Spring 2013
www.theinsgroup.com

# innovative nonprofit solutions

## Inside This Issue



## Our Mission

The INS Group helps nonprofits, government agencies, and faith-based institutions create innovative solutions to build their capacity and sustain their programs and services.

We accomplish this by assessing, designing and implementing organizational development strategies that focus on improving effectiveness and enhancing the organization's sustainability. The INS Group was established in 1999 and provides organizational development and capacity building services nationally.

## Message from the President

The advent of spring brings renewed energy and fresh beginnings. Trees turn green, flowers bloom, and people emerge from their homes to enjoy the warmer outdoor weather. Spring is also a great time for nonprofits to try new things and start with a fresh approach.

It's with this in mind that we've included the articles in this newsletter which focus on actions you can take to grow and improve your nonprofit .

*Anatomy of a Great Donor Acknowledgement Letter* will provide you with tips for building stronger relationships with your donors through an often overlooked method, the thank you letter.

In *When and How to Fire a Volunteer,* we take you through the process of addressing volunteer performance issues, both proactively and reactively.

*Prioritizing Donor Prospects* provides a simple numeric model for determining which prospects have the greatest donor potential.

So get out there and enjoy the spring and all it has to offer. And, along the way, try some of the techniques we recommend and you'll watch your nonprofit blossom!

Ruth

Ruth A. Peebles, President & Founder of The INS Group



The INS Group, P.O. Box 20575, Raleigh, NC 27619

# Anatomy of a Great Donor Acknowledgement Letter

In the January newsletter, we asked you to resolve to revisit your organization's donor acknowledgement letters. Many nonprofits view the thank you letter as no more than a tax receipt. Smart nonprofits, however, recognize the donor acknowledgement letter as a critical component of the stewardship phase of the fundraising lifecycle. A well-written letter will not only express gratitude but can serve as an opportunity to create an even greater affinity and appreciation for your organization's mission. Here we address the components of a great donor thank you letter.

### Timeliness

Send your donor an acknowledgement letter as close to the date of their donation as possible. Donors who are thanked in a timely manner will feel appreciated and be reminded of your nonprofit, which will make them more likely to give again in a shorter timeframe.

### Gratitude

The most important part of your thank you letter should be the thank you. While this may seem obvious, many donor acknowledgement letters read like a tax receipt or, conversely, use flowery phrases and elaborate wording. Opt instead for a simple statement of gratitude, as if you were thanking the donor in person.

### Donation Details

Include a sentence or two stating your nonprofit status (e.g. 501(c)(3)), tax ID number, the amount of their donation, and the portion of that donation that's tax deductible. Consult IRS charitable contribution guidelines if you have questions about deductibility.

> **"When we give cheerfully and accept gratefully, everyone is blessed."**
> **- Maya Angelou**

### Mission

State your mission clearly and succinctly. The more you reiterate the function of your nonprofit, the more likely your donor will internalize it and, hopefully, repeat it to others. And, the more your donor understands what your group does, the greater the potential for a stronger connection.

### Results

Donors want to know how their money is being used. If the donation was in response to a specific ask, provide details on the program or service their funds are supporting. If the donation was unrestricted, provide an overview of the group's recent accomplishments. Including photos, statistics, and quotes in the body of the letter are all very effective ways to demonstrate results. Your nonprofit is dynamic and your donor acknowledgement letter should reflect forward motion. Change it up frequently. Update your results regularly.

### Personalize

To further establish a connection with the donor, handwrite a quick note on the printed letter. For example, if you met the donor at a fundraising event, a simple "It was nice to meet you last Tuesday!" will make them know you remembered your interaction.

Even if you send an automated receipt for online donations, you should send a letter as well or, if you have the capability, customize your electronic receipt with the characteristics above. And remember, letters should never take the place of face-to-face meetings or telephone calls, especially for larger donations.

# When and How to Fire a Volunteer

Most nonprofits rely on volunteers to help them achieve results that might not be otherwise possible. Volunteers make up our boards and committees, assist with administrative functions, and serve as ambassadors for our missions. Sometimes, however, we encounter a volunteer that is more of a detriment than an asset to the organization and action must be taken.

Before you consider dismissing a volunteer, ask yourself these questions:

- Have they been properly trained?
- Do they know what you expect from them?
- Do they have the tools and access to the information they need to meet your expectations?

If the answer to any of the questions above is NO, it's time to step back and evaluate your volunteer management process. Just like employees, volunteers should be oriented to the organization, made aware of policies and procedures, and given specific expectations in the form of roles and responsibilities.

Assuming expectations are in place and have been clearly communicated, what constitutes grounds for dismissing a volunteer? Some examples include violations of ethical behavior, repeated failure to meet agreed-upon deadlines, poor quality work, or unreliable attendance. Just like your staff, volunteers should be made accountable for the work with which they are tasked. And, like employees, they should be given feedback on how they are performing against expectations and opportunities and assistance to improve, if needed.

You've done all that and still see the need to dismiss the volunteer. How do you do it? Dr. Sarah Jane Rehnborg of the LBJ School of Public Affairs at the University of Texas at Austin advocates a twelve-step method. Central to this process is compassion and directness. Dr. Rehnborg recommends holding a private meeting with the volunteer, preferably with a third person in the room. Be direct about the reasons for the termination, focusing on specific examples of performance, and present these in writing. The complete article by Dr. Rehnborg, titled *A Few Pointers on the Unpleasant Topic of Firing Volunteers,* can be found on www.serviceleader.org.

## Helpful Volunteer Recruitment Websites

**1-800-VOLUNTEER.org**
http://www.1-800-volunteer.org

Portal site connecting to volunteer centers that have online databases for volunteer opportunities in their local areas. Click through to each city and follow each set of instructions to post a volunteer opportunity in that area.

**Network for Good**
http://www.networkforgood.org

Brings together many resources including Guidestar's database of charitable organizations and VolunteerMatch. Sponsored by the AOL Foundation, so if you post here or on VolunteerMatch, you will automatically be cross-posted.

**VolunteerMatch**
http://www.volunteermatch.org

The largest online database of volunteer opportunities, both on site and virtual, sponsored by Impact Online. Volunteer Match is forming partnerships with other Web portals and therefore registering with VolunteerMatch assures that you are, in effect, "cross-posted" on many other sites. VolunteerMatch only accepts U.S. opportunities.

**Volunteer Solutions**
http://www.volunteersolutions.org

Portal helping local Volunteer Centers connect individuals to volunteer opportunities in their communities. Users first find the database for their zip code and then are taken to where they can register (or search) volunteer opportunities locally.

### The INS Group can assist you with:

Organizational Assessments

Strategic Planning

Strategic Fund Development Planning

Board Development

Grant Writing and Research

Board Fundraising Training

Executive Coaching

Project Management

Marketing Communication

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### Contact The INS Group

P.O. Box 20575
Raleigh, NC 27619

919-266-3072 (office)
919-217-2316 (fax)

info@theinsgroup.com

**www.theinsgroup.com**

## Upcoming Webinars

Go to www.theinsgroup.com to register for the following online learning events. The cost per seat is $30.

**10 Strategies for Effective Nonprofit Board Recruitment & Engagement**
Tuesday, April 30, 2:00pm - 3:30pm EDT

**The ABCs of Federal Grants**
Wednesday, May 29, 2:00pm - 3:30pm EDT

**The Secret to Special Events Fundraising**
Wednesday, June 26, 2:00pm - 3:30pm EDT

Visit www.theinsgroup.com to learn more about these educational opportunities.

## Upcoming Classes/Workshops

**Nonprofit Fundraising**
Duke University Nonprofit Certificate Program
Intensive Track Program
May 21, 9:00 am – 4:00 pm, Charlotte NC

**Grant Writing Made Simple**
United Way of North Carolina
May 23, Asheville, NC

**Grant Writing 101**
Duke University Nonprofit Certificate Program
June 12, 9:00 am – 4:00 pm, Greenville, NC

**Nonprofit Fundraising**
Duke University Nonprofit Certificate Program
June 13, 9:00 am – 4:00 pm, Durham, NC

**Grant Writing**
Duke University Nonprofit Certificate Program
June 25 9:30 am – 4:30 pm, Greensboro, NC

## Presentations

**12th Annual Social Equity Leadership Conference**
North Carolina State University
June 5-7, Raleigh, NC
The conference theme is "Globally Engaged, Locally Responsible: New Challenges for Social Equity." The INS Group will be facilitating two sessions: *How to Create a Sustainable Nonprofit Strategic Plan* and *An Effective Nonprofit Board: Roles, Responsibilities, Recruitment and Orientation*.

# Prioritizing Donor Prospects

You've identified a list of potential donors. Perhaps your list consists of prospects who are new to the organization, previous donors you want to re-engage, or current donors you want to take to a higher giving level. Now you need to determine how to maximize your return on time and energy invested to get these prospects through the fundraising pipeline.

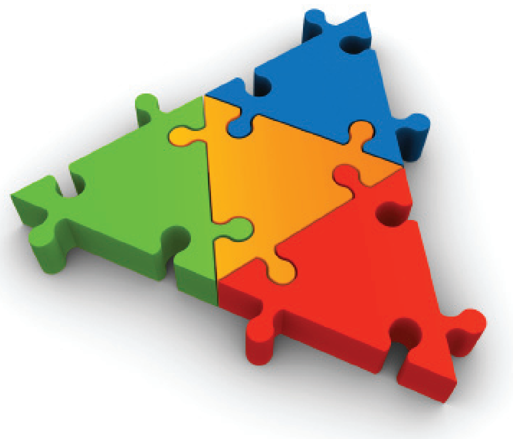
While there are many ways to prioritize your prospects, each approach consists of three basic components: ability, interest, and connection.

**Ability** is the prospects' capacity to give and, in many models, is referred to simply as capacity. For example, if you are seeking individual donations of $50,000 for a capital campaign, you'll need to determine if your prospect is capable of giving at that level.

The second prioritization factor is **interest**, or the prospect's likelihood to support your mission through a financial contribution. Does the prospect relate to the purpose of your organization? Will they receive direct benefits – tangible or intangible – by giving? Have they given to your nonprofit or similar groups in the past?

The third consideration, **connection**, requires that you evaluate the prospect's personal or professional connection to your nonprofit. Is he a friend or business acquaintance of one of your board members? Has she volunteered for one of your events? Is there a deeper personal reason you think this prospect feels connected to your mission?

One simple method to prioritize prospects, which will be described here, is to quantify the factors above. Start by determining a numeric value system. In this example, we'll assign 0 as the lowest level and 5 as the highest, which means there is a maximum total value of 15 once each rating is added together.



The next step is to gather data about your prospect's ability, interest, and connection. Information may come from board members, other donors, key volunteers, staff, or other referral source. In some cases you may want to take advantage of public records, web searches, or donor research tools like WealthEngine or DonorScape.

Using the information you've compiled, assign a value (0-5 in this example) for each category. Add the ratings together, and sort so that the prospect with the highest total rating is first and the lowest combined rating is last. You've now created your prioritized donor prospect list!

For additional information on prioritizing your donor prospects, refer to these articles:

- *Evaluating Your Major Gifts Prospects* by Hank Lewis
- *Understanding the Fundraising Pipeline* by Advice for Good
- *Prioritizing Prospective Donor Lists* by J. Lansing Sylvia
- *Evaluating Donor Prospects* by The Compass Group