

# Nonprofit Crowdfunding | Basics & More

*Week One: Advance Prep to Your Best  
Campaign Ever*



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# Introduction

**Welcome and congratulations!** You're being strategic and smart about your crowdfunding fundraising by planning ahead and investing in *Nonprofit Crowdfunding | The Basics and More*.

Whether this is your organization's first crowdfunding campaign, or you're looking to increase the dollars raised from last year's appeals, this course will guide you, step-by-step, in producing your most successful crowdfunding campaign ever.

## BASIC HOUSEKEEPING

The *Basics & More* courses were created to teach the fundamentals of fundraising -- and also to bring everyone on board in the process (think of getting all members of your team "on the same page" and how that would eliminate headaches). Each eCourse includes the option of registering up to seven additional members of your organization whom you would also like to receive the materials. If you would like to add members of your team, email my assistant with the **FIRST** name, **LAST** name, and **EMAIL** address of every team member you'd like to add to the course registration by Friday, November 6th.

Want feedback? Join us over on our private Facebook page.

## GETTING STARTED

**We love crowdfunding.**

Really, who doesn't love seeing the thermometer rise in support of a good cause? Not only that, but we can't think of a better way than crowdfunding to engage your current donors (plus bring in new ones)!

Crowdfunding brings you and your organization directly into the lives of people who may be interested in your mission. Crowdfunding is also an excellent method of helping current donors connect more deeply to your work. It's a fun way for them to show their support for your organization and feel like insiders on your team. Best of all, millennials are drawn to crowdfunding and social media. Recruit them and you'll have some very passionate activists tooting your horn.

**If you learn how to use crowdfunding effectively, you'll go a long way towards building your organization's future.**

Our love affair with crowdfunding began when Rachel was just a few short weeks into her role as Special Projects Coordinator for Catholic Charities of the Archdiocese of Miami. One of the first "special projects" (you know, the ones no one else wants to do) was to raise money for their St. Luke's Center, a residential drug and alcohol addiction recovery center. She was informed that she needed to raise \$10,000 to provide medicine and toiletries for addicts in treatment, as these expenses weren't covered by grants or government healthcare programs. And you guessed it...they had no donors or supporters to speak of, all because of HIPPA laws. We were in a position where we could not approach past clients, sponsors, or their family members.

At the time, Rachel was a *Simple Development Systems'* member. We discussed the situation and struggled to come up with a solution that would work. Not knowing much about addiction, we decided the best plan was for Rachel to spend some time at the Center talking with staff and clients about the program. She discovered that the staff had tried fundraising before, but they'd failed miserably. None of them had fundraising experience and they resented having to fundraise because they were already working long hours. They believed that the agency should take care of the fundraising and leave them to do what they were hired to do – care for patients. It was clear that Rachel was on her own. The good news was, she received the opportunity to speak with many of the addicts in treatment and listen to their stories.

**Rachel had just 2 months to organize a successful fundraiser – with no money for overhead expenses like location rental, advertising, recruitment, etc.**

So what happened? Rachel launched a Recovery Walk crowdfunding campaign, her first ever, raising more than \$10,000 after expenses. What's more, she brought in over 200 new donors without renting a list. The campaign became an annual event raising almost \$25,000 each year, with costs of less than \$2,500!

Are you afraid of crowdfunding? Afraid that your campaign will be one of the 81% that fail to raise even 20% of their goal? Afraid that you don't know how to write persuasive copy or you don't understand how to work with crowdfunding platforms?

**The good news is, chances are, you're already a crowdfunding expert!**

Throughout the years, you've no doubt received hundreds of requests from friends asking you to support a walk-a-thon, giving day, sponsor a child, or other giving opportunities through nonprofit organizations. What touches your heart? What captures your imagination? What prompts you to send a check or make a gift online?

If you've been ignoring invitations to participate in giving days, going forward, we want you to begin participating in them! Find out when your local or regional community foundations are hosting giving days, and sign up to be an ambassador. You'll begin a collection, and as you read through your assortment, start noticing "best practices." A simple way to start is by visiting a website like [www.donorschoose.org](http://www.donorschoose.org) or <https://www.mightycause.com/> Both sites offer crowdfunded projects that are just waiting for support. Which ones speak to you most? Why? Make a note of the phrases and stories that capture your attention.

# Advance Preparation

*How to prepare for your best campaign ever*

## GROWING YOUR TRIBE

Crowdfunding is one of the most affordable and effective ways to acquire new donors, without expensive acquisition direct mail campaigns. You don't have to rent or buy expensive mailing lists, print brochures or appeal letters, pay postage, or process checks.

Alternately, crowdfunding campaigns are online fundraising events championed by people who you already know. Participants tap into their own networks of co-workers, family, and friends, in order to raise support for your organization, through using electronic and social media. You use email marketing and social channels to fire up your supporters and empower them to fundraise.

If you do it right, once the campaign is over, these new donors (friends of your friends), can be stewarded into deeper relationship with your organization and your mission.

## EXPLORING & CHOOSING CROWDFUNDING PROJECTS

**Classwork:** Take a moment to explore and compare four different crowdfunding campaigns using the “Successful Project” Worksheet included at the end of this lesson.

One of the reasons 81% crowdfunding campaigns fail to raise 20% of their goal is because organizers choose the wrong project. This funding method does not work well with capital campaigns, long-term projects, general funds, or items that cost more than \$10,000. Crowdfunding donors like to feel like they are making an immediate impact. If the goal is too high, they are less likely to give because they feel that the goal is unattainable and their gift won't make a difference.

The sweet spot for successful projects are those that:

- Are narrow in scope

- Fund an urgent need
- Have a quantifiable measure of impact
- Are connected to powerful and emotional stories
- Cater to a very specific audience

Ideally, you want to have gift levels ranging from \$25 - \$200, bearing in mind that in 2013, the average crowdfunding gift was \$88.22 ([See Craig Newmark's \*Cracking the Crowdfunding Code\* infographic.](#)) Quantify how much you're trying to raise (no more than \$10,000) in a short period of time, meaning about 8-10 weeks, to create a sense of urgency. Think about the potential donors who will be most interested in your project and where you might find them. And be prepared to tell very compelling, emotional stories that inspire people to support your cause.

### **Here are some ideas for how you might frame a project.**

**Homeless Shelter.** Quantify the cost of providing services for one day. Your ideal project could include raising funds to pay the electricity bill for a month, fund a life-skills training program on parenting/financial literacy, providing transportation, etc.

- \$25 provides one night of safe shelter for someone who's homeless
- \$50 provides meals for a shelter resident for a week
- \$75 provides one day of electricity for the shelter
- \$150 provides bus passes/transportation for a working shelter resident.
- \$200 provides 8 weeks of financial literacy training for one shelter resident

Tell a story about a formerly homeless person who regained his/her self-sufficiency after receiving services like those that you're describing.

Examples of potential donors include people who were once at risk of becoming homeless, people who know others who were once homeless, etc. You may find them in online groups about homelessness and poverty, at schools, working in social services, etc.

**Animal Shelter.** Think about the costs of spaying, neutering, and feeding a pet for a month. Your ideal project could include raising funds to spay or neuter x number of pets, host x number of adoption days, or provide x number of days shelter for pets that would otherwise be euthanized.

- \$25 provides food for a pet for a month

- \$50 provides medical tests to check for common diseases
- \$75 shelter for one pet for a week
- \$150 spays/neuters one pet
- \$200 underwrites the cost of hosting and advertising 4 adoption events

Tell an emotionally-compelling story about a sweet pet that would likely have been euthanized if not for generous donors who saved his/her life.

Examples of potential donors include animal lovers everywhere, people with children, and people who live alone. You can find them everywhere especially on social media!

**Drug Treatment.** You can show how much it costs to host an AA/NA meeting, provide toiletries/medication not covered by grants or insurance, etc.

- \$25 provides clothes for a homeless addict
- \$50 provides medication for a recovering addict
- \$75 buys business attire for a recovering addict going on a job interview
- \$100 purchases bus passes/gas for recovering addicts seeking work
- \$150 provides two counseling sessions for family members of addicts
- \$200 underwrites the cost of hosting daily AA/NA meetings for a month

Share a story of someone who went through the treatment program successfully, has remained sober for some time, and is now self-sufficient, reconciled with his/her family, etc.

Examples of your potential donors include former addicts, large community groups like churches, families of people that have an addicted loved one, high school and college students who need to earn service hours, etc.

Here are a few more ideas to get the wheels churning...

**Food Bank.** You can show the cost of providing groceries/rent assistance/job training/counseling services to one family.

**After-school program.** Talk about how much it costs for 1 day of safe after-care/field trips/tutoring/transportation/ healthy snacks.

**HIV/AIDS.** Quantify the cost of rapid testing, screening, counseling services. You get the idea.



**The first secret** of a successful crowdfunding campaign is to help donors understand exactly what impact their gift will have by telling a powerful and emotional success story.

**The second secret** is to choose the right project that will allow donors to feel like they've made a difference and has an excellent chance of success.

**The third secret** is to find your fans. Figure out who your target audience is and where they like to hang out online or in person.

**Homework:** Go to our **Nonprofit Crowdfunding Basics & More** Facebook group. Post your ideas for how you could quantify your mission into right-sized asks that inspire donors to give.

## CONVINCING YOUR BOSS

The first step in convincing your boss to try crowdfunding is to demonstrate the upsides of this method of fundraising. [Craig Newmark's \*Cracking the Crowdfunding Code\*](#) infographic is a wonderful way to communicate the importance of crowdfunding to your organization. The numbers don't lie. Crowdfunding is big business and it's growing exponentially.

The second step is to show how you can minimize the risk of losing money. Crowdfunding platforms (software) have many pricing strategies. Some charge upfront setup fees and lower commission fees on donations. Others don't charge setup fees, but you pay higher commission fees on donations. The latter approach tends to be viewed more favorably by risk-averse leaders because fees are paid only on the funds raised. Unless you expect to raise vast amounts of money, we've found this is the best way to go.

The third step is to identify at least 5 supporters you can count on to champion your project. These could be volunteers, board members, employees, or existing donors. You'll be asking your boss to approve a no-risk project, with only an upside, of interest to people you already know.

**The bottom line is, all you need to succeed at crowdfunding is a project that needs funding, interested people, and a platform to connect the two!**

## CHOOSING THE RIGHT TOOL & FORMULA

According to the [Massolution Crowdfunding Industry Report](#), in 2012, there were more than 526 crowdfunding platform providers. It can be a daunting task to choose the right tool from the wide variety available. Each site offers different features, pricing, and benefits.

Here are a few tips to help you.

- You need access to donor data so you can download, thank, and steward your donors into long term friends.
- Compare setup fees and commission rates to decide which provider is the best match for you.
- Determine what payment types your vendor accepts (VISA/MC/AMEX/DISC/ACH debit/PAYPAL).
- Understand the vendor's remittance rules. Will you receive the funds only if you raise your goal, at the end of each month, or as they are earned?
- Look for a product that's easy to use, allows you to incorporate your own branding, automate receipts, set up personal pages, video, and issue progress updates.
- Check for social media integration with the channels that your supporters are on. Can supporters share their pages via Facebook, Twitter, email, etc.? Can donors tell others that they've contributed by sharing on social media channels?
- Understand the tax-receipting considerations. Some platforms are non-profits themselves, which means they issue tax-receipts directly to donors. Others are not. Make sure you're clear on whether your organization or the fundraising platform will issue receipts and explain the procedure to donors so they know what to expect.

**Homework:** Complete the “**My Project Design**” worksheet available at the end of this lesson to prepare your crowdfunding project. If you have questions, go ahead and post them in the Facebook group so Rachel & Pam can help.

# What's next?

During the upcoming weeks, you'll be learning how to tell stories that motivate supporters to become fundraisers and inspire donors to give. You'll also learn how to "snippetize" your story (yes, we totally made that word up) so you can tell it effectively on multiple social channels. And you'll learn how to motivate your fundraisers to exceed their goals.

But first, let's take this week to assess where you are and what you want out of this nonprofit crowdfunding course. Spend some time completing the Nonprofit Crowdfunding Self-Evaluation & Goals Worksheet located at the end of this guide.

Whether you're handling your campaign yourself, or working as part of a team, it's important to thoroughly evaluate what you want to gain from this appeal and how much time you can reasonably afford to spend.

# Resources

Visit Rachel's website [www.nonprofitplusteam.com](http://www.nonprofitplusteam.com) to sign up for her blog.

# Worksheets

[Successful Projects Worksheet](#)

[My Project Design Worksheet](#)