



The team at CFA helps clients work through the entire Major Gifts cycle. The cycle looks at the relationship between an organization and potential major donors.

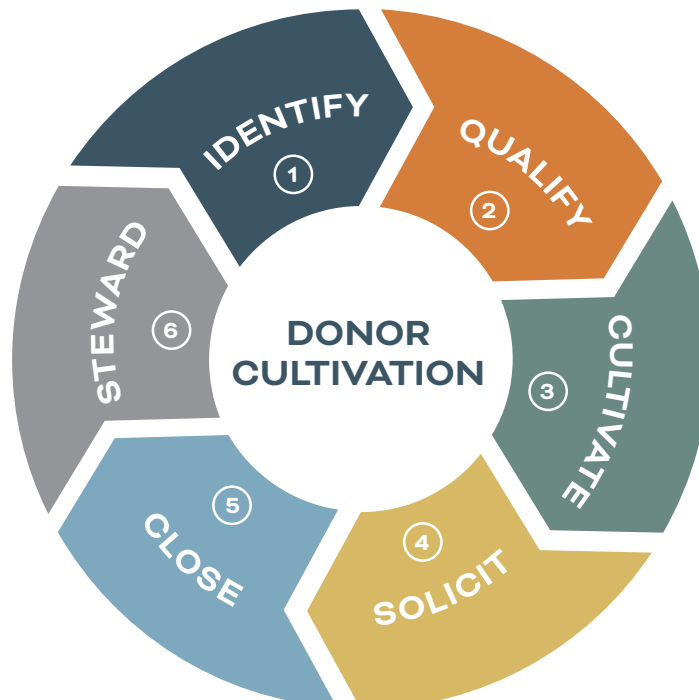
It includes six primary steps:

**IDENTIFY, QUALIFY, CULTIVATE, SOLICIT, CLOSE and STEWARD.**

While every organization will define and measure major gifts programs in its own way, most will work through some version of these steps.

It is important to remember that major gifts can take up to two years to come to fruition, after intensive work to build a relationship and develop a shared vision with a donor. That means that financial targets for major gifts programs also have to take the long view.

These aren't gifts that fill holes in annual budgets or fund normal operations. They should line up with aspirations in a longer-term strategic plan and move an organization toward its vision. Importantly, they should also line up with the passions of the donors. That can mean letting donors develop their own ideas about how their resources can help the organization achieve its vision.



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## IDENTIFY

In this stage, you are working to identify people with a connection to your mission and organization who also show indicators of wealth and philanthropic intentions. A lot of this data lives in the organization's donor database already. Organizations with a strong annual gifts program can analyze it each year to find those people who make significant but not major gifts - often \$1,000 to \$5,000. They become the new pipeline of major donor prospects.

### OBJECTIVES:

- Identify financial capacity for major gift
- Identify interest in mission
- Identify philanthropic history

### FINDINGS TO INFORM NEXT STEP:

- Can you find indicators of wealth?
- Does the prospect have a history of philanthropic giving?
- Are they likely to care for your mission?

Organizations can complete this analysis on their own or work with a partner like CFA to identify opportunities. To start off, look for donors who have consistent year-over-year giving or have recently increased their giving to the organization. Create an engagement formula to help prioritize your work. For instance:

Prospect = 3+ years of giving AND \$1,000+ lifetime to date AND/OR is a volunteer AND/OR has increased their gift multiple times.

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## QUALIFY

The identify phase involved using raw data to segment the donor database. The qualify phase is about confirming that segmentation. Doing this requires a substantive contact with the prospect or some sort of engagement that confirms their interest in YOUR organization. Just because a prospect has capacity and is philanthropic doesn't mean their interests align with your organization's mission. Qualification is all about making first impressions with a potential major donor.

### OBJECTIVES:

- Confirm Capacity
- Confirm Interest and Inclination

### FINDINGS TO INFORM NEXT STEP:

- Is there interest from the prospect in learning more?
- Do you have evidence of their capacity?
- Do you have evidence they are philanthropic?

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## CULTIVATE

In this phase, major gifts officers and organization leaders are building a relationship with the prospective donor to help align the donor's interests to the needs of the organization. This is typically an 18- to 24-month path that deepens connections between an organization and its supporters. Somewhere in that process, a supporter develops an affinity and sense of engagement that makes them open to a conversation about a significant financial gift that advances the mission of the organization and aligns with the donor's own priorities.

### OBJECTIVES:

- Assess readiness
  - Timing
  - Gift level
- Align impact and interest

### FINDINGS TO INFORM NEXT STEP:

- Have you identified a connection between their interests and your priorities?
- Can the prospect articulate the goals you are trying to achieve with a major gift?
- Do you have a sense of the potential gift range?
- Have you identified who has influence on the decision to give?
- Does the prospect have lingering questions?

The cultivate stage can take a long time and involves multiple steps with each prospect.. This means you need to have a system for capturing contacts, meetings, and engagement and that indicates the stage each prospect is at. A CRM tool like Blackbaud, Salsa, and Salesforce.com is a must for proper management through this whole cycle. Tracking cultivation moves helps guide future strategies for the prospect. These tools generally provide a structure and reminders that a fundraising team can customize to fit its own needs

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## SOLICIT

When the relationship has reached this phase, the donor and the organization have come to an understanding about what impact the donor wants to have and how a major gift could help enable that impact.

### OBJECTIVES:

- Affirm impact and timing
- Solicit gift

### FINDINGS TO INFORM NEXT STEP:

- Did you ask for a specific number?
- Did you receive an answer, yes, no or maybe?
- Do you know what follow up is required and agree to a timeline for follow up with the prospect?

### **SOLICITATION ANSWER SCENARIO:**

If the answer to the solicitation is “no”, questions should be asked of the prospect to determine if no means “not now”, or “not for this project”, “not this amount” or “never”. If the issue is timing (“not now”) or the program/project request is wrong (“not this project”), the prospect can move back into cultivation with a revised strategy.

This is where all the prior work comes together. If the fundraiser has built a trust-based relationship with prospects and understands their passions and how they connect with the mission, the prospect will not be surprised to see a proposal for a gift. The proposal should include data about the potential impact of the gift and reflect the qualitative insight and information the prospect has shared throughout the cultivate stage. The proposal should stretch the donor respectfully while also offering them an opportunity to dream big with the organization.

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## **CLOSE**

Rarely does the prospect let you know in the solicitation meeting if they are going to give you the amount that you have just asked them for. They often need a bit of time to think about it. Getting that solicitation to “close” is the next crucial step in the solicitation cycle. This could involve another meeting, a follow up phone call from a member of the solicitation team, or a call from a board chair or CEO (if they weren’t in the solicitation meeting). If the answer is “no” (which it shouldn’t be if you have done your homework and have properly cultivated the prospects), often that means “not now.” Possible responses to this are “when might you be ready to have this conversation again?” or “is there a gift that you could consider now?” Depending on the answer, the donor is then moved into either a stewardship plan, or into further cultivation.

### **OBJECTIVES:**

- Finalize agreed amount of gift or pledge
- Document amount of pledge

### **FINDINGS TO INFORM NEXT STEP:**

- Do you have an agreed-upon amount of the pledge?
  - Have you documented a timeline for payment?
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## **STEWARD**

Donors care deeply about making a gift that makes an impact. Of course, saying “thank you” is a critical step after any gift. With major donors, though, stewardship goes beyond saying “thank you.” Donors want to know how their specific gift improves the organization’s ability to grow and achieve its vision. Continue to share stories as the project advances and as the community starts to benefit from it.

## OBJECTIVES:

- Thank Donor
- Engage donor and family/influencers in mission and priority
- Report on Progress
- Stay in Touch
- Recognition (signage, campaign report)

## FINDINGS TO INFORM NEXT STEP:

- Affirm and execute donor expectations for reporting
  - Affirm and execute donor expectations for recognition
  - Ensure “touches” from both staff and volunteers to day thank you
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## SIDEBAR: WHAT IS A MAJOR GIFT?

Every organization will set a different threshold for major gifts based on its own size and budget, Rather than focusing on a set dollar amount, CFA looks at major gift-giving as a long-term cultivated relationship to create meaningful philanthropy. The goal of a major gifts program isn't to boost short-term revenue, but to build connections with people who have the desire and ability to help move an organization forward.

That means that some nonprofits will see \$1,000 as very significant and work to cultivate relationships that lead to that level of giving. Larger universities, on the other hand, might look at \$50,000 or higher as the threshold for proactively nurturing relationships and finding opportunities to partner with a donor to match their money with their passion.

Of course, it's not just transactional giving and major gifts with nothing in between. CFA works with clients to segment and stratify their donor databases, giving recognition to donors as they grow their support over many years. This can include creating leadership circles that publicize larger donations and provide various levels of acknowledgement and gratitude as donors' contributions increase. This way people with the passion for the organization and the demonstrated ability to make sizable contributions can emerge from the data and start to fill a major gifts pipeline.

Importantly, major gifts come from individuals specifically, rather than from corporations or foundations. Individual giving as a rule comprises better than 85% of all giving in the United States. When the mix is more like half and half, an organization should think about making individual giving a bigger part of its program. Stronger individual giving programs can also support corporate gifts programs, as they build confidence in corporate donors that an organization has a base of supporters who will sustain it through hard times.