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Session Notes  
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How to fundraise for endowment

## 1. Today vs. tomorrow

Smaller organizations may want to focus on their current-use fundraising (general and annual campaigns) before thinking of endowment fundraising. It may also be worth considering if you don't have a planned giving program to look at building this capacity prior to, or in consort to, building for endowment. It is debatable that there could be a threat of cannibalizing your annual fundraising efforts with a new project like endowment, regardless you do not want to hinder your existing programmatic or operational support for this. That being said this should be thought of as a very separate campaign with potentially very targeted prospects.

“The organization should position endowment building as a separate opportunity for donors - and educate them about the role and purpose of the endowment, why operating and other expendable funds are still needed, and the importance of increasing the endowment to provide long-term support for the organization.”

*-Online Article: AFP Member Portal/Association of Fundraising Professionals/Endowment/Overview*

If you are seeing strong fundraising results year over year including a large influx of new donors who you can consistently renew this might be one indication, in addition to the above, that you might be ready to explore endowment.

## 2. The long game

Fundraising for endowment is very different from regular fundraising. The case is simple - give now to allow for impact forever. Give now and this will provide for reliable and sustainable impact tomorrow and for every day after that, most importantly long after that donor has left. There is a real sense of immortality with this kind of contribution. This might be challenging if you are addressing very pressing needs today (sheltering the homeless for example).

Organizations will need to demonstrate various enduring aspects; a consistent need in the case that transcends time, wide reaching aspects of your mission that don't go away once solved, a strong governance model and perhaps a long history of strong balance sheets and fiscal position. Know your impact - what types of outcomes will the donor see in the years to come, even 10 years from now?

### **3. ENDOWMENT DONOR PROFILE:**

The donor motivated to give to endowment will have a focus on legacy building. They will likely have thought deeply about their enduring legacy to their community. They will likely give from a significant asset base and not from their regular income. They may likely have dependants out of the home and taken care of already. They may be motivated by government matching campaigns that leverage this type of giving to charitable organizations - so be ready to speak to that if asked. Ensure the donor can make another contribution at a later time. Loyalty is a good indicator of possible interest in endowment.

### **4. The must haves**

- You are going to need to have a strategic plan in place with long-term goals
- A senior leadership group leading and driving these efforts
- Those volunteers must be able to give to the campaign if they are soliciting support
- You will need board buy in and approval
- You need to be clear on what the endowment will support
- A goal and likely a feasibility study outlining if you can reach that goal - remember that if it is for endowment it will need to have a goal that is a 'game changer' for your organization
- Prospectus or case for support
- A campaign plan
- Strong support from some key people - if you don't have prospects for the top leadership gifts you may not be successful
- The best way to publically launch an endowment is with at least 50% of the goal already raised
- Gift acceptance policies
- Your administration will need to be able to support fundraising by way of pledge agreements and gifts paid over multiple years and perhaps by different method of payment (bequest, stock/securities, etc.)

### **5. The Don'ts**

- Don't fundraise for endowment until you are ready
- Don't publicly make any statements about your campaign until you have done a feasibility study or raised at least 50% of your goal
- Don't assume, always check with your legal and accounting advisors

### **6. Other considerations**

- Donors may want ways to mobilize their network to give - this may mean having capability for individuals to fundraise on your behalf. Do you have turnkey solutions and platforms to enable this kind of giving?

-Do you have a stewardship program and staff resources to be able to report back on progress and the impact of this effort? Donors will expect you to be able to communicate over a long timeframe.

-Keep restrictions to a minimum - start broad and then fine tune and sharpen if that is a requirement by the donor. Find common ground between the donor and your organization - you need to ensure you can protect the organization's mission priorities quite far into the future so there needs to be maximum flexibility.

## **7. Donor visits:**

-Have a goal for every visit

-Ask questions (prepare these in advance)

-LISTEN

-Take notes

-Use visual aids

-Handle objections

-Ask more questions

-Recap follow up items and ensure the donor knows what is next (even if it is making another meeting to discuss further)

***Some helpful references are included.***