

Fundraising Strategies Making Major Donor Events Work

Successful major gift fundraising demands a strategic cultivation plan. Increasingly, nonprofits are turning to premier, multi-day events for their major and mega donors.

These two- and three-day events go far beyond the typical banquet, gala or golf event. They bring together donors who have the inclination — and capacity — to make game-changing gifts.

Consider the case of a faith-based nonprofit that funds life-changing medical care for children and families. Over the past five years, this mid-size organization has hosted five major donor weekends and one mid-level donor event. Couples are invited to an upscale desert or ocean-side location, where they are treated to top-name Christian artists, distinguished speakers and plenty of value-added programming. They meet and mingle with executive leadership and staff, and enjoy compelling stories and video presentations from field staff.

Just as important, they enjoy abundant opportunities for free time and fellowship with like-minded individuals. Attendees are then presented with a “portfolio” of high-level giving opportunities and invited to participate in the organization’s work via a strategic “ask.” These major donor weekends have generated some \$16 million in revenue for the organization at an overall expenditure of approximately \$2.5 million. Just as important, the events have turned into a substantial

major donor cultivation tool. At the nonprofit’s most recent event, 45 percent of the attendees were new to the organization.

Bob Westfall, CEO for the Atlanta-based Westfall Group (westfallgroup.net), has extensive experience in planning and executing successful major donor weekends. Here, Westfall shares answers to some of the most commonly asked questions about hosting a successful, high-impact event:

Q Why does this type of event work so well?

A The main reason is that major and mega donors’ inclination to give increases proportionately with their sense of passion and alignment with the mission and vision of the organization. These weekends allow them to deepen that sense of connection. Another compelling factor is that major givers often want to feel part of a unique giving community. They enjoy giving in the context of “communities of participation,” where they are joining like-minded individuals who share their passions and concerns.

Q What kind of ROI can be expected?

A Return on investment typically ranges from between three-to-one and seven-to-one. Occasionally, it is much



higher, but the average is five-to-one. The rate of giving is usually more than 70 percent of individuals, and the fulfillment rate is typically well over 90 percent.

Q What will it cost?

A Hosting a top-quality event can entail fairly significant expenditures. The organization generally pays for the entire weekend, apart from travel expenses for those invited. Of course, the final cost depends on the number of guests, the venue and whether it is a two- or three-day event. But typically, a major donor weekend can run in the range of \$300,000 to \$400,000.

Q Where should the event be held?

A We advise selecting a high-quality venue, typically a five-star resort in

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The Importance of Honoring Donor Intent

Gift restrictions have always been a component of charitable giving. A donor designates or “restricts” how the receiving organization can use the donated funds or property — whether it’s to fund a university scholarship or construct a new wing at an arts center.

When a donor makes a restricted gift, the recipient is legally bound to follow the conditions of the gift. As you’ll see in the cases that follow, courts can order a nonprofit to return a gift — and pay additional damages — if the nonprofit changes the use of the gift without the donor’s consent.

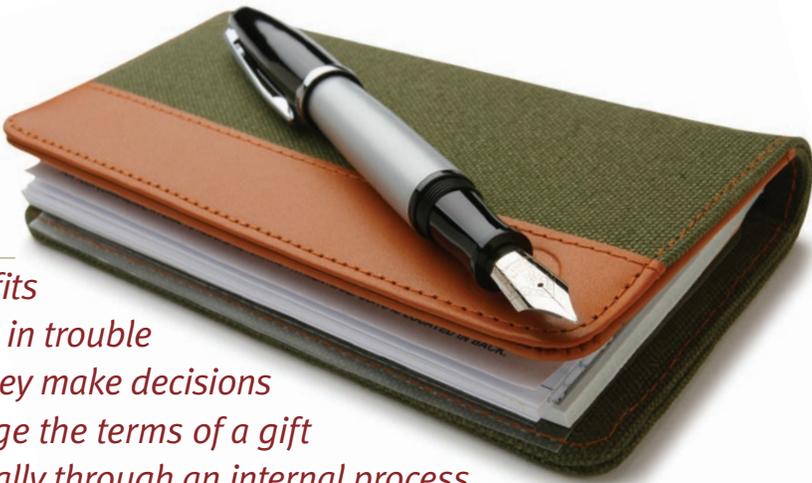
CASE 1: A Gift Bites Back

A New Jersey appeals court recently ordered an animal shelter to return a \$50,000 gift made by a Princeton couple for the express purpose of constructing an area for larger dogs and older cats whose adoption prospects are limited. Before construction could begin, the shelter merged with another animal welfare group and decided to build a new shelter in a nearby county at roughly half the size.

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While a trustee testified that the new shelter would “absolutely” have rooms for large dogs and older cats, the court ruled that the nonprofit had courted the long-time supporters with a campaign that specifically included the two rooms and a naming opportunity. The court wrote, “To be clear, the record shows that the defendant (1) decided to construct a substantially smaller facility; (2) outside the Princeton area; (3) without any specifically designated rooms for large dogs and older cats; and (4) without any mention of plaintiffs’ names.”

In its defense, the group’s Executive Director stressed that it never intended



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to not fulfill the donors’ desire to care for large dogs and aging cats — and that it was simply taking advantage of the offer for a piece of property in a neighboring township. Yet, in the end, the court ruled that the nonprofit had breached its fiduciary duty by opting to disregard the plaintiff’s conditions.

CASE 2: Friends in Low Places

Country music superstar Garth Brooks was awarded \$1 million in 2012 by an Oklahoma jury that found a hospital had defaulted on an oral agreement to construct and name a women’s center after the singer-songwriter’s late mother. In court, Brooks contended that he had several meetings with the hospital’s president in which they discussed the \$500,000 donation. The hospital claimed that the gift was unrestricted and that only after the donation was made did Brooks state specifically how he wanted the funds to be used.

Brooks claimed that the hospital’s president suggested the gift be used to construct a women’s center and that he made the donation for the sole purpose of constructing such a center to honor his mother. Even though the agreement was never made in writing, the jury eventually found in favor of Brooks — awarding him punitive

damages of \$500,000 in addition to the return of the \$500,000 donation.

How NFPs Get in Trouble

There are some common triggers that prompt lawsuits over donor intent. Most notable is the lack of a written agreement, so head off issues by documenting all gift agreements. At the same time, educate donors about the consequences and challenges of making restricted gifts and provide them with some alternatives to narrowly defined gifts.

Another common problem is charities opting to keep the donor out of discussions when deciding to change the terms of a gift. Nonprofits wind up in trouble when they make these decisions unilaterally through an internal process that does not involve the donors and/or their descendants (or the courts).

The reality is that donors are often very willing to negotiate the terms of their gifts to suit the ever-changing needs of the institutions they value enough to give to in the first place. The key is clear and open communication. ■

Contact our office for guidance on drafting and implementing an effective gift-acceptance policy.

Planning Successful Major Donor Events

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a significant destination. Often, it has to do with sand — whether that's the beach or the desert. We typically try to avoid venues that are primarily golf destinations and focus on sunny places where couples can spend quality time together.

Q How many people should be invited?

A Typically, you'll need to invite as many as eight to 10 times the number of guests you wish to attend in order to get a 10 to 20 percent response. So, you would invite 300 to 400 folks to wind up with 35 to 50 couples, which is an ideal size because it has critical intimacy without becoming too large.

Q Who should attend?

A Using wealth analysis, predictive modeling and other analytic techniques, the goal is to identify donors and prospects who have the capacity

to make transformational gifts. That said, we try to get a cross section of different age groups and income levels, as well as a blend of those who already have a deep level of commitment to the work — and those who have a moderate level of commitment or are brand new to the organization.

Q What should be said?

A Strategic, compelling messaging is at the heart of a successful major donor event. We use first-person accounts and powerful video stories that speak to both the hearts and minds of attendees. It is also important to speak to the long-term transformational potential of major gifts. While they do dive deep into content, these events should also provide a substantial amount of “value time” with keynote speakers, music and programs that provide value for the guests. This includes time for building relationships with the lead-



ership of the organization as well as among peers and other attendees.

Q What kinds of results can be expected?

A Dollars raised at this type of event exceed the costs, usually by an average of five to one. Sharing your story and creating a powerful experience over a weekend tends to produce a very high conversion rate of non-donors to donors — and an increase of donors to higher levels of gifting. Existing donors who come to this type of event often upgrade their level of giving by 200 to 300 percent. ■

Our experienced professionals can provide valuable insight into major and mega donor cultivation. Contact our office today to set up a time to talk.

Guidelines for Restricted Gifts

There are plenty of reasons nonprofits find themselves needing to change the terms of a restricted gift. It could be that the gift's initial purpose no longer supports your mission. Or, perhaps the cost of administering the gift now outweighs its charitable benefit. Whatever the case, altering the terms of a restricted gift can be much easier if a few basics steps are taken first:

- **Get it in writing.** Avoid the legal “he-said-she-said” with a written gift agreement stating that the gift is irrevocable, detailing the expectations of the parties, and stating any specific restrictions. The document should also designate who is authorized to make changes to the gift purpose, as well as the types of changes that can be made without court or donor

approval. Likewise, if the gift comes with no restrictions, be sure to expressly communicate that in the written agreement, including verbiage that the gift can be used at the nonprofit's discretion.

- **Educate donors.** Make sure that donors understand that restricted gifts can have unintended consequences. For example, impractical restrictions could cause funds to sit idle for long periods of time if gift restrictions cannot be honored. In the worst case, funds that would otherwise be spent on charitable purposes must be spent on legal fees and court proceedings.
- **Build in some flexibility.** Encourage the use of nonbinding language

in your written gift agreement. So-called “precatory” language will enable the nonprofit to apply the funds to the intended purpose, if possible. Yet it also provides the flexibility to use the funds for other charitable purposes if it is not possible to apply the funds to the originally intended purpose. Another approach is to have donors establish upfront a contingent purpose for their gifts if it's not possible to apply the funds to the donor's primary purpose.

- **Review current gift agreements.** Sit down with existing donors to review and revise any restricted gift agreements. You'll find it much easier to devise solutions or alternatives with a living donor than to struggle with the donor's heirs over restrictions. ■

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5 Tips for Finding (and Keeping) Effective Volunteers

No pay. No promotions. No benefits. It can be tough to attract (and retain) good volunteers. Consider these tips for building a loyal corps of volunteers for your nonprofit:

1) Appeal to their needs (not your own). People volunteer for a variety of reasons — for new experiences, to build their social network, to develop a new skill or just to feel needed. Ask volunteers at the outset what they'd like to get from their experience, and look for ways to satisfy that.

2) Make it easy to volunteer. Organize your volunteer opportunities into small, easily accomplished tasks with clear starting and ending points.

Vary the time slots so that people can choose dates and times that work for them. And provide a variety of tasks, including some that require working in a group and some that allow people to work alone.

3) Let them dip their toes in the water. Provide one-time, one-day opportunities for volunteers to get a feel for your organization — and help them get over their initial fear of commitment.

4) Invest in a volunteer coordinator. With a designated volunteer coordinator, you can build your organization's capacity to effectively utilize volunteers. Among other things, your

volunteer coordinator can create volunteer position descriptions, design procedures for meeting with potential volunteers, and establish training and recognition programs.

5) Put the Internet to work. Finally, tap into some of the programs and services that help recruit and place volunteers, including:

- **Network for Good**
<http://networkforgood.org>
- **Idealist**
<http://idealist.org>
- **Volunteer Match**
<http://volunteermatch.org>
- **Volunteer Center**
<http://volunteercenter.com> ■



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