



AMERICAN PHILANTHROPIC  
STRENGTHENING CIVIL SOCIETY

# SPECIAL LEISURE SERVICES FOUNDATION

*2018-2020 Strategic Development Plan*

Prepared by American Philanthropic

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## TABLE OF CONTENTS

INTRODUCTION .....	3
LANDMARK GOAL AND CORE STRATEGY SUMMARY .....	4
CORE STRATEGIES.....	6
<i>Core Strategy 1: Increase Time on Task</i> .....	6
<i>Core Strategy 2: Build a Major Gifts Program</i> .....	8
<i>Core Strategy 3: Systematize Foundations Program</i> .....	10
<i>Core Strategy 4: Improve and Expand Direct Mail</i> .....	13
<i>Core Strategy 5: Launch a Planned Giving Program</i> .....	16
APPENDIX .....	18

## INTRODUCTION

Special Leisure Services Foundation (SLSF) contracted with American Philanthropic, LLC, in January 2017 to develop a strategic development plan. The goal of this plan is to guide the organization over the years 2018-2020 in growing its annual organizational budget to \$800,000<sup>1</sup> by the end of 2020. This budgetary increase—representing roughly 60% growth over that period—would enable SLSF to meet growing program budget demands for the Northwest Special Recreation Association (NWSRA).

The planning process took into account the organization's present situation, as well as its future goals. SLSF's leadership has demonstrated a strong commitment to the planning process and is resolved to make the necessary investments of time and resources to put the plan into practice.

After a careful review and assessment of SLSF's historical development activities, performance, and current status, an in-person planning meeting was held at SLSF's offices on February 9, 2017 to discuss initial findings and recommendations. That session was attended by Tracey Crawford, Nanette Sowa, Cathy Splett, and Brian Selders of SLSF and Matt Gerken and Eduardo Andino of American Philanthropic. An overview of the situation analysis findings and core strategies of the plan was presented to the SLSF board at a meeting on March 21, 2017.

The following plan reflects the goals and strategies discussed during the meeting and focuses in particular on increasing SLSF's capacity for high-yield development activities. With just a modest increase in per-hour development efficiency and the addition of a new full time staff member, SLSF should be in a position to achieve its goal of raising \$800,000 per year by the end of 2020. Accomplishing this goal will require an upfront investment of time and resources, but if executed well, it will bear long-term fruit including a wider and more diverse base of funders and continually increasing fundraising revenue.

This plan will be reviewed and approved by SLSF leadership on a quarterly basis and updated as necessary.

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<sup>1</sup> Throughout this plan, yearly budget goals reflect total *dollars* raised, excluding the value of in-kind donations. This is not to discredit in-kind donations, which are crucial for SLSF's success, but rather to reflect the growing concrete dollar amounts that NWSRA will need from SLSF between 2018-2020.

## LANDMARK GOAL AND CORE STRATEGY SUMMARY

This strategic development plan centers on the following *landmark goal*, which serves as the plan's organizing and driving principle.

*By the end of 2020, Special Leisure Services Foundation will grow its annual organizational budget to \$800,000 in order to provide NWSRA with a larger programs budget and offer recreational activities to its program participants.*

In order to achieve this landmark goal, this plan recommends SLSF undertake the following *core development strategies*:

### CORE STRATEGY 1: INCREASE TIME ON TASK

Hire a new staff member to manage the majority of direct event-related tasks, in order to free up more institutional time for major gifts and foundation fundraising strategies.

### CORE STRATEGY 2: BUILD A MAJOR GIFTS PROGRAM

Build a major gifts program by devoting more time to personal cultivation of potential major donors, creating a robust moves management system, and updating donor messaging to be more personal and donor-centric, rather than transactional and organization-centric.

### CORE STRATEGY 3: SYSTEMATIZE FOUNDATIONS PROGRAM

Build up a systematic, strategic foundation solicitation program that includes regular prospect research, a steady pipeline of new foundation prospects, general operations and specialized proposal and letter templates, and moves management and deadline tracking systems.

### CORE STRATEGY 4: IMPROVE AND EXPAND DIRECT MAIL

Restructure current direct mail (annual appeal) program, bringing it in line with industry standards, and experimenting with strategic prospect mailing to acquire new donors.

### CORE STRATEGY 5: LAUNCH A PLANNED GIVING PROGRAM

Establish a basic planned giving program, alerting parents, grandparents, volunteers, and donors to the possibility of including SLSF in their legacy plans, while recognizing those that have already done so.

The following table summarizes *key metric benchmarks*, measurable indicators of SLSF's success in implementing the above core strategies.

<i>Key Development Plan Objectives</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Total \$ raised <sup>2</sup>	\$ 550,000	\$ 650,000	\$ 800,000
# high-dollar (\$1K+) prospects approached	62	69	117
# new foundation prospects approached	25	45	80
# meetings with current donors	56	117	155
# meetings with current foundation supporters	15	19	25
# meetings with prospective foundations	3	7	10
# housefile (appeal) mailings	4	4	4
# prospect mailings	2	2	2
# planned gifts (pledged or received)	0	1	2

This strategic development plan is also accompanied by a *gift table* for each of the fiscal years covered by the plan. The purpose of the table is to offer fundraising benchmarks by revenue source to ensure that SLSF is staying on pace with its yearly fundraising goals. It is also accompanied by a *task matrix* that maps the plan's tasks over the plan's timeframe in a visually useful format. These tools are intended to be working documents and functional reference points for staff and/or contractors involved in the implementation of the plan. These documents—and the plan itself—should be reviewed at least on a quarterly basis and updated as needed.

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<sup>2</sup> See footnote 1 above.

## CORE STRATEGIES

### CORE STRATEGY 1: TIME ON TASK

*Hire a new staff member to manage the majority of direct event-related tasks, in order to free up more institutional time for major gifts and foundation fundraising strategies.*

**Status:** As mentioned above, SLSF currently devotes most of its development staff hours to events, preventing it from concentrating on higher-yield fundraising strategies. In order for SLSF to meet its 2018-2020 goals, it will have to invest time in these higher-yield strategies. SLSF's events are an integral part of the organization's culture, providing a vital pipeline of potential donors and bringing the community of participants and supporters together. Rather than cutting back on events for the sake of greater fundraising efficiency, SLSF should find a new staff member who can take on the majority of back-office event tasks, freeing up current development staff to carry out higher value strategies such as major gift and foundation fundraising.

**Strategy Notes:** To build up a large major donor pool, SLSF will need to focus not only on donor acquisition, but donor cultivation. Having Nanette and Cathy free to research, follow up with, and develop relationships with major individual and foundation donors will be indispensable for meeting fundraising goals, and for success even beyond the timeframe set for this strategic plan. Relationship building is time consuming, requiring lots of conversations, meetings, and follow-up. Nanette and Cathy will need to be as focused as possible on these tasks. The more distracted they are by events, the more likely that simple tasks and potential opportunities will fall through the cracks, risking relationships with major donors. Outsourcing as much of the back-office work related to events as possible needs to be a top priority. As such, hiring an Events Coordinator and getting them trained as soon as possible will be key. If it is possible to hire one and get them trained before the beginning of 2018, it will go a long way in allowing the plan to unfold as desired.

#### **Key Tasks:**

- Hire a new staff member to take on event management. *While this plan covers the years 2018-2020, it is advisable to do this as soon as possible in 2017 in order to begin training the new staff member and transitioning Nanette and Cathy to (near) full-time major donor and foundation work by the beginning of 2018.*
  - Prepare job description.
    - Consider skills needed for the position and describe the ideal candidate.
    - Write a public-facing description of no more than three paragraphs describing the nature of the position and work, as well as the ideal candidate and any other requirements. Describe how interested applicants should apply.
    - Post job description in local and online venues, on the SLSF and NWSRA websites, and on LinkedIn. Email the job description to all NWSRA and SLSF contacts.
    - Consider internal applicants, if applicable.

- Field resumes and conduct interviews, as necessary, focusing not only skill level and cultural fit but also a passion for the mission of SLSF.
- Negotiate contract and hire Events Coordinator.
- Train staff member to handle new responsibilities.
  - Develop a timeline for transfer of responsibilities from Nanette and Cathy to new Events Coordinator.
    - Regularly schedule times for Nanette and Cathy to sit with new Events Coordinator and explain tasks, review performance, and discuss issues and questions.
    - Over the course of the first six weeks, have new employee shadow Nanette and Cathy as they take care of events-related tasks, make phone calls and secure deals for event sponsorships, visit sponsors, etc. SLSF should strive to make the implicit knowledge they have from years of running the events into explicit sets of procedures and instructions that the Events Coordinator can easily follow.
    - After six weeks, switch roles: allow new employee to take charge of activities with Nanette and Cathy shadowing, answering questions, and being at-hand to help, as necessary.
    - After another six weeks, begin to diminish Nanette and Cathy's participation in events, while remaining available to new employee to answer questions.
    - After six months, reduce Nanette and Cathy's time spent on events to approximately one day per week, each (or 16 hours per week combined).
    - By April 2018, ensure that Nanette and Cathy are spending only about 10% of their time on events, and on the highest-value tasks related to the events, such as bringing in major sponsors or recognizing donors at the event.
  - Provide Events Coordinator with necessary training/exposure.
    - Offer Events Coordinator opportunities for professional development and if possible the ability to grow in their position and responsibilities over time.

## CORE STRATEGY 2: MAJOR GIFTS PROGRAM

***Build a major gifts program by devoting more time to personal cultivation of potential major donors, creating a robust moves management system, and updating donor messaging to be more personal and donor-centric, rather than transactional and organization-centric.***

**Status:** SLSF currently lacks staff time to cultivate individual donors. An effective major gifts program will require time to both research and meet with potential major donors. However, SLSF has a sizeable pool of current donors, event attendees, participant families, etc. to start its search for major gifts.

**Strategy Notes:** In this search for major donors, SLSF should focus specifically on moving current donors, sponsors, and participant families to the \$1,000+ gift size range. This effort will be aided by the creation of a moves management system to help SLSF staff track and remember previous interactions with, current goals for, and future meetings with major donors and prospects. SLSF will also be increasingly bold in making explicit asks, and shifting to a donor-centric, personal, and mission-focused pitch over an organization-centric, transactional, and need-focused pitch.

### ***Key Tasks:***

- Establish a pipeline of research on both new and prospective major donors to prepare for donor meetings.
  - Invest in a wealth research tool such as Wealth Engine or iWave (or invest in an outside contractor to conduct donor research and wealth screenings).
    - Research potential wealth screening and research tools (including an outside contractor).
    - Create a shortlist of options, weighing the benefits of each system.
    - Decide on a system and invest.
  - Begin to build a database designed to store intel on the donors with whom SLSF will seek to carry out donor meetings.
    - Assess the ability of SLSF's current database system to successfully store a variety of donor-related information, including background information, giving history, net worth, contact info, and call and meeting notes.
    - Decide whether SLSF needs to invest in a new database system.
    - Research potential database options such as Salesforce or DonorPerfect (if applicable).
    - Begin using new database and train all SLSF on using it adequately (if applicable).
  - Carry out research on current and prospective donors that SLSF is aware of.
    - Take SLSF's current database of donors, families, and event attendees and conduct a wealth screening to determine net worth and five year giving capacity.
    - Perform due diligence research of publicly available information on those



- donors with the highest giving to SLSF, most frequent giving, greatest longevity of giving and (especially in the case of prospects) highest net worth and highest frequency of event attendance.
  - Every three months, or as needed, review and research new entries into SLSF's database to assess whether they would be good donor prospects.
- In addition to researching event attendees and others within SLSF's sphere of activities, spend time seeking new major donor prospects who would be attracted to supporting SLSF because of its mission.
  - Task outside contractor or staff member with regularly providing prospect profiles.
  - Research other local nonprofit organizations or organizations with similar or comparable missions.
  - Review their annual reports for their top donors, research those donors, and determine which may be good prospects for SLSF.
- Build out an infrastructure for a successful major donor meeting program.
  - Build a moves-management system that can track past interactions, goals, and next steps with each prospect or donor.
    - Either within SLSF's database or on a separate excel sheet, lay out those donors who SLSF will prioritize for meetings.
    - Create tabs for basic information, next and last moves, goals, and notes.
- Secure meetings with current and prospective major donors.
  - Draft template meeting request letters, emails, and phone call scripts for current and prospective donors.
  - Prioritize current donors and donor prospects for meeting outreach.
    - Create a system of prioritization based on donor longevity, frequency of giving, gift size, and net worth.
    - Establish conditions for varying levels of priority.
    - Rank donors and donor prospects into three priority categories for meetings (high priority—meeting necessary, medium priority—meeting if time permits, and low priority—cultivate through other means).
  - Reach out systematically to highest priority donors and prospects.
    - Call or e-mail top priority donors, requesting the opportunity to meet with them.
    - Bring collateral materials to share with donors.
    - Use some meetings to make an ask, some to build relationships. An ideal ratio is two meetings (or phone calls) without an ask for every meeting or call with an ask.
    - Thank donors with a hand-written thank you note sent the day after the meeting.

## CORE STRATEGY 3: FOUNDATIONS PROGRAM

***Build up a systematic, strategic foundation solicitation program that includes regular prospect research, a steady pipeline of new foundation prospects, general operations and specialized proposal and letter templates, and moves management and deadline tracking systems.***

**Status:** SLSF currently only has about 16 hours a week to devote to foundation solicitation. It has done well with the time it has, but devoting a full 40 hours a week (or close to it) is key to expanding its base of foundation support. SLSF has been supported predominantly by a handful of foundations, many of which renew their giving on a yearly basis. According to American Philanthropic's research, there are approximately 195 grantmaking foundations in the municipal areas served by NWSRA, and many more in the Chicago metro area that would be worth pursuing.

**Strategy Notes:** In addition to renewing (and possibly upgrading) current foundation supporters, SLSF will devote time to researching, soliciting, and acquiring new foundation supporters. SLSF will build up a database of local foundations that are good matches and begin to systematically initiate relationships with them. These efforts will be aided by the updating of proposal and letter templates as needed, and the creation of a moves management and deadline tracking system to keep track of past interactions with, current goals for, and future meetings with foundations.

### ***Key Tasks:***

- Review current foundation program:
  - Look over current foundation solicitation materials and revise as necessary to reflect a donor-centric, mission-oriented, and personal request.
    - Prepare updated templates of general operations letter of inquiry and grant proposal.
    - Prepare at least three updated templates of specialized program letters of inquiry and grant proposals, as they become necessary to suit foundation requirements.
  - Assess current foundation relationships.
    - Review each current foundation relationship and assess likelihood of a. renewal of current grant level and b. upgrade of gift size.
- Create moves-management system for foundation program.
  - Create a dashboard or Excel sheet of current and prospective foundation supporters, complete with basic information, application due dates, date of last meeting, date of next meeting, latest communication, goals, and notes.
    - Review and update this tracking sheet at least monthly.
- Build up a pipeline of potential foundation grantees.
  - Consistently complete foundation prospect research.
    - Task staff member or outside contractor with foundation prospect research.

- Invest in a subscription to Foundation Directory and train staff member on use, if research is to be completed in house.
- Using a foundation database or search engine, identify foundations based in the districts where SLSF operates.
- Research whether these foundations would be a good match for SLSF by visiting their websites or looking at their 990s (the latter are available through Foundation Directory or a free subscription to Guidestar).
- Identify wider Chicago-area prospects that may have an affinity for SLSF's mission.
- Add all new foundation prospects to tracking sheet.
- Formulate a “next move” with each (usually meeting request letter or call, since relationships are key with foundations), as well as a gift goal (based on their average gift size on their 990), adding this information to the tracking sheet.
- Maintain good relationships with existing foundation funders.
  - Incorporate current funders into tracking sheet, including their key dates and deadlines.
  - Add key dates (such as inquiry, application, and reporting deadlines) for 2018-2020 to development calendar.
  - Include current foundation funders on non-solicitation mailings and event invitations.
  - Attempt to meet with foundation contact annually or more, as SLSF has been doing.
    - Review contact history with each current funder to determine if and when last meetings have taken place. Prioritize those that have never been met with or not met with recently and set engagement strategy.
    - Review and re-strategize approach with current contacts, as necessary.
    - Begin executing foundation meeting strategies as outlined in tracking sheet.
  - Develop and execute re-approach strategies for all lapsed funders.
    - Incorporate lapsed funders and other past prospects into tracking sheet.
    - Develop re-approach strategies with target dates.
- Begin approaching new foundations.
  - Establish contact.
    - Starting with the foundations researched and added to the tracking sheet, utilize meeting request letters and phone calls to establish contact with foundation prospects.
    - Request meetings with foundations and at meetings request permission to submit a proposal; consider inviting foundation representatives to events and recognizing them in that context.
    - Research board members and trustees of foundations (information available on 990) and determine whether SLSF has existing connections.
    - Leverage board and trustee connections, sometimes “approaching” the foundation through a board member to increase chances of support and receive insider advice on how to apply, how much to request, etc.

- Be persistent in attempting to establish contact, as foundations can often be busy or hard to reach—persistence pays off. Frequently, it will take an initial letter and three or more phone calls or emails to establish contact and receive a satisfactory response.
- Consider sending invitations to events to local foundation addresses as appropriate.
- Consistently send letters of inquiry, or proposals as appropriate, when an initial meeting or phone call is not possible, or after a successful meeting.
  - Follow up a week after sending letter of inquiry or proposal to ensure that the foundation has received SLSF's materials.
  - Continue to follow up consistently until contact can be established.
  - In the case of a successful meeting, promptly submit a proposal or application.
  - In the case of rejection, thank the foundation and let them know that you will be including them on your newsletter so that they can stay abreast of developments.
  - Try again with rejections after 6-12 months.
  - From the beginning of the process, be sure to follow all foundation directives about how and when to apply, which may be found online or on the foundation's tax filings.

## CORE STRATEGY 4: DIRECT MAIL

***Restructure current direct mail (annual appeal) program, bringing it in line with industry standards, and experimenting with strategic prospect mailing to acquire new donors.***

**Status:** Presently, SLSF sends out a spring and end of year appeal. These letters do very well from the point of view of response rates and return on cost. However, many organizations go into the mail more frequently, sending at least quarterly appeals. SLSF sends out many non-solicitation letters already, meaning that it is in a good position to even out the ratio of ask to non-ask correspondence. Moreover, SLSF's appeals lack some of the standard practices that contribute to a strong appeal, including an explicit ask, a personalized address, and a longer message. SLSF also does not currently undertake prospect mailing to acquire new donors and grow its file.

**Strategy Notes:** There will be three priorities for SLSF as it seeks to restructure its direct mail program: 1. Mail an explicit ask quarterly; 2. Experiment with different approaches in appeals (i.e., test longer letters vs. postcards); 3. Carry out some prospect mailing to see if it can become a reliable source of new donors over time. This will require a significant investment in time on task for writing and designing letters and coordinating with printers for delivery. It will also require additional investments in printing and postage costs.

### ***Key Tasks:***

- Establish a quarterly housefile mailing program.
  - Reform current appeal program.
    - Begin writing longer (2-4 page) solicitation letters, testing the longer letter against the shorter postcard by constituency (i.e., parents, supporters, etc.).
    - Always make an explicit ask in your letters.
    - Try to reduce the ratio of non-solicitation mailings to roughly 1 solicitation to 1-2 non-solicitations.
    - Simplify SLSF's solicitation package, using a plain envelope with address information printed on the front.
    - Continuously check messaging in mail appeals to ensure that it is personal, mission-oriented, and donor-centric.
  - Establish a mailing schedule:
    - January 20, 2018: Begin preparing spring appeal.
    - March 15, 2018: Put spring appeal in the mail.
    - April 20, 2018: Begin preparing summer appeal.
    - June 1, 2018: Put summer appeal in the mail.
    - July 20, 2018: Begin preparing fall appeal.
    - September 15, 2018: Put fall appeal in the mail.
    - September 20, 2018: Begin preparing end of year appeal.

- October 1: Begin preparing brief non-solicitation update letter.
- October 20: Send brief non-solicitation update letter to housefile.
- November 20: Put end of year appeal in the mail.
- December 20: Consider sending a reminder postcard for the end of year appeal that will land right before Dec. 31.
- Repeat mailing schedule yearly, adjusting as necessary.
- Accompany each appeal with an e-campaign (end of year e-campaign should be the largest).
  - Spring through fall campaigns should be 3-5 e-mails, the first introducing a campaign goal (a concrete amount, i.e., \$5,000) with a “soft ask,” the second to last making a hard ask, and the last letting everyone know that the campaign is over and that you met X% of the goal (while still offering a donate button so that people can give after the campaign).
  - The end of year appeal should be similar, building up to an ask over 10 days with 5 to 7 e-mails and an explicit goal.
  - Carry out a Giving Tuesday campaign or a “last minute” campaign, offering donors the opportunity to donate one last time for a charitable donation within the fiscal year. Set a campaign goal along with 4-6 emails.
- Follow up:
  - Thank all donors who give through the appeals, following a set system for which level of donors are recognized in what ways.
  - Research all donors who give through appeal letters and select the highest ranking (highest net worth, longest giving history, largest gift, and greatest frequency of giving) among them for meeting requests.
- Experiment with prospect mailings.
  - Discuss potential approaches to prospect mailing including:
    - Renting or exchanging lists with like-minded or local organizations.
    - Renting ZIP code or geographic area lists from the post office based on high-net worth areas of NWSRA’s service region.
  - Prepare prospect mailings.
    - Test a 6-8 page letter introducing potential donors to SLSF.
    - Create a one-page reply form, business reply envelope (with the post office), invest in nonprofit postage (with post office, if not done already), and consider possible inserts for the letter (i.e., an SLSF magnet).
    - Test the results from a 9x12 envelope versus a half sheet 6x9 envelope. Postage costs will be greater for the 9x12, but we often see better results from the larger package.
    - Coordinate with list brokers to acquire mailing lists.
    - Find a printer to handle production, stamping, and sending of letters.
    - Create a tracking sheet that records the effectiveness of each mailing, broken down by lists used or package specs tested.

- Establish a direct mail prospecting schedule, dropping approximately twice per year and scaling up to three or four drops per year if initial results are promising in year one and year two.
  - January 5, 2018: Begin preparing first prospecting piece.
  - February 20, 2018: Drop first prospecting piece.
  - August 1, 2018: Begin preparing second prospecting piece.
  - October 1, 2018: Drop first prospecting piece.
- Create and organized system of mailing evaluation and record keeping
  - Continue to track results of each appeal letter, including results of split tests (i.e., longer letter v. postcard).
  - Track results of prospecting attempts, seeing which methods of direct mail prospecting yield the best results.
  - Make sure that the database is equipped to track individual donor giving over time.

## CORE STRATEGY 5: PLANNED GIVING

*Establish a basic planned giving program that alerts parents, grandparents, volunteers, and donors to the possibility of including SLSF in their legacy plans, while recognizing those that have already done so.*

**Status:** Currently, SLSF has no planned giving program in place. However, given the nature of its work, it has potential to make huge returns over time by publicizing its ability to receive planned gifts. Because so many parents and grandparents are involved in the life of the organization, making an appeal to family that they can make SLSF part of their legacy could be a relatively high-yield fundraising strategy with relatively little investment in time and money (though patience will be required!).

**Strategy Notes:** Implementing a basic planned giving program is not time-consuming or complex if done correctly and consistently over time. All it requires is letting people know that SLSF accepts planned gifts, and offering them the opportunity to make SLSF part of their legacy. To make this pitch successful, SLSF will want to focus on what sort of legacy people want to leave when they pass away. SLSF's programs, which directly contribute to the happiness and thriving of disabled friends and family members, are a very worthy candidate for a planned gift. A successful planned giving program for SLSF will not require many hard "sells," but rather lots of time building relationships with potential donors. Planned gifts will flow naturally out of other strategies that establish these relationships, particularly meetings with major donors.

### **Key Tasks:**

- Create planned giving society.
  - Come up with a name, stock language, and benefits for SLSF's planned giving society members.
    - Review other examples of planned giving programs for nonprofits.
    - Brainstorm a name for the planned giving society, possibly invoking the founder of NWSRA/SLSF.
    - Write a short description of the society that lets donors know how their giving can become part of a great legacy of support for a worthy cause.
    - Think of reasonable and feasible ways to recognize members of the planned giving society.
    - If possible, find an existing planned gift or acquire one from a dedicated supporter or board member who is willing to step up and provide a testimonial about why they made SLSF a part of their legacy plans.
  - Familiarize SLSF development staff with some of the basics of accepting and handling planned gifts especially those staff members who will be meeting with major donors.
    - Research types of planned gifts and think about what would be required to accept them.



- Implement necessary structures for receiving planned gifts, such as opening a brokerage account for SLSF and having a lawyer or financial advisor to call in a situation where SLSF would need more detailed advice on a particular situation.
- Create planned giving collateral material.
  - Create a simple planned giving brochure that lets donors know about the possibility of making a planned gift.
    - Design brochure, integrating images, language on the giving society, and some brief notes on how to make an estate gift to SLSF.
    - Find a professional printer who can produce a supply of high-quality brochures.
  - Integrate planned giving options on all relevant donor materials (for example, include an “I would like to learn more about planned giving to SLSF” and an “I have already made plans to include SLSF in my estate” checkbox on annual appeal reply form).
- Spread the word.
  - Have brochures on hand to share at donor meetings, when appropriate.
  - Launch a planned giving page on the SLSF website.
  - Include the planned giving brochure among collateral materials at SLSF events.
  - Once a year, conduct a planned giving mail campaign, sending a cover letter and planned giving brochure to key audiences.

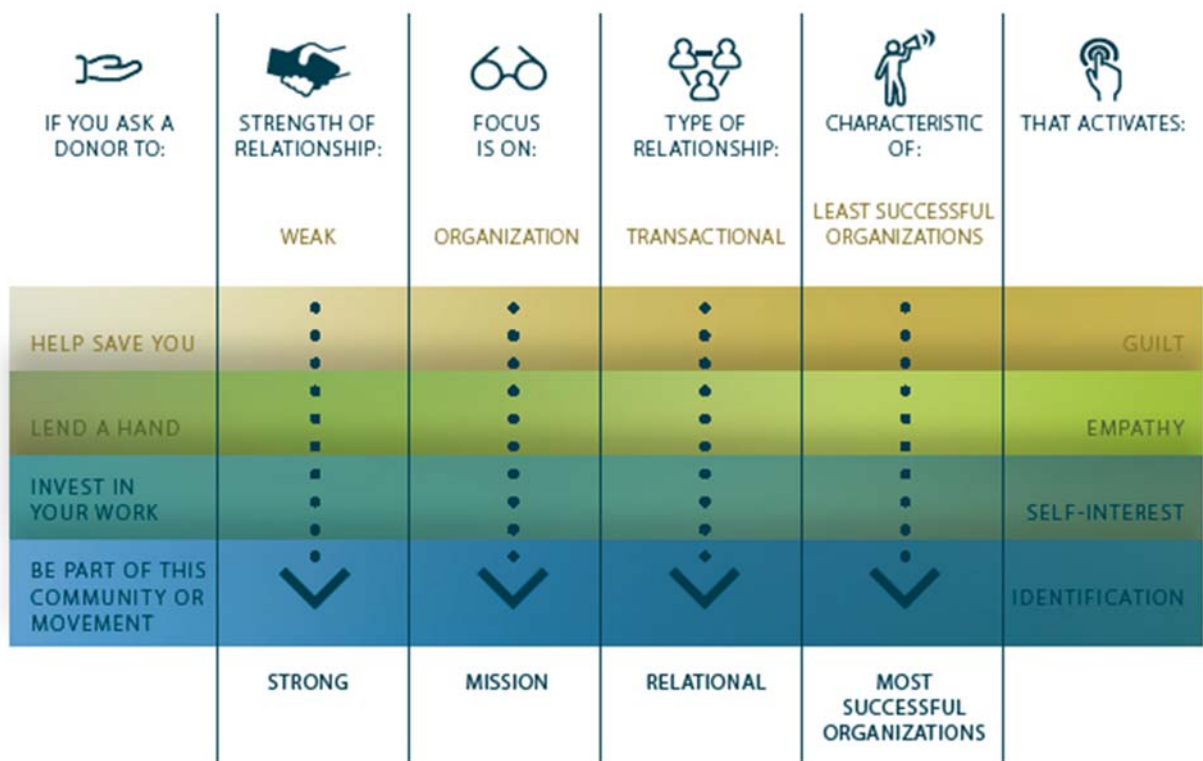
# APPENDIX: DONOR INTERACTION PROTOCOLS

## Donor Response Theory: How to Shape Donor Communications

American Philanthropic’s Donor Response Theory is an approach to engaging donors that builds on two fundamental truths:

- 1. People want to be part of a community
- 2. People want to be part of a meaningful cause

Donor Response Theory is about approaching donors in such a way that they feel they can accomplish those two desires by supporting your organization. During the strategic planning meeting in February, American Philanthropic advised Special Leisure Services Foundation about the importance of a personal, “donor-centric” approach rather than a transactional, “organization-centric” approach. This advice fits into the principles of Donor Response Theory. The more an organization focuses its ask on its mission and the donor’s desire to be a part of that mission, the more successful the resulting relationship. The following chart demonstrates the relative strength and characteristics of different types of asks:



In all donor interactions moving forward, SLSF will focus on 1. The donor’s ability to accomplish a great mission through their giving (supporting recreational opportunities for the disabled) and 2. Allowing the donor to see that they can join a community full of strong, meaningful relationships by supporting SLSF.

SLSF can ensure that its donor interactions are always personal and donor-centric by:

- Asking the donor what they hope to accomplish through their giving
- Making asks for SLSF's work as a whole rather than for specific, temporary needs
- Not being afraid to make explicit asks
- Talking about SLSF's specific initiatives only in the context of the broader mission
- Never taking for granted that the donor knows or cares about some specific area of the organization's operations
- Inviting the donor into the life of the organization
- During donor meetings, sometimes choosing not to make an ask
- Acknowledging donors' generosity in a timely fashion

These are all simple suggestions; Donor Response Theory is, above all, a way of thinking about donor relationships rather than a set of concrete guidelines.

Donor Response Theory is key when it comes to donor meetings. When interacting with donors, less is often more. Allowing donors to open up to you is key. Listening to donors, asking questions, and allowing them to feel a close relationship to SLSF helps develop a close relationship. In turn, donors will feel an emotional investment in the mission and a sense that supporting you will help them accomplish their larger hopes in life.

### *Direct Mail Tactics*

In reforming its direct mail program, SLSF should keep a number of key points in mind.

First, longer letters usually do much better than shorter ones, even if the initial cost of mailing is higher. It is counterintuitive, but a longer letter often feels more personal than a short letter or a postcard, and allows donors to feel that you are a substantial organization. There is something to be said for a short postcard when it comes to parents who are inundated with direct mail from NWSRA and SLSF. However, SLSF should at the very least test different approaches over time. Keep track of different segments of your housefile list (parents, donors, sponsors, etc.) and see which type of approach performs better with each audience segment, the postcard, a shorter letter, or a longer letter.

Second, a simple package goes a long way. Consider using a plain, white envelope rather than a colorful one; print the address on a solid, white envelope rather than using a transparent envelope. This will save on printing costs and give a higher return.

Third, make an explicit ask. Donors want to support a cause they believe in. Open the letter by mentioning that you will be asking for a contribution within the first two paragraphs. And at the end of the letter/postcard, explicitly ask donors for money (i.e., "Will you stand with us today through a gift of \$X, \$Y,

or \$Z?”), including specific ask amounts that reflect their previous giving and encourage them to go a little bit higher this time.

Finally, make it personal. Even if you are sending a postcard, personalize it with a “Dear Mrs. Jones” at the top. Investing in merging personal addresses means investing in a donor-centric approach—we are asking specific people to join us, not an anonymous crowd. Even though nobody is under the illusion that they are receiving personalized mailings all the time, making the effort to personalize at least gives some sense of being a unique, valued donor, and not just one among the masses.

### *Thanking Donors*

Thanking donors for their gifts in a personal and timely way is an essential but oft-overlooked element in building a successful relationship- and retention-based fundraising program. It should not be approached merely as a courtesy or, even worse, as a transactional dispensing of tax-exemption information. The thank-you process is a key step in building relationships with donors to bring them more deeply into the life of your organization and, when done well, can help retain and upgrade donors over time. It must be approached with that opportunity and long-term perspective in mind.

It is important that donor recognition happen as soon as possible after receiving a gift. No one wants to be thanked two months after they made their gift—they may not even remember making it by then. Be timely in following up with recognition and gratitude, and thank a donor multiple times through multiple channels for each gift.

Any thank-you procedure should be executable, personal, tiered according to the level of donation, and *followed consistently*. A thank-you procedure should also differentiate between thanking first-time donors and thanking existing—“housefile”—donors who have given to your organization previously. Across both kinds of thank-you notes, the general principle to follow is that donors who give more money (in a single gift, over time, or even who have the known or stated potential to do so) should receive more personalized attention. At the same time, it is important not to neglect low-dollar donors, or treat them poorly, as your best candidates for higher level gifts are always those who have already given lower level gifts.

The nonprofit sector abounds with stories of donors who never gave more than \$1,000 across 10 or 20 years and then leave six- or seven-figure planned gifts on their death. Generally, \$100 and \$1,000 discreet gifts should be treated as major trigger points for additional attention. It is also worth researching and reaching out in a special way to donors making gifts through donor advised funds or special checking accounts, regardless of gift amounts, as these often indicate higher-capacity donors. Likewise, donors who give at any level consistently over time (longevity) are prime planned giving prospects.

### *Special Leisure Services Foundation Thank-you Procedure*

- 1. Gifts under \$99: template thank-you note with digital signature.
- 2. Gifts \$100-\$999: hand-signed template thank-you note (either Tracey or Nanette’s signature)

with brief hand-written post-script; phone call. Attempt to set up a meeting if it is a first time gift of \$100 or more.

- 3. Gifts \$1,000-\$4,999: hand-signed thank-you note as in no. 2 above plus phone call from Tracey or Nanette; hand-written, personal thank you note following after the printed one (about a week later); attempt to arrange meeting if donor is amenable.
- 4. \$5,000+: all as in no. 3 above plus note or phone call from board member

### *Notes*

- Web donations should trigger an automatically-generated form thank-you email, utilizing digital signature. Online donations should then still receive the same treatment as outlined above.
- Send form end of year tax letters to all donors as needed, outlining the donor's contributions that year and thanking them again. Segment out \$1,000+ donors; hand-sign these letters and include personalized postscripts or hand-written notes at the top of the letter.
- These procedures can be adjusted based on work flow and staff capacity.
- Planned gifts (confirmed, received, or potential) of any amount should receive the highest level of treatment; donors who inquire about planned giving opportunities should receive the second-highest level of treatment.