How to Get the Most Out of Your Fundraising Database

Raising Change: A Social Justice Fundraising Conference

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My Agenda

• How can a donor database help fundraisers work more effectively?
• Why you should not use Excel as a donor database.
• Why building your own database should be your last resort.
• Care and feeding of your database.
Using Data to Fundraise

A donor database can assist with:

- Segmenting mailing lists.
- Tracking prospects and tasks.
- Measuring and forecasting.
- Stewarding your current donors.
- Identifying future donors.
- Asking the right person for the right gift at the right time for the right purpose.
Direct Marketing – Basics

• Your database must be able to tell you who gave before:
  – When?
  – How Much?
  – To What (which mailing?)
  – For What (fund or purpose).

• How did past campaigns perform?

• How did any outside lists perform?
Direct Marketing – Basics

Must be able to exclude constituents from mail & solicitations for various reasons:

– No mail
– No solicitations
– No calls
– No email
– No email solicitations.
Direct Marketing – More Advanced

• Can target appeals and analyze results based on Recency, Frequency, Money (RFM), and source.
  – Who hasn’t renewed?
  – Who has given for > n years?
  – Giving club level, most recent gift amount.
  – Over $x total/lifetime?
  – Campaign, package, segment, list.

• Ability to create an intelligent “ask string.”
  – Ask $100 donor for $125, not $25.
Corporate & Foundation – Basics

- Ability to track tasks, deadlines, notes, and contact reports.
- Ticklers for upcoming actions.
- Ability to track status of proposals (e.g., planned; awaiting response; if refused, can we resubmit?).
Corporate & Foundation – More Advanced

• Grant terms (restrictions, reporting requirements, recognition, renewability).

• Pipeline report: what’s planned, what’s awaiting response, ask amounts.
Major Giving – Basics

• Same as Corporate & Foundation:
  – Tasks, notes, contact reports, ticklers.
  – Status of proposals.

• Who are your top prospects?
  – What are their interests? Capacity? Inclination?

• What is each prospect’s status or stage?
  – Research, Qualification, Cultivation, Solicitation, Stewardship, Not a Prospect.
**Major Giving – More Advanced**

- **Quick donor view:**
  - Largest gift, most recent gift, giving club, membership status, or lifetime giving.

- **Ability to track relationships between:**
  - Spouses
  - Businesses & owners, employees
  - Donor Advised Funds
  - Family Foundations
  - Prospects and other nonprofits
Planned Giving – Basics

• Ability to track inquiries and bequests.

Level Two

• Manage a PG mailing list &/or society.
• Track proposals, actions, ticklers, contact reports, and notes.
• Track total bequest money received.
Planned Giving – More Advanced

- Track multiple planned gift vehicles (bequests, annuities, life estates, pooled income funds, and trusts).

- Track details of each PG:
  - Executor or trustee.
  - Other beneficiaries.
  - Market/estimated/actual values.
  - Estimated/actual maturity.
  - Projected payout information.
Development Services - Basics

• Allocating gifts to correct funds.
• Issuing accurate, legal receipts to hard-credit donors.
  – Deducting *quid pro quo* values, raffles, auction Fair Market Values, etc.
• $ received = $ sent to Accounting.
  – Integration with accounting database.
• Pledge reminders, payments, balances.
• Audit trail for any changes to posted gifts.
Development Services – More Advanced

- Pledge management
  - Scheduling, reminders, payments, balance due.
- Audit trail for any changes to posted gifts.
- Automatic calculation of giving clubs based on rules (e.g., cash only, gifts plus pledges, combined hard and soft credit).
Other Areas Where a Database Can Help

- **Events Management**
  - Attendees, guests, $, seating, costs.

- **Donor Stewardship**
  - Updates on initiatives or funds, funder reports, event invitations, visits.

- **Volunteer Management**
  - Interests, skills, availability, scheduling, hrs. worked.
Other Areas Where a Database Can Help

• Prospect Research
  – Tracking research completed, identifying new prospects, data mining.

• Online Activities
  – Email solicitations
  – Online payments
  – Event registrations
  – Volunteer signups.
Why Not Use Excel?

- “Flat file.” Not designed for one-to-many linkages, like:
  - Multiple gifts from 1 donor.
  - Pledge payments.
  - Multiple addresses.
- Have to add a new column for every gift or enter donor > once.
Why Not Use Excel?

- Hard to track relationships:
  - Spouses with separate records.
  - Households.
  - Employment.
- No integrity rules, e.g.:
  - Valid State codes, titles, fund codes, appeal codes.
  - Only 3-digit area codes.
Why Not Use Excel?

- Hard to track “soft credits”:
  - Credit individual for corporate match or gift via business or Donor Advised Fund.
- Minimal security. Easy to delete or change data.
- Hard to create multi-step queries.
  - Who has attended > 2 events & given > 3 years?
- Can get too big to view or print.
Why Not Build Your Own?

- Risk (how do you know it will work?).
- Distraction (fundraisers must become database designers).
- Support & Maintenance (who you gonna call?).
- Documentation (will there be any?).
- Training (a game of “telephone”?).
- User Community (there won’t be one).
- Cost (how can you get a firm price?).
Care and Feeding


- **Run backups regularly. Test periodically.**
- **Provide training.**
- **Enforce good security.**
  - Individual logins.
  - Appropriate access levels.
  - Physical security of the server.
  - Beware of exported data, esp. on laptops.
- **Document policies and procedures.**
  - How to get data in and out properly.
Lessons

• A donor database can help fundraisers work more effectively.
  – This is only possible if data is captured and shared appropriately.
• Resist the temptation to use Excel.
• Building your own database should be your last resort.
• Databases need ongoing support: training, security, backups, documentation.
Resources

Mills-Groninger, Tim: *The Soft(ware) Side of Fundraising Effectiveness*  
[www.nptimes.com/07Sep/070901SR2.pdf](http://www.nptimes.com/07Sep/070901SR2.pdf)

Petulla, Maria: *Making Order Out of Chaos: How a Good Fundraising Database Can Help You Raise More Money*  
[www.grassrootsfundraising.org/magazine/feature27_2.pdf](http://www.grassrootsfundraising.org/magazine/feature27_2.pdf)

TechSoup: Selecting Donor Management Software  
[www.techsoup.org/howto/articles/databases/page2190.cfm](http://www.techsoup.org/howto/articles/databases/page2190.cfm)

TechSoup’s Technology for Fundraising discussion forum  

Weiner, Robert: *Finding the Perfect Fundraising Database in an Imperfect World*  

Weiner, Robert: *Ten Common Mistakes in Selecting Donor Databases*  

Weiner, Robert: *Why Building Your Own Database Should Be Your Last Resort*  
[www.rlweiner.com/nten/why_building_your_own_database_should_be_your_last_resort.pdf](http://www.rlweiner.com/nten/why_building_your_own_database_should_be_your_last_resort.pdf)

More resources are posted at [www.rlweiner.com/resources.html](http://www.rlweiner.com/resources.html)