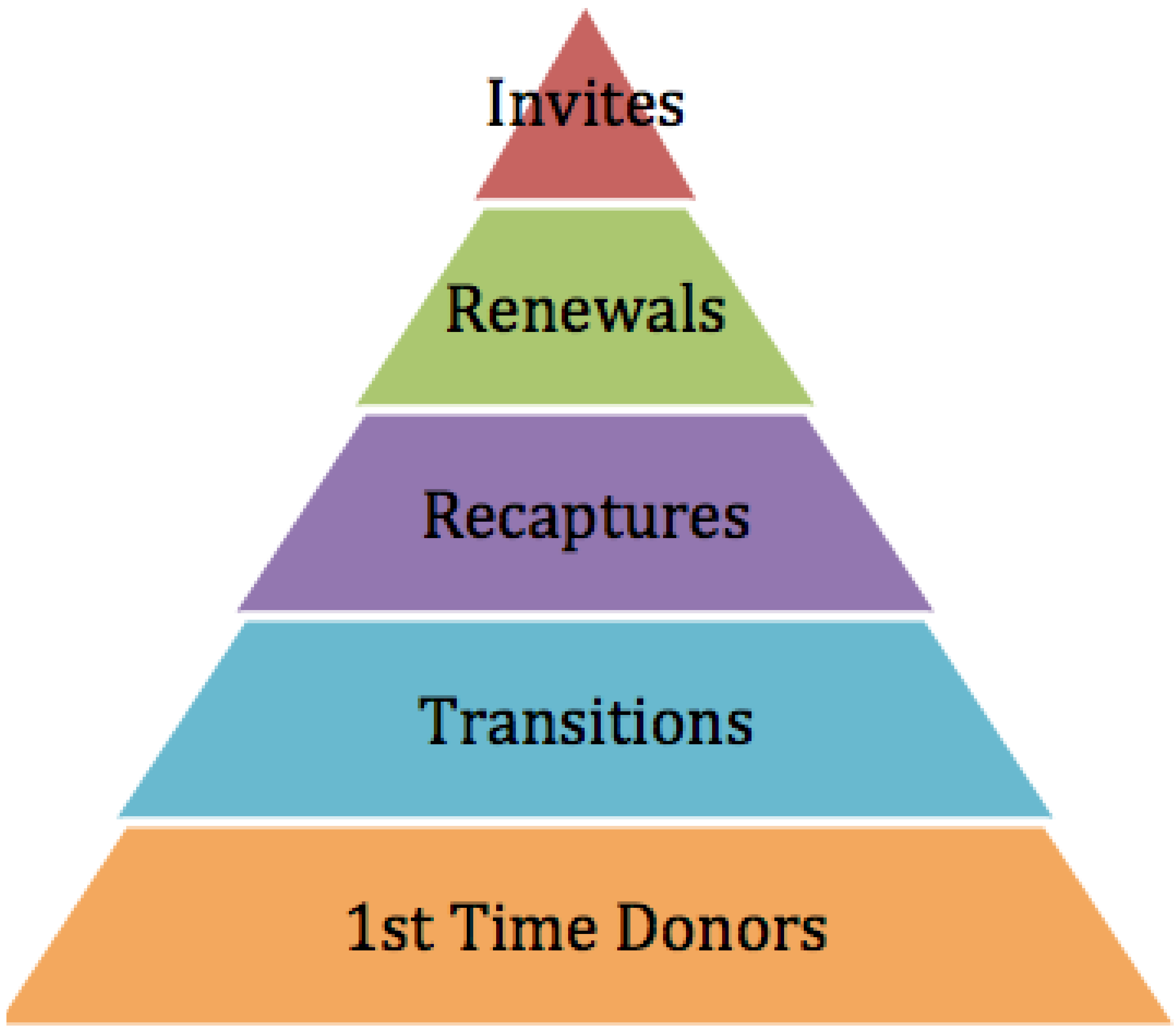


Figure 6: A hierarchical view of donor segments. The higher segments are more likely to respond, but the lower segments represent larger numbers of overall prospects.

The 5 tiers of the segmentation pyramid are:

Invites represent past donors in cases where your information indicates you could invite them to give at a higher level. Though you will probably write a letter to all of your segments, you should have your executive director sign and add hand-written postscripts for the Invite and Renewal segments ahead of any others. And consider making phone calls to the top few segments, especially the high-value prospects in those segments.

Renewals have given to your fund in the past year; you're asking them to give at the same level in the current year. Consider spending most of your effort on Invites and Renewals, since they're the most invested in your organization and have already given in the past (not to mention it's easier to get a renewal than a first-time gift).

Recaptures are LYBUNTs (gave last year but unfortunately not this) or SYBUNTS (gave some year but unfortunately not this) who've given in the past and whom you're looking to recapture.

Transitions may have volunteered or somehow given to your organization other than through your annual giving campaign. If you personalize your approach with Transitions, you're more likely to succeed.

First-time donors are the biggest challenge. There is usually a sizable number of people in this segment. You can break them out by group or affinity as well.

Within each tier, you can also choose to further segment your prospects by ask amount; that is, how much you'd like them to contribute to your annual campaign. For example, within your renewal segment, you could have the following segments: $1,000+, $999-$500, $250-$499, under $250.

Assigning a specific ask amount, referencing the donor's last gift when applicable, and drafting a personalized letter to the constituents in that segment are all crucial to obtaining a good result from your solicitations.

Consider this example of how segmenting by a specific affinity group netted a significant return:

- A school's longtime coach volunteered to write a letter to his former players to ask them to support the annual giving program. All students who had played for the school during the coach's 20-year tenure, identified through referring to yearbooks, were flagged in the database. Those who had never donated received a personalized letter with a specific ask amount from their former coach. Where the average acquisition rate for new donors is less than 2%, over 15% of these nondonors gave to the school.

In addition to helping focus and personalize your outreach strategies, segments also can be instrumental in helping measure your fundraising results. Key metrics such as conversion rate (percentage who give among total asks) and median giving amount (mid-point of giving amounts) by segment and year over year can give you key insights into the success of your solicitation strategies. For example, if the conversion rate for your Renewal segment drops from 70% to 50%, that's an indication of a serious problem. If you measure only total metrics, that number could get lost among the more populous segments. Through segmentation, you can leverage the information you collected in step 1, "Identifying prospects and acquiring data," to develop a strategy and set up your solicitation. This can make a big difference in how you approach your prospective donors.

Creating an appeal in Little Green Light

Appeal: 2020 Annual Appeal with Segments

Appeal type	Name	Code	Date
Annual Solicitations	2020 Annual Appeal with Segments		Aug 10, 2020
Target/Goal	**Projection**	**Is active?**	
$100,000	$0	✔	

Progress

Contributions

Gift 2 / $700

Constituents/Recipients | Giving | Appeal Segments | Appeal Mailings | Appeal Emails | Appeal Ack. Settings

+ Add segment | Segment Summary Export | Segment Detailed Exports

Position	Segment Code	Segment Name	Ask Amount	Constituents	Progress
1		Board members Actions	$0	2 records Refresh *0 excluded due to overlap*	Gift: $200
2		Consistent Annual Giving Donors Gave to Annual Fund in both 2017 and 2018 Actions	$0	25 records Refresh *0 excluded due to overlap*	Gift: $500
3		$1000+ donors Gave a $1000+ gift to any campaign at any time Actions	$1,000	19 records Refresh *11 excluded due to overlap*	N/A
4		Lapsed Donors Actions	$0	13 records Refresh *5 excluded due to overlap*	N/A
5		Non donors Actions	$0	0 records Refresh	N/A

Figure 7: An example of an LGL appeal with a set target goal, projections, progress, and hierarchical segments.

You can define as many segments as you want, but it's prudent to take your staffing resources into account, because each segment requires additional work. Also consider your budget, the amount you need to raise, as well as how much information you have.

In the example above, we've segmented constituents based on past giving history as well as affinity. In the example below, we've segmented based more on giving history. We identified a Default Ask amount in our appeal letter to provide a target donation amount to each segment.

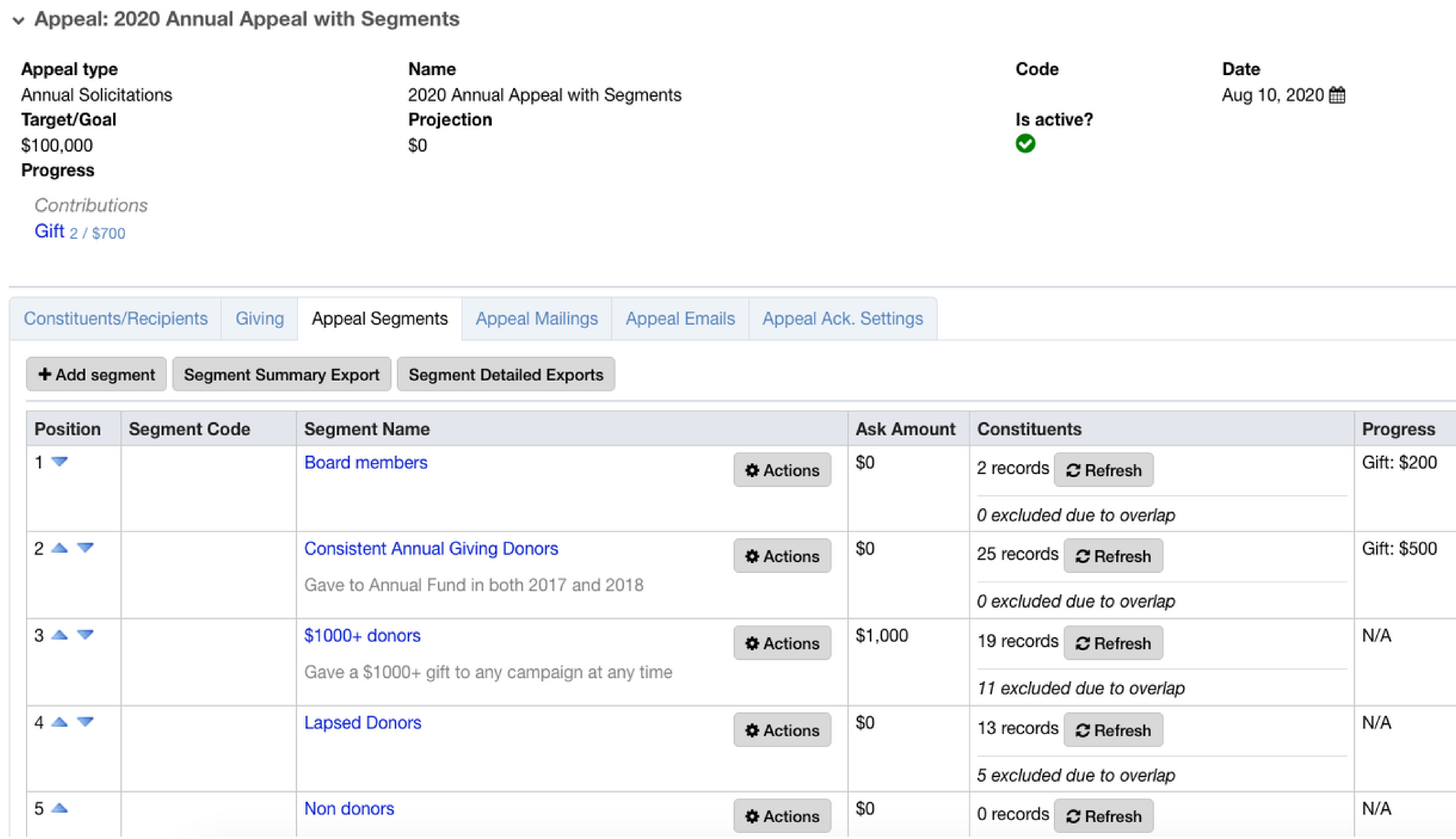


Figure 8: Screenshot showing annual appeal segments in LGL

For more information on segmentation, watch this two-minute video about segments in LGL.

Key LGL features that can make your annual appeal successful:

- 360-degree view of constituent. The view LGL gives you of each of your constituents keeps you informed how every individual is engaged with your organization.
- Ability to manage all aspects of an appeal within LGL. Everything from inputting constituent information to tracking gifts to doing analysis and reporting and sending out acknowledgments all help you ensure you are not missing a key step in the process.
- Up-to-the-minute appeal status. The database is always up to date for all staff who log in, and preparing reports for Executive and Board is easy and can be automated.
- Increased team capacity. Your entire team can access the database (depending on the level of permissions you give them), receive the information they need, and be assigned tasks, all of which makes your work quicker, more reliably communicated, and more efficiently completed.

Step 3: Develop a stewardship and cultivation plan

As you develop your annual giving program, it's important to incorporate multiple touch points throughout the year to effectively engage your constituents in your mission.

The goal of your cultivation and stewardship plan is to have your constituents invest in your mission, and ensure that they will give a gift. It's important to note that the solicitation of the gift is just one part of the plan. Without a proper foundation of informing your constituents about your mission and getting them involved in your work, a gift is harder to come by, especially one that will be repeatable. And, repeatable gifts are the bread and butter of an annual giving campaign.

For more information on the importance of stewardship and cultivation, and the three I's of cultivation—Inform, Involve, and Invest—see our blog article "Smart data collection and segmentation can drive your fundraising strategy."

Use your segments to drive your cultivation and stewardship plan

Just as your segments help you focus your energies on the donors and prospects with the greatest potential, your cultivation and stewardship plan should echo the prioritization of your segments.

Develop the most appropriate grouping of activities to meet the needs of the constituents in those segments, and spend the most time cultivating and stewarding the constituents with the greatest potential.

Date	Activity
8/1	Thank-a-thon – calls to all previous year's donors
9/15	Donor Reception
9/30	Personal ask letter mails
10/15	Phonathon
12/1	Send holiday cards
12/15	Year-end reminder
2/1	Bi-annual donor newsletter mails
3/15	Invite to spring event
5/15	Proof report mails
7/1	Annual report mails

Figure 9. Sample stewardship plan for a Renewals segment. The above example shows various activities, communications, and solicitations planned for the renewal segments.

Effectively stewarding your donors is a crucial to receiving a repeat gift

According to Penelope Burk, author of Donor Centered Fundraising, 84% of donors say they would give again to your organization if they received a personalized thank you that clearly identified how the gift benefitted your organization.

Your donors clearly want to understand the impact of their gift, and will keep giving when that impact is effectively communicated to them.

Stewardship and cultivation activities come in many different shapes and sizes. Look to your organization's calendar of events to help drive your specific plans. The idea is not to add more things to do into your already busy calendar, but to maximize those events or outreach activities to better communicate what impact your donors' gifts will have on those you serve.

Annual Reports

Does your organization create an annual report of gifts to recognize donors? Consider sending it to donors and nondonors alike as a way of thanking those who contributed and cultivating those who have not given.

Identify your top 10, 25, 100 donors and send your annual report to them first, in a 9×12 envelope, using first-class postage. Include a personal note from the head of your organization thanking them for their leadership gifts. Send the remainder out a week later, in less expensive packaging.

Giving Societies

The creation of donor societies is another way to cultivate and steward donors and to invite donors to move to a higher-level gift. To decide what giving levels make the most sense for your organization, develop a gift tier chart of past gifts and see where the gift ranges exist. Make your second-highest tier be a range that only a few have attained, and allow for a level that even your highest donors can strive for.

Name your giving societies in a way that would be meaningful to your constituents. Want to encourage more donors to give at $1,000+ level? Then consider calling gifts over $1,000 a “leadership gift” and offer special incentives to people who give at this level, such as a reception with the head of your organization, special parking privileges or reserved seating at events, invitation to a leadership donor event, etc.

ft tier	# of constituents	Total amount
Totals	45	$594,715
5,001+	4	$536,250
,501-$10,000	2	$14,690
,001-$7,500	1	$6,050
,501-$5,000	5	$16,675
,001-$2,500	5	$7,850
01-$1,000	8	$7,400
01-$500	16	$5,575
to $100	4	$225

Figure 10. In LGL, you can define gift tier ranges and then see number of donors and total giving by tier.

Step 4: Personalize your approach

Utilizing the personal information you've collected and maintained about your constituentsin your database is vital throughout your annual giving campaign. Each step in a comprehensive annual giving campaign is dependent on having accurate information about your constituents and incorporating that into your outreach strategies. From ensuring the proper addressing of newsletters, solicitation letters, and acknowledgments to effectively segmenting your constituents based on documented interests and affinities, personalization plays a big role in the success of your appeals.

It is well established that personalized letters asking for support of the mission (addressed to an individual by name) and signed by a member of the organization who knows the constituent personally, with a PS note too, will succeed much more than an impersonal "Dear Friend" letter.

Here are a few ways you can personalize your solicitation letters:

- Personally address each letter with preferred addressee name and salutation
- Develop letter content that is specific to the constituents in each segment
- Do away with labels and generic letters
- Acknowledge and thank the person for their last gift and include a specific ask amount

These methods show your constituents that you care about who they are and also convey a sense of nurturing your mutual relationship.

The figure below shows the members of an annual fund leadership committee included in the letterhead. In this case, the St. Paul Catholic High School president had extended invitations to members of the community who then came together to comprise the annual fund committee. Including their names in the letterhead helped to create buy-in with the many constituent groups in the school community and gave credence to the campaign, because recipients wanted to support a cause that others in their school were supporting as well. This was another way to personalize the approach and the ask.

Annual Fund Leadership Committee

John Adams

Michael Brown

Janet Davis

Elizabeth Murphy

Michael Noon

Joseph Oswald

Ann Pryor

Melissa Quick

Steven Poor

Mary Smith

Thomas Thompson

Mr. and Mrs. John Smith
10 Main Street
Boston. MA 04321

Dear John and Mary,

We are blessed with generous alumni parents like yourselves who, even in the face of uncertain economic times, have remained unwavering in your support of our school.

This is a very exciting time in our school's history. I'm pleased to report that through your support, we are transforming this campus. Because of your generous $500.00 gift to our 2011-12 Annual Fund, we were able to offer tuition assistance to some very deserving students.

As we embark on this new school year, we hope to make a high school education possible for more than 500 young men and women, many of whom would not be able to attend without your generosity. As proud parents of St. Paul alumni, we ask that you ***consider a leadership gift of $1,000.00*** to this year's annual fund. By doing so, you can make it possible for future generations of students to share in the opportunities afforded your children.

Sincerely,

Head of School

Mrs. Head of School

John & Mary – So lovely to see you at the game yesterday. Wishing Marc well @ University this fall!

Figure 11. Annual fund letter template showing committee member names in the letterhead

Segment letters contain content very specific to each segment and can help you personalize your approach. Make sure you include name and address and the personal “Dear” in the salutation field.

Examples of segment letters

Mr. and Mrs. David Smith
1201 Orange Lane
Canton, MI 16019

Dear David and Laurie,

As our community prepares to celebrate Christmas, we are reminded that the Christ child is the reason for this school. This is what makes us so special.

As a parent of a Pioneer, you have afforded your child boundless opportunities by choosing our school for their education. We are passionate about making Sacred Heart a truly great Catholic school. However, we can’t get there without you! Tuition covers only 75% of the cost to educate a student at Sacred Heart. The remainder is provided through the generosity of the Archdiocese and our families, alumni, and friends.

It is with conviction of our mission that I ask you to support this year’s Pioneer Fund. Please review the enclosed commitment form and consider investing in our shared vision with a gift of $250.00. Our goal of 100% participation from our parents can only be possible with your help.

Figure 12. Parent letter

John Smith '74
123 Fifth Avenue
New York, NY 10011

Dear John,

You can always come home! And home to me will always be St. John High School. I invite you to once again put on your "home team" jersey, as the opening whistle blows and we begin an exciting 2012-13 Annual Fund here at St. John.

I am having a great time re-connecting with my former players and their families as we work together for the common cause of keeping St. John Catholic a truly great high school.

You can't imagine how gratifying it is to see the children of my former players currently enrolled here. It tells me that we still all believe in the mission of our great school.

But we cannot do this alone. We need your help. Please review the enclosed commitment form and consider making an investment of $100.00 to support the vision we all share – to keep St. John High School the premier school in the state. Help us "kick off" this campaign in true Falcon style. When the whistle blows, let's show that we still have the same team spirit and loyalty that makes everyone here at St. John true champions.

Yours in Soccer,

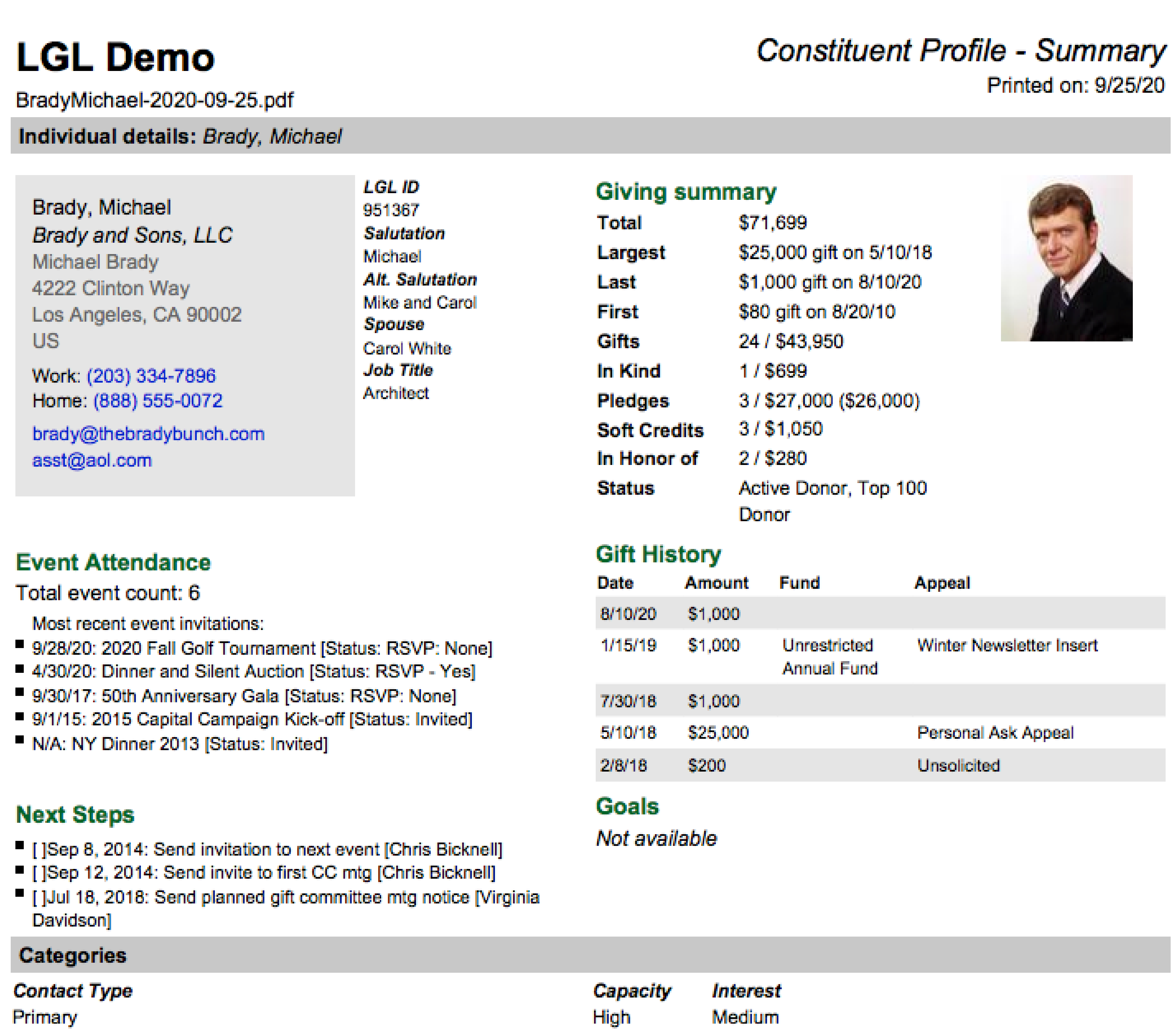
Coach Mark Anderson

Figure 13. Affinity letter

Asking others to help write and sign letters also contributes to making your approach as personal as possible. Figure 12 shares information with parents that is relevant to them and asks for an investment using a commitment form. Figure 13 is an affinity letter from a longtime soccer coach and was part of a first-time giving campaign geared toward the soccer players that he had worked with. You can tell from the content how invested and excited he was to be able to do that.

Another important point is how valuable volunteer engagement and involvement in your fundraising efforts can be. Assistance from volunteers increases the capacity of a development office, which often has a small staff. By building an annual fund leadership committee, for example, you can increase your capacity and draw on the volunteers' circles of influence to help you reach more people.

Screenshot from Little Green Light



LGL Demo

BradyMichael-2020-09-25.pdf

Constituent Profile - Summary

Printed on: 9/25/20

Individual details: *Brady, Michael*

Brady, Michael
Brady and Sons, LLC
Michael Brady
4222 Clinton Way
Los Angeles, CA 90002
US

Work: (203) 334-7896
Home: (888) 555-0072

brady@thebradybunch.com
asst@aol.com

LGL ID
951367
Salutation
Michael
Alt. Salutation
Mike and Carol
Spouse
Carol White
Job Title
Architect

Giving summary

Total	$71,699
Largest	$25,000 gift on 5/10/18
Last	$1,000 gift on 8/10/20
First	$80 gift on 8/20/10
Gifts	24 / $43,950
In Kind	1 / $699
Pledges	3 / $27,000 ($26,000)
Soft Credits	3 / $1,050
In Honor of	2 / $280
Status	Active Donor, Top 100 Donor

Event Attendance

Total event count: 6

Most recent event invitations:

- 9/28/20: 2020 Fall Golf Tournament [Status: RSVP: None]
- 4/30/20: Dinner and Silent Auction [Status: RSVP - Yes]
- 9/30/17: 50th Anniversary Gala [Status: RSVP: None]
- 9/1/15: 2015 Capital Campaign Kick-off [Status: Invited]
- N/A: NY Dinner 2013 [Status: Invited]

Gift History

Date	Amount	Fund	Appeal
8/10/20	$1,000		
1/15/19	$1,000	Unrestricted Annual Fund	Winter Newsletter Insert
7/30/18	$1,000		
5/10/18	$25,000		Personal Ask Appeal
2/8/18	$200		Unsolicited

Next Steps

- [ ]Sep 8, 2014: Send invitation to next event [Chris Bicknell]
- [ ]Sep 12, 2014: Send invite to first CC mtg [Chris Bicknell]
- [ ]Jul 18, 2018: Send planned gift committee mtg notice [Virginia Davidson]

Goals

Not available

Categories

Contact Type
Primary
Groups

Capacity
High

Interest
Medium

Communication Tags

Figure 14. LGL constituent summary

Now that you've collected and maintained all this data—giving history, volunteer time, who has met with whom, who is related to whom, and what activities they've attended—the final piece is to write personal notes on letters that you send out, especially at the Renewal level.

This can include a handwritten signature from a president, annual fund leadership chair, advancement officer, or board chair and is a great way to identify the letter as a personal ask. You can also add a personal note saying, for instance, "Great to see you at grandparent's day last year!" Use all that data you collected to make your mailings and letters personal.

Step 5: Proper gift accounting and acknowledgment

Good practices in gift acknowledgment and accounting have a beneficial effect on your donor relationships.

To ensure that donors understand the value and your appreciation of their gift to your organization, it's important to have a gift acknowledgment process in place that's pertinent, personal, and prompt.

Pertinent, meaning that your thank you matches the intention of the gift. If a donor is giving to a scholarship fund, don't send a thank you for their contribution to your capital campaign.

By properly tracking gift information, such as campaigns, funds, appeals, or gift categories, you can ensure that donations are received and credited to the intended purpose.

If a donor asks that their gift be made in memory of a beloved relative, and we neglect to acknowledge and report on that appropriately, we risk losing that donor. In the same vein, if a donor makes a request to restrict their gift to a specific purpose, it's crucial we clearly identify that, both in our database systems and in our recognition of the gift.

Two of the biggest mistakes a development office can make is to not use a donor's gift as it was intended and to neglect to thank the donor for their generosity.

Campaigns, Appeals, and Funds

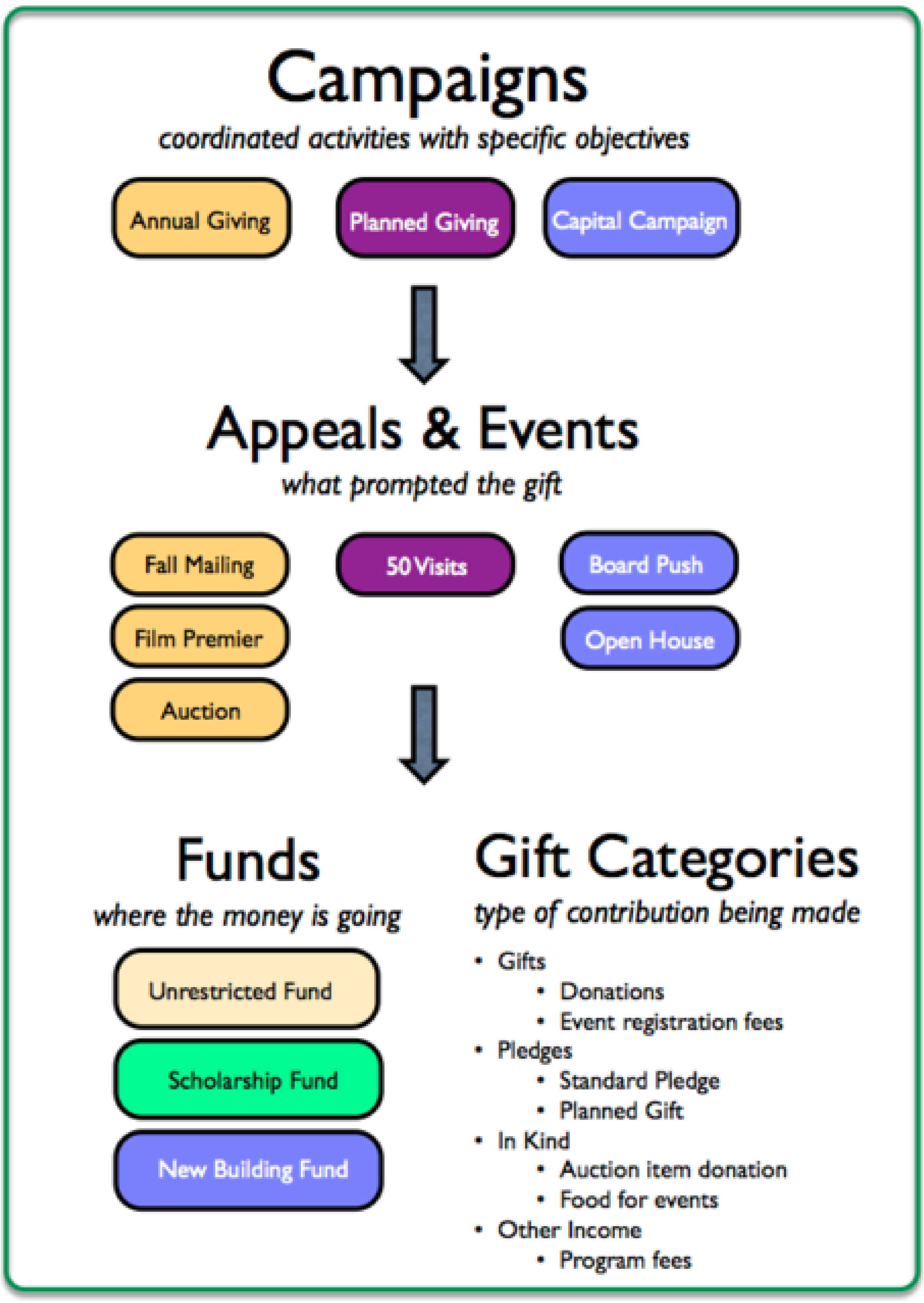


Figure 15. Campaigns, Appeals/Events, Funds, and Gift Categories each provide a specific type of information to fundraisers.

There are many ways to share with your donor base how important they are to your organization and its growth. Acknowledging gifts can continue throughout the year in the form of everything from a phone call to a holiday card, a student thank you letter, or an invitation to a formal recognition event. The president of your organization or school or your fund leadership chair can even make a direct call to the donor on the same day you receive a gift over a certain amount, for example.

Having a streamlined and consistent way to track gifts and generate acknowledgments is a necessary component of a successful annual giving campaign. Utilizing a donor database system that allows you to track all your constituents, gifts, and fundraising activities as well as manage your acknowledgments will allow you to be more effective and efficient in your efforts. Keeping track of gifts in a binder or ledger will become a cumbersome and unwieldy task when you are attempting to manage multiple constituents with multiple years of giving. It's likely that not all gifts will be acknowledged promptly in such a scenario.

To ensure a prompt acknowledgment, ideally within 48 hours of receipt, you can put a simple system in place in LGL to generate acknowledgment letters from templates. You can also track your gifts and acknowledgments and put in related tasks for follow up. A good stewardship activity is to add a follow-up task for large gifts, such as asking your organization head to place a personal call to thank the donor on the day the gift is received. Having the ability to communicate information quickly to your organization's team members, being able to see if a follow-up call was made, and documenting a contact report about interactions are all benefits of using LGL's CRM capabilities.

Using the LGL Gift Information screen in Figure 16 as an illustration, see how a donor management system can help you manage gift information and track the donor, gift amount, date, payment method, and donation purpose. You can also manage acknowledgments and special gift types such as soft credit or matching type gifts.

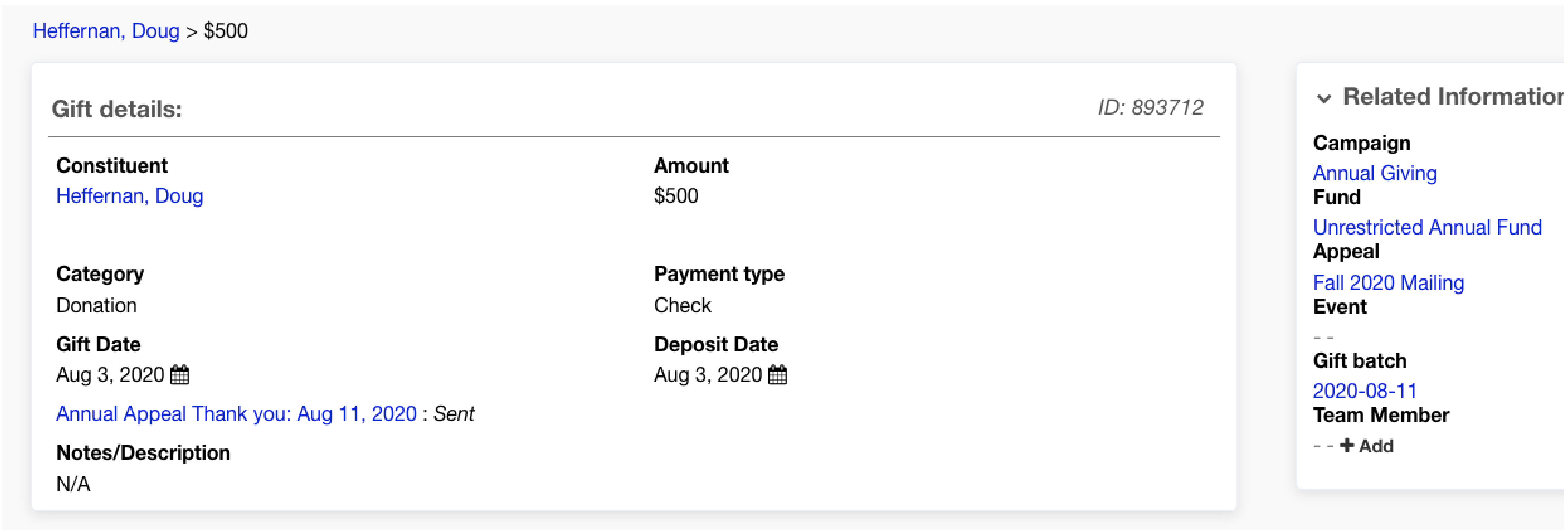
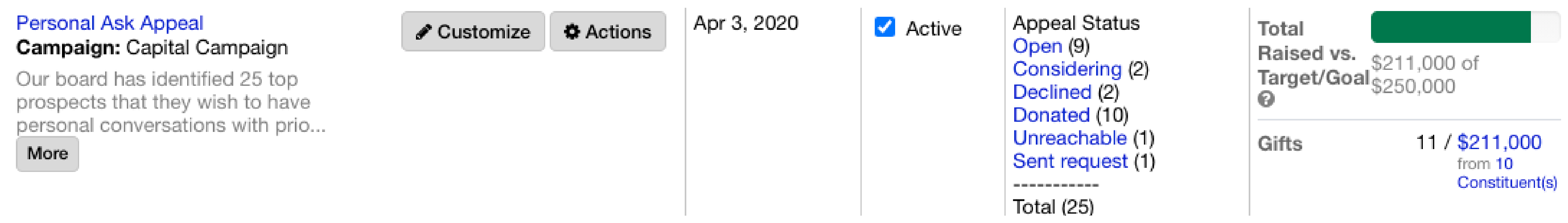
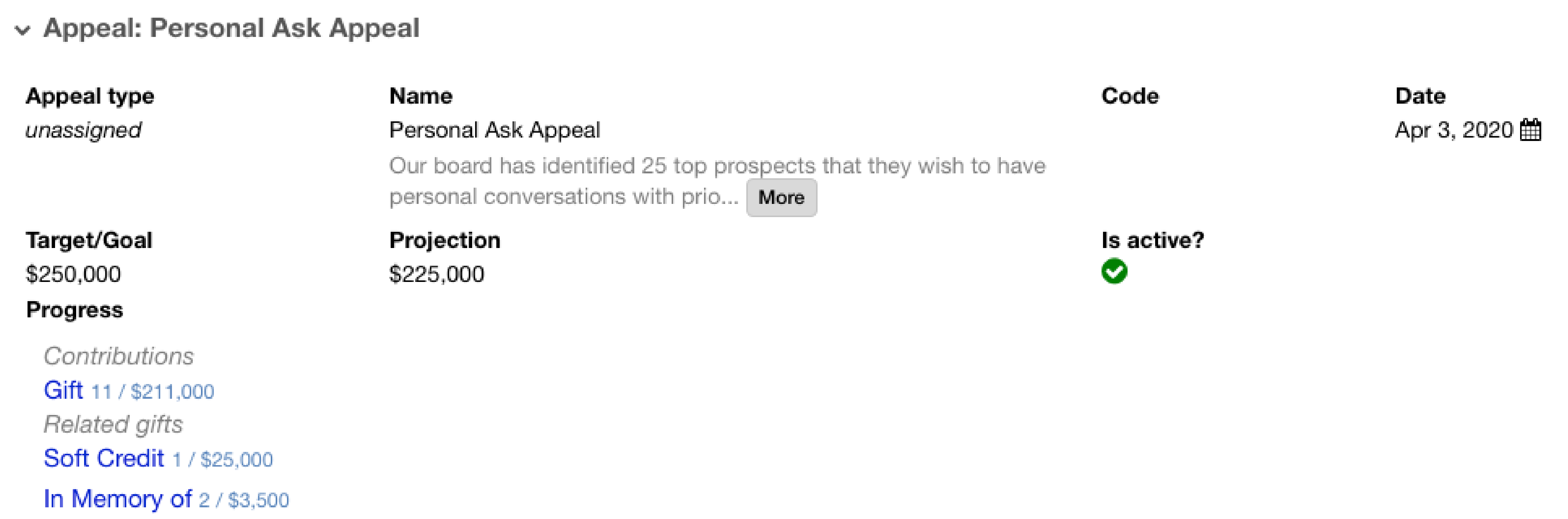


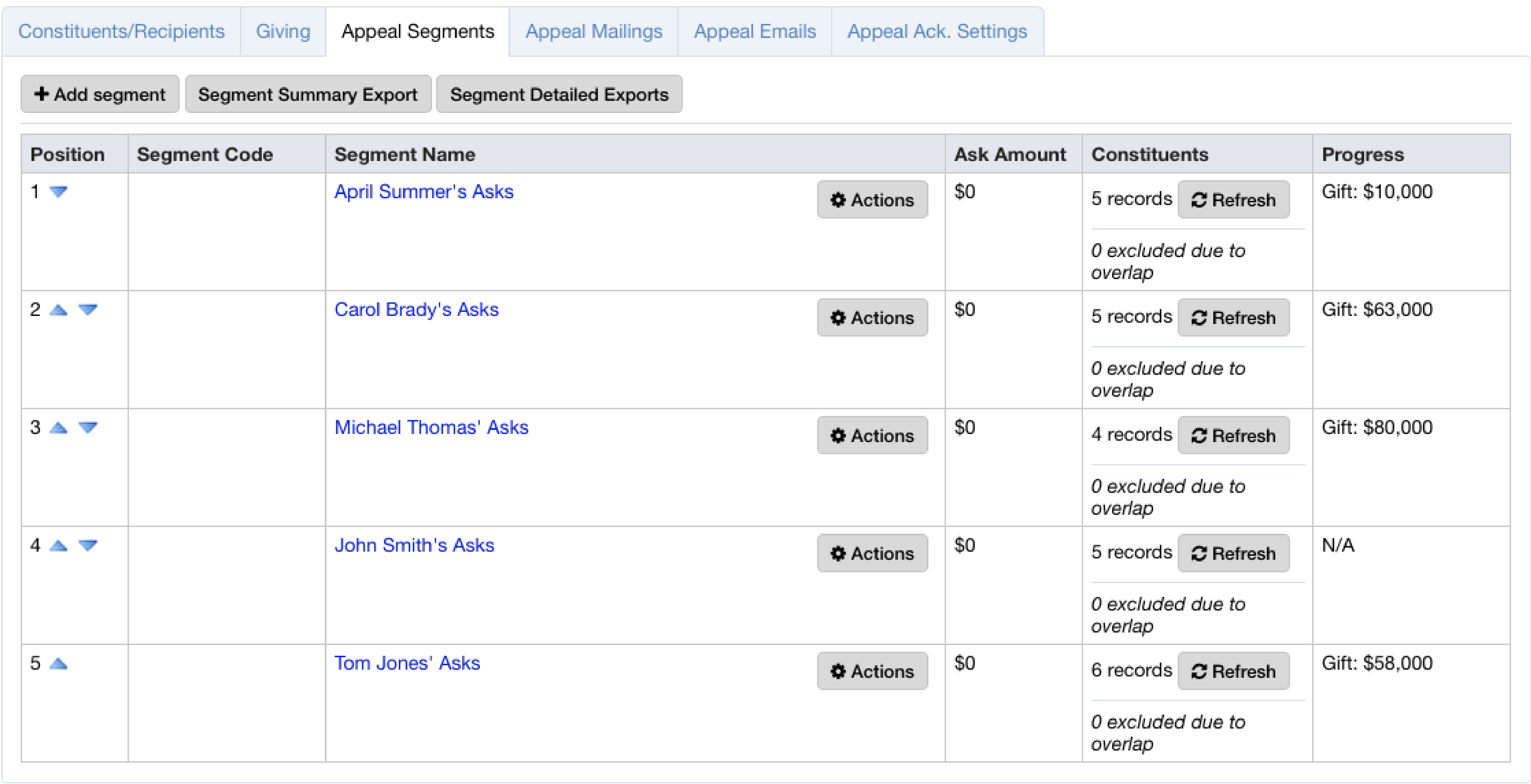
Figure 16. Gift Information screen in LGL

Step 6: Evaluating your efforts

To make the most of your annual giving program, set clear goals and then incorporate measurement tools into your plan. A successful plan will include regular evaluation of your strategies' successes and failures, and allow for the flexibility to make changes to address shortcomings or enhance windfalls. Some key metrics you might want to track include total amount raised, retention rates, new donor acquisition, and your non-ask ratio (i.e., cultivation/stewardship activities versus solicitations). For more information on fundraising metrics, see Peter Drury's Fundraising Dashboard.







Position	Segment Code	Segment Name	Ask Amount	Constituents	Progress
1		April Summer's Asks — Actions	$0	5 records Refresh; 0 excluded due to overlap	Gift: $10,000
2		Carol Brady's Asks — Actions	$0	5 records Refresh; 0 excluded due to overlap	Gift: $63,000
3		Michael Thomas' Asks — Actions	$0	4 records Refresh; 0 excluded due to overlap	Gift: $80,000
4		John Smith's Asks — Actions	$0	5 records Refresh; 0 excluded due to overlap	N/A
5		Tom Jones' Asks — Actions	$0	6 records Refresh; 0 excluded due to overlap	Gift: $58,000

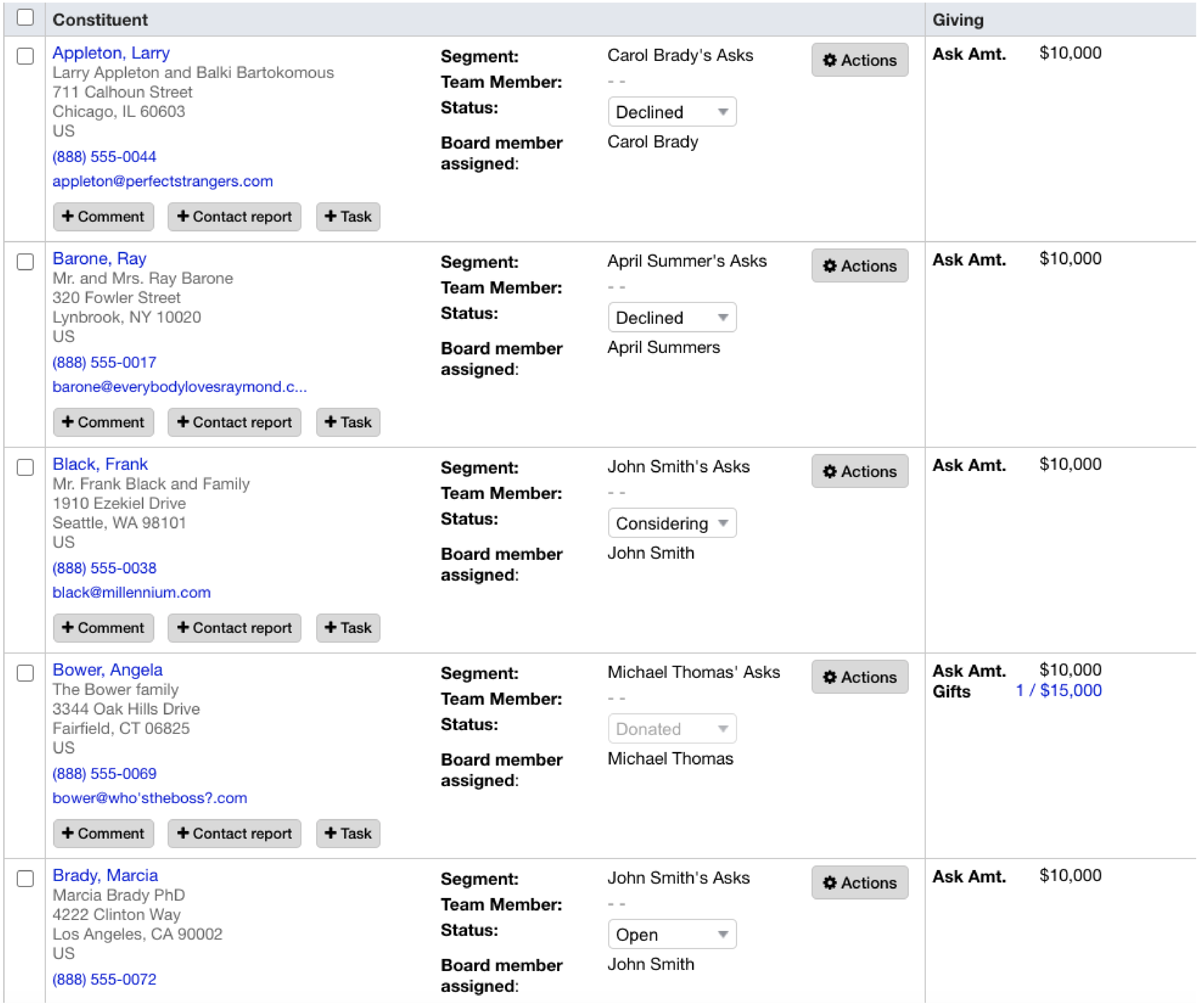


Figure 17: Tracking appeal results in LGL: Appeal progress is updated in real time, with the ability to see overall results, results by segment, and by each constituent solicited for the appeal.

Assessing your segmentation strategy versus your results is also key, because you have an opportunity to decide if you can make any adjustments to increase its success.

Make sure you critique your solicitation strategy. Sometimes it's easy to get focused on completing the work in a way that feels comfortable; but why not strive for continuous improvement?

Your annual fund leadership committee can provide feedback on asks and solicitations. After all, they are donors too.

Your database can help you stay on top of how well you are doing, not only for overall progress but also by constituent and the status of individual gifts and follow up needed. You can track how much your ask amount was and whether a pledge is in, as well as what segment the constituent belonged to and where you stand in the solicitation process.

Has the constituent been called yet, are they considering giving, or have they declined? All that information can be really helpful to you because: 1) you can focus on the people who really need follow up, and 2) you can make sure you are respecting people’s requests not to be asked again during this campaign year (if so requested).