

# Development Companion

A PRACTICAL GUIDE FOR CEO'S & DEVELOPMENT PROFESSIONALS FROM DEWITT & ASSOCIATES

## Getting Serious About Raising Major Gifts

By Brydon M. DeWitt, President

### What Do You Mean? We ARE Serious

No doubt many of you reading this issue have concerns about the author. Why would he dare to think that our nonprofit is not serious about receiving major donations? We LOVE major gifts and wish that more of our donors would make them.

I am not suggesting that you do not want large donations. I do want you to reflect upon your current programmatic effort to encourage, cultivate, and ask for those gifts. Experience has taught that a significant number of nonprofit organizations either do not have or have a passive major giving program. An even large number have yet to understand the important role of planned giving in providing prospects the opportunity to make the gifts they want to make to your nonprofit.

We will explore various facets of creating and implementing a successful major giving program. We do not expect that everything will apply to your program, but, you may pick up a tip or two to make yours better.

### What is a Major Gift?

The answer to this question is not a one size fits all nonprofits. However, a major gift may be defined as one that:

- Could not ordinarily be made annually;
- Is usually targeted to a particular physical facility improvement or endowment (restricted);
- By its size and nature, will substantially move the organization forward toward meeting one or more of its goals.

Having posited the above definition, the minimum amount

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of a major gift at your nonprofit will be different from that set by other organizations. The base amount depends on a number of factors:

- Are you just beginning an organized major gifts effort or have you had one in place for three or more years?
- What has been the pattern of giving over the last ten years?
- What sizes of gifts have you received and how many?
- What are your current needs for major support and are they well-defined?
- Do your Board members and other key volunteers understand the need for major support?
- What kind of nonprofit are you (college, school, hospital, retirement community, social service agency, etc.)?

In all likelihood, the major giving prospect of Harvard University will have a much higher ability to give than one identified by a small social service agency. Both need a systematic and programmatic way to develop major prospects, but the expectations will be widely different.

Despite other factors, it is recommended that your baseline for including a prospect on your major gifts prospect list begin at a minimum of \$10,000. As noted above, a number of nonprofits will have a higher baseline. But, for nonprofits just beginning to be purposeful about acquiring major gifts, keeping the prospect entry-level high enough, yet achievable, is important. The major prospect

must be worth the time the CEO, development officer, and volunteers will be devoting to them.

Another factor that also must be considered is the kind of nonprofit you are and your history of support. The experiences of the past will have created an attitude among staff members, volunteers, and constituencies about what size of gift is significant *at your organization*. This can be a difficult obstacle to overcome, and, often, the only sure way to get over this barrier is raising a gift larger than expectations. This “transformational” gift quickly makes its acceptable for others to give in a similar fashion.

There is no “magic bullet” or short-term answer. The key to success is to establish and carry out a solid, systematic program that continually identifies, qualifies, cultivates, and presents major giving opportunities to appropriate members of your constituency.

## **Major Gift Program Essentials**

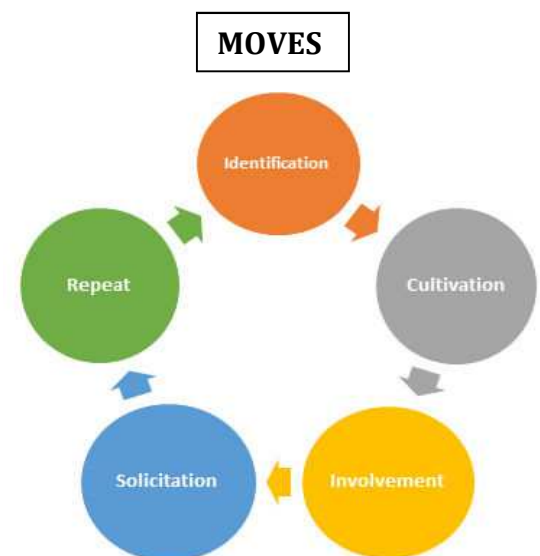
There are several important steps in setting up your major gifts program.

1. Writing, reviewing, updating your policies and procedures covering gifts that will be accepted (including planned gifts) and how they will be handled within the organization;

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- ◆ Event planning and management
- ◆ Development program studies and audits
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- ◆ Staff and volunteer training

2. Recruiting a small committee of volunteers who would serve as a Major Gifts Committee. The members would build and rate a list of major prospects and accept responsibility, as appropriate, to cultivate and be a part of the solicitation of selected prospects;
3. Creating for Board approval:
  - a. A policy for naming facilities and endowment;
  - b. A list of major giving opportunities that includes physically facilities and endowment funds. Each of these major giving opportunities should specify the gift amount necessary for naming.
4. Creating materials for staff members and volunteers to use in promoting and soliciting major donations.
  - a. A commitment form that can be personalized for the donor and includes both opportunities for lifetime and deferred pledges.
  - b. From the internal case statement, design a major gifts booklet to be used specifically with major prospects. The copy would describe the importance of significant giving, list the facilities, programs, and endowment needs, and include naming opportunities.
5. Establishing a major gifts management system to ensure an effective way to identify, qualify, and prioritize the numbers and means of working with prospects. Buck Smith's MOVES program (*See diagram left*) is the one most used because it works. For a copy of the details of the program, email us at [brydon.dewitt@gmail.com](mailto:brydon.dewitt@gmail.com), and we will send it to you.
6. Drafting an action plan especially for the major giving program. The plan should include:
  - a. Specific objectives to be achieved with time frames and deadlines;
  - b. Objectives typically comprise the number of new planned giving commitments, the number of qualified prospects to be identified and included in the MOVES activities, the number of prospects to be solicited for major gifts. Setting dollar goals is not usually realistic, but goals for planned activities can be established.
6. Setting up a reporting system to keep everyone working on major gifts informed on activities and follow up actions recommended.
  - a. Mandatory "Call Reports" should be written and circulated after each planned contact (MOVE). These can easily be created on a word processing form and deposited in a shared folder or distributed by email;
  - b. Set up a tracking form for major prospects that enables an overview of the expected contact, deadlines, results, and next steps.
  - c. Actual experiences interacting with major prospects will let you and your volunteers know whom to remove and to add. Your prospect list will be fluid, not fixed.



## Closing Thoughts

There is always more to building and operating a successful major giving program than can be written in this newsletter. Here, though, are the high points.

1. The major giving program and its foundational policies & procedures must be accepted/approved by the Board;
2. A small cadre of willing volunteers are needed to identify, qualify, engage, and productively solicit prospects;
3. A major prospects management system, with a simple reporting means, must be set up to set goals and track progress;
4. Volunteers must be trained in how to be effective in setting up and asking for the gift;
5. Lifetime and planned giving should both be included in your efforts. This gives more opportunities for donors to achieve their charitable goals;
6. The CEO *must* be an active part of the process.



The 2017 Millwood Institute is in the early planning stages. Once again, it will be held at the beautiful Carter Hall Conference Center in Millwood, VA.

Put October 1-3, 2017 on your calendar and consider enrolling your CEO and Board chair for a one-of-a-kind educational experience. Check the website for details.

<http://millwoodinstitute.org>.

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