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## When is a charity ready to hire a professional fundraiser?

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You are ready to hire a professional fundraiser when the need arises, and board and staff members are ready to support the new fundraiser.

**“The need” is a desire to provide solutions for the community.** As your organization matures, it discovers that its mandate can be better fulfilled if it fundamentally solves problems. These discoveries generally take place during strategic planning exercises. Good strategic plans review what you are currently doing, how you are doing it, and how you can better do what you do.

Not always, but sometimes, you require more money. If the additional money cannot be re-allocated from your budget, you will need to raise it. If you do not have enough manpower within the ranks of your volunteer board and existing staff to raise the money, the solution is to hire a professional fundraiser to help you achieve your goals.

**The translation of your strategic plan into an action plan defines your budget.** Your expenses will reflect your objectives and priorities—what you want to accomplish. Your revenues will reflect how you are going to do it. When you stack up your revenues against your expenses and you have a shortfall, it's time to consider hiring a fundraiser.

Sounds simple doesn't it? It is. However, following a few guidelines will help your organization set realizable/realistic goals for your new fundraising staff member.

### Nine guidelines

**1). Do not make any extraordinary leaps in your fundraising objectives from year-to-year.**

If it's your first year of fundraising, people will not expect to have you knocking you at their doorstep asking for support. Your strategic plan and your budget must reflect this. As they say: “Rome was not built in a day.” If you want to double the size of a program and it calls for double the money, expand the program gradually over a period of years, instead of all at once, if it calls for extra fundraising.

*(The next five guidelines relate to budgeting for fundraising)*

**2). Generally, if you are raising money for operating programs and services, budget on a 75/25 return on your investment.**

In other words, if you want to raise an additional \$100,000, budget a minimum of \$25,000 for fundraising. If you have never raised money in a concerted way before, count on spending up to \$50,000 or more. Why?

**3). Your first year of fundraising will be your least efficient.**

To raise considerable sums you need a large number of donors. Acquiring new donors is an expensive proposition. If you are using **direct-mail** for example, the first year will be a break-even situation. It's in the second, third year and fourth year that it will pay off. That's when donors become accustomed to you and will feel confident in giving you more.

**4). Special events are a good means of raising money.**

However, count on having to spend at least \$0.35 to raise a dollar through a special event. If it's a first time event, count on having to spend even more, around \$0.50 to raise a dollar. Special events will also help you build a donor base so don't think of it as a one time outcome.

**5). Planned giving and major gifts rarely ever pay off until about the third year of its operation.**

It is not recommended until you have been steadfastly fundraising for at least five years. Generally that's when your number of donors has increased substantially and you can begin nurturing sizable gifts from some of them. Planned giving is based on trusting relationships and it takes years to develop them.

**6). Capital campaigns, campaigns "for bricks and mortar" or for endowments, almost always need the assistance of a professional fundraiser.**

Such campaigns are complex. They require prospect research, preparation of case statements, volunteer recruitment and training, donor tracking and pledge-collection systems, major gift expertise, knowledge of sequential giving, superior understanding of the philanthropic marketplace, and advanced communication skills. Generally, an organization needs to budget between 7% and 10% of its capital campaign fundraising goal to achieve objective. This includes staff costs, donor recognition systems, launch event costs, printing, travel expenses and a feasibility study.

*Often, organizations hire fundraisers and think that their financial woes will be over. With a fundraising staff member working daily, your organization will be able to raise the needed money to support programs and services of your agency. Right? Not necessarily...*

**7). No matter how well versed your new fundraiser is, he/she will need tools, information and a base of operations to succeed.**

First and foremost, this will include support. He/she cannot do it alone. An organization cannot simply say: "Well, we've hired fundraiser, it all up to him or her". Whose responsibility is to raise money anyway? It's everyone's. Your new fundraiser will need to support of the board and other staff to accomplish fundraising objectives. This support must be active and constant.

**8). Board members are instrumental in helping to raise money.**

Fundraising cannot be done effectively without them.

The professional fundraiser acts like a quarterback on a football team: he/she will sees the entire field of operation, is usually in the best position to direct board members in their approaches and will ensure that all appeals are coordinated and none are duplicated. Here's how board members can help:

- Help identify prospective supporters
- Make telephone calls to key prospects to open doors for the fundraiser to visit them and ask for support
- Better still, accompany the fundraiser in making a key appeal for support – especially if it's one of your own contacts
- Report back to the fundraiser any new opportunity for fundraising and report progress you are making with their assignments to either introduce the charity or increase their support.
- Board members must know, advance and promote the cause wherever possible

### **9). Here's how fellow staff can help:**

- Like board members, all staff must also know and advance the cause everywhere.
- Staff members also have contacts. You too can help identify prospects, make introductory calls, and accompany the fundraiser on appeals.
- For special events and special blitzes, all staff need to pitch in.
- Above all, fellow staff must support the fundraiser and the fundraising program by adopting a helpful positive attitude

If, after studying the above nine guidelines, you can positively answer that your need for a professional is real, you have realistic expectations, and you're prepared to support this new staff member, you are ready to proceed. Hire one.

### **Acknowledgement**

This article was written by Roger Breault, MCS, CFRE; 2006

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