

## How to Raise Money for Your Nonprofit: Seed Funding - Raise your First \$12,000 to \$100,000

*(NOTE: Print the last two pages for Your Use of Funds and Target Worksheets)*

### Introduction to Fundraising - Mindset and Philosophy

Ultimately, fundraising is all about communication. You don't want to force anyone to give - your target is to frame your cause in a way that helps your prospect find an alignment and meaning in it, that is of higher value than the money in their pocket.

Perhaps you've heard of Maslow's Hierarchy. Here's a graphic of that model. Maslow revealed that people start at the base level labeled "Physiological" - covering their most basic needs - and once those are satisfied, the innate human desire is to move up to the next level.



This is why, once someone has more than what they need for food, shelter and clothing they get a hunger to experience "more" - even if they don't know what that is, or why.

One of the most frustrating things about poverty is the lack of opportunity for people manifest their potential, because they are too busy surviving. In contrast, think about those people who experience the greatest admiration and respect for themselves and from others - most have reached the two upper levels of Maslow's Hierarchy...and YOU are on your way up as well!

## **Fundraising as a Path to Inviting People to Realize Their Greater Potential**

At the top of the resource food chain, Maslow's Hierarchy explains why wealthy people, once they have built their empire, helped their family, got the cars and the homes etc., get bored.

Humans are unable to "do nothing" - we see examples every day - many of the world's most outwardly "successful" individuals don't just sit on an island, sipping fruity cocktails - they often speak of "giving back", and do things such as starting a foundation, or embark on some grand mission that redefines the latter part of their life.

Tragically, the search for meaning to life, or "self-realization/self-actualization" - which simply means fulfillment of the reason we were created - often leads people with significant resources but no direction into a life of drugs or other highways to self-destruction, instead of contribution.

Your job, as a fundraiser, is to introduce your cause, your mission, as a welcome way for the donor to add meaning to their lives - to feel they are a part of something important that they can feel great about, no matter the condition of their job, their business, their marriage or their health.

## **You Never Know Whose Life You're Helping Save - Aside from your "Cause"**

I recently heard someone say "I adopted my dog from the local rescue shelter - but I'm not sure who rescued who!!!" This speaks to the transformative power of giving - those who "give" often end up receiving a gift they never expected!

Whether you ever know it or not - your action here may in fact save someone's life, by waking them up to a higher state of being in this world, by giving them something that rekindles their belief in themselves or humankind.

I can't think of a higher calling than waking people up and offering them hope and an opportunity to do something really big with their lives.

Our Fundraising Training Series is designed to get you traction immediately, and then set you up for medium and long-term sustainability.

## Fundraising Phase 1: **The Fastest Path to Cash for your New Nonprofit**

**Want to raise fast cash for your new nonprofit? Here's a simple, proven way to get the most money for the least effort – hands down.**

When you're starting out, the lowest-effort/highest-yield activity is ...(drum roll please)...take a guess...

- in-person?
- email?
- social media?
- direct mail?
- events?

Drum roll, please! The answer is....none of the above.

It's that little device that you may be VERY familiar with - your phone. Surprisingly though, we're not talking about any of the incredible technology capacities of the latest and greatest gadget...this is about dialing phone numbers on your "smartphone"...

...or desk phone, or...standard-issue ☎1970's model...LAND LINE.

***The fact is, instead of doing comfy things that let you "off the hook" for real-time human interaction - like texting or emailing - you need to actually use your phone for...get this...***

***...calling people! How quaint.***

But why?

There's an easy principle you can apply to any relationship dynamics, regardless of raising money or just being a good family member or neighbor. When it comes to communication method:

***More personal (phone, in person) outperforms less personal (email, text, broadcast)***

I'll admit, making phone calls can be downright uncomfortable. You may have to get out of your comfort zone to become an effective fundraiser, and this post should help you get the "escape velocity" you need to do that.

People have also become sensitized to bad phone etiquette by companies and individuals alike: Automated calls, pushy cold-callers who don't shut up, dinnertime interruptions, and plain old disrespect.

*Therein lies another opportunity.*

You're about to stand out as one of the "better people" whom your donor prospects will encounter - they will appreciate that and it will lead to better "rapport". Rapport is best described as those initial "good feelings" that generally either show up in the first few seconds of a conversation - or not at all.

## STEP-BY-STEP "SEED FUNDRAISING BY PHONE" TUTORIAL

**PHASES OF FUNDRAISING:** The two equally important segments to your early-stage nonprofit seed fundraising are (1) Preparation and (2) Execution

**For Phase 1, we'll cover the easy-to-remember acrostic I use to teach preparation for fundraising - "F.U.N.D.S":**

- **FEAR:** Confront and overcome it. In short, you're trying to change the world and don't have time to waste. You need to understand:
  - **Most people are looking for more meaning in their lives** (and aren't able to do as much as they would like in their current job, or are too busy)
  - **Many spend money on things they don't need**, and get less satisfaction than they would get out of knowing they helped save a child or animal
  - **People will gauge your belief in your cause** (and key their belief as well) based upon YOUR willingness to ask for money.
- **USE OF FUNDS:** The Problem, the Solution and Your Unique Approach. Simply make a list of the things you'd like to accomplish over the next 60 to 90 days, and tie that to the longer-term vision.
- **NUMBER:** How much hard cash in the bank do you want to have at the end of this campaign? Base this on the list you made above.
- **DIVERSION: Set out three (3) little rewards for yourself:**
  - One for the first call and "ask" you complete (maybe a cookie or a special coffee drink!)
  - One for your first pledge of support
  - One for completing your target number of calls.

Don't skimp on this - "gamifying" this process actually works!

- **SPACE:** High-traffic areas at home or work where you can be distracted (by pets, children, bills on the refrigerator etc.) can too easily provide excuses to "do it tomorrow."

Set up a quiet dedicated place and a time that will be free of interruption, even if it's just a little chair and desk in the corner of your bedroom, or one side of your clothes closet! *in fact, a walk-in closet can also provide an excellent way to dampen background noise!*

**NOTE:** *I don't recommend you skimp on Phase 1 - to paraphrase Ben Franklin, "An ounce of preparation is worth a pound of cure."*

### **Winning the Game Starts in your Mind!**

Make sure to plan ahead for the questions your prospects may have. They may want to know how much you have raised so far, exactly how it will be spent, or my favorite question that takes the wind out of your sails: Why don't you just work for this other group that's "doing the same thing"?

I strongly recommend you **role play** with a member or friend before you start making real calls. You want to be confident in your script, your ask, and be prepared for questions.

### **The secret to success from there is to sit down and get it done.**

The main reason people give is because they were asked. The "default operating system" for people is to automatically say "no" to being separated from their money. However, the people who like and trust you **want** you to succeed, and are very likely already giving to organizations and causes to which they do not have a personal connection. They do not want to tell you "no" or discourage you - so invite them "in" to your vision!

**My 100% Guarantee:** If you prepare, then make enough calls with enthusiasm for your project, you will find generous people willing to help you out. Forge a relationship with them, and stay in touch. You can achieve great things in partnership with the right people.

**STARTUP NONPROFIT FUNDRAISING:**  
**YOUR 10-STEP FOOLPROOF PLAN TO RAISE SEED FUNDS**

1. **List everyone you know:** Get a piece of paper and write down the names of your friends, your friends' parents, your parents, your parents' friends, aunts and uncles, grandparents, former employers, Boy Scout leaders, coaches, church members, civics organization leaders, teachers and anyone who has mentored you, and anyone else you can think of that has more than zero dollars in their bank account.

Do not avoid people based upon your perception of their interest in supporting your particular cause. Remember the reason they give is not always because of your cause, but *because it's you*. These people are your prospects. **Minimum is 50 people; average is 100.**

2. **Write down each prospect's phone number:** Yes, your friends and acquaintances are now prospective donors. If you do not have their phone numbers you can look up their place of work online, ask other people who know them, and use sites like [Zabasearch](#), [Pipl](#), [Whitepages](#), [Peoplefinders](#), etc.
3. **Create the "Ask":** Take a moment to visualize each person, with positive intentions toward them, and imagine an amount of money you think they could reasonably give on their best day, if they found themselves truly motivated by your mission.

If you are having a hard time coming up with an amount, estimate how much you think they spend going out to dinner in a given month and multiply that number by three.

Now take that number and double it -- Yes, double it. Write down twice as much as you believe that person can reasonably give. That number is your "ask" amount.

4. **Create a call script:** You can use the attached call script. The most important thing to remember is to ask for a specific amount of money, for a specific project, to accomplish a demonstrable result. It should also be as brief as possible. You have a lot of calls to make, and people are often busy, so do not waste time. But be careful not to sound hurried on the

phone. You want to maintain control of the conversation.

5. **Make Your Calls:** Ask each prospect for the amount you came up with in Step 3.

Do not “beat around the bush” when moving to the request for money; state your case unemotionally, following with “that’s why I am asking for your support of five hundred dollars.” End your ask with the **exact amount**.

**Then, do not say anything.** They must speak next. That is the key. No matter how long and awkward it becomes, just wait.

If this makes you uncomfortable, step back and revisit your “why” - it’s crucial to get in touch emotionally with your mission. **Your “why” is powerful enough to get you over this hump!**

6. **Be respectfully persistent:** If they say “no, politely follow up and ask for your original amount, again. If they continue to object, acknowledge, and **always** repeat their objection back to them (if they give one).

Then tell them that any amount can make a big difference and ask “What amount could you afford?”

7. **Thank the “no’s”!** If the final answer is “no, thank them anyway: A “thank you” costs you nothing; it is good manners, and it is a verbal recognition of your gratefulness. Be very generous with “thank yous”. They might yet donate in the future.
8. **Anchor the “Yeses” and “Maybe’s”:** If the final answer is a “yes” or a “maybe”: Immediately thank them.  
*“I have to think about it” and “I have to talk to my spouse” means “maybe”, so thank them, and tell them you will send something in the mail to receive their donation right away.*

As always, if you can process a credit card online (PayPal is easiest), take their credit card and process the donation over the phone, right on the spot.

9. **Follow up All Commitments:** Mail them a letter with a stamped return envelope and a reply device - The reply device is a one page form you will create, to include all the information the prospect needs to send you a donation. Items should include the address to mail the donation to, the amount they pledged to give, whom to make the check out to, and any other relevant information. You should have a bank account for your group if you are going to take donations.
  
10. **Send Donation Receipts:** When donations come in, thank your donors right away: Send them a hand-written thank you letter as quickly as you can so they know you received their donation, and appreciate it fully. Moving forward, always send them updates, pictures, thank you letters, and any other proof of the return on their investment in you.

## **IF YOU NEVER ASK, YOU'LL NEVER HAVE FUNDS**

**Plan ahead:** Make sure to plan ahead for the questions your prospects may have. They may want to know how much you have raised so far, exactly how it will be spent, or my favorite question that takes the wind out of your sails: Why don't you just work for this other group that's "doing the same thing"?

**I strongly recommend you role play with a member or friend before you start making real calls.** You want to be confident in your script, your ask, and be prepared for questions.

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## **FUTURE STEPS: Moving up the Fundraising Food Chain: MAJOR GIFTS**

CONGRATULATIONS! You've raised your seed funding (and if not, I guarantee you will - if you follow the previous formula).

**Next, it's time to raise bigger chunks of money. This is called Major Gifts - the kind of fundraising that works at all stages of your nonprofit - and studies show it produces the highest Return on Investment (ROI) with respect to your Time, Effort, and Cost.**

In this endeavor, you are going to sit personally with people and ask for \$500 or more from each. Three of the five things you need to do for this phase are already done!.

**There are five preliminary steps to begin your Major Gifts Program:**

- 1) Write a slide presentation script on which to base Step #2
- 2) Create your slide presentation (PowerPoint, Keynote, or best of all, Google Slides!)
- 3) Set some appointments with business people and others whom you know who are of some financial means
- 4) Prepare a return envelope and a donation request form
- 5) Using essentially the same process you did for your initial seed funding, schedule appointments, coffees, etc., execute the plan!

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## **SEED FUNDING WORKSHEET:**

### **YOUR "USE OF FUNDS" PRIORITY LIST**

Before you start making fundraising calls or having face-to-face meetings, create your "Use of funds" mandate: List the top 5-10 budget priorities for your organization, then prioritize them in order of importance, 1 being most important, 10 being least.

The focus of your conversation will not be these items - but you want to anchor them in your mind and be prepared to speak about them if asked directly. Your fundraising efforts will focus on the next few milestones.

Don't spend a lot of time, just write!

<b>ITEM</b>	<b>PRIORITY</b>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____

**TARGET AMOUNT:** What is the amount of funding that would be required to make your first significant progress toward these objectives? \$\_\_\_\_\_

**OBJECTIVES:** Now write down the on-the-ground accomplishments the expenditures you listed above will enable you to achieve, as if it has already happened: Prepare to answer the question: *“How will the world look different?”*

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**THE GAP:** *Your fundraising efforts will be focused on bridging the gap between where you are today, and your organization’s achievements based upon your first milestones. Keep that in mind, because here we go! You’re stepping into your future as a capable, confident fundraising professional!*

**NOTES:**

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