



# The Handbook for Ministry Fundraising

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# The Handbook for Ministry Fundraising

## Introduction

Changing hearts...changing lives...this is giving. Experiencing God's blessing...sacrificing...serving others...reaching out in a world of cold indifference...seeing God use your mite or your millions...this is giving. It's not about buildings...not about the budget...not about beating the congregation over the head to bring the tithe into your church. It's about helping people to discover the joy of giving...seeing hearts and lives changed...teaching people to be good stewards...helping people to experience the joy of God's blessing.

People really want to give but they need help. They need teaching. They need leadership, encouragement, role models to become like the Macedonians, about whom Paul writes, "Out of the most severe trial, their overflowing joy and their extreme poverty welled up in rich generosity...they gave as much as they were able, and even beyond their ability" (2 Corinthians 8:3a). What does it mean to be able to give beyond their ability? It must have been God at work to enable people to be joyfully generous in their giving in the midst of extreme situations. These are the kinds of givers we need in ministry – people who are excelling in the "grace of giving": that Paul speaks about.

Fundraising is not about the "asking" that most people associate with it. Fundraising is about giving. This essential ministry needs more proper attention in today's world.

How do we help people in our ministry experience the blessings of giving? What does Scripture have to say? How do we educate people about their responsibility to give? What role do leaders play? How does God normally work in this process of fundraising since the resources are all His anyway? We will try to answer these questions and identify the major problems and solutions in raising money and improving giving in ministry. This booklet can help ministries of any size.



## Step 1. Develop a Biblical Philosophy of Raising Money

### Definition

Fundraising is a spiritual ministry to assist givers in achieving their full measure of generosity and to experience God's maximum blessing.

God gives access to His financial resources. The ministry should recognize that these resources have been entrusted to the hands of stewards – people in the congregation. It is the ministry's responsibility to disciple, educate, teach, exhort, and help people to be wise stewards through effective planning and joyful giving. The organization benefits from the giving in being able to carry out its mission; the donor enjoys God's blessings. The problem comes in coordinating the two – the ministry's mission and people's giving. The ministry should determine its philosophy of raising money according to biblical principles and use this as a framework for an effective fundraising plan.

### Fundamental Principles

- 1. God owns it all; His people are only stewards.** (Psalm 50:10-“For every animal of the forest is mine, and the cattle on a thousand hills.” Psalm 24:1-“The earth is the Lord's, and everything in it, the world, and all who live in it.”) God, the Creator, owns everything and has entrusted His people with stewardship responsibilities for resources, talents, and time. This fundamental principle encourages givers to be wise stewards of all God's provisions. The major question is how much to keep and how much to give.
- 2. God wants to bless.** (Acts 20:35-“It is more blessed to give than to receive.”) Blessing accompanies generosity. Paul, in accepting gifts from the church at Philippi said, “Not that I am looking for a gift, but I am looking for what may be credited to your account.” (Philippians 4:17)
- 3. God knows how much is needed.** (Philippians 4:19-“And my God will meet all your needs according to his glorious riches in Christ Jesus.”) God knows the exact amount of “supplies” that are in the best interests of His children to have. In some cases this may be a tremendous amount of money, and in other cases it may be little.
- 4. Planning and diligent work are required.** (2 Corinthians 9:7a-“Each man should give what he has decided in his heart to give...”) The phrase “decided in his heart” indicates the need to plan wisely before God. The

#### Stewardship:

A commitment to behavior that honors God's ownership of all things and His grace in entrusting some of it to us. His intent is to test our faithfulness and to give us pleasure in promoting the general welfare of all creation, including ourselves.



principle of wise planning applies to discipleship in Luke 14:28 and can also be applied to the process of organization and planning for the future. (“Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough to complete it?”)

5. **We must use Biblical principles and ethics to “help people give.”** (2 Corinthians 9:7b-“...not reluctantly or under compulsion for God loves a cheerful giver.”) God does not want His people “forced” or under undue pressure to give. It should be a voluntary, cheerful response to the God who provides all blessings.
6. **Raising money is inextricably linked to the Great Commission and Gospel message.** (2 Corinthians 9:13-“...your confession of the gospel of Christ, and for your generosity in sharing with them and with everyone else.”) Fulfilling the Great Commission requires the financial support of God’s people for the church, ministers, missionaries, workers, materials, and support systems. Gifts meet needs, help to fulfill plans, and enable the Gospel to be spread throughout the world.

## Conclusion

“For where your treasure is, there your heart will be also.” (Matthew 6:21)

God wants our hearts! The organization can help people develop a heart for God by creating an environment that sees fundraising as “a spiritual ministry that involves partnering with God and His people in distributing financial resources.”



## Question

Why not just pray the money in?

The specific methodology of fundraising is generally not addressed in Scripture but some general observations can be made about the ministry of the apostle Paul. He employed three methods. On some occasions he depended upon God alone through prayer. Gifts were supplied and he “...learned the secret of living in plenty or in want.” (Philippians 4:12) Also, he was a tentmaker, employing a trade to meet his financial needs in the ministry (Acts 18A:3-4). But the majority of the time Paul prayed, worked, and asked. This was his normal methodology over an extended period of time, especially as seen in the account of his interaction with the



Macedonian church in 2 Corinthians 8 and 9. He exhorted believers to “...see that you also excel in this grace of giving.” (2 Corinthians 8:7)

Two historical models for ministry fundraising are often cited. In the first, George Mueller used an approach of “Prayer and Publicity.” In the second, Dwight L. Moody used “Prayer, Publicity, and Asking.” The Mueller model, paralleling the approach used by Paul on occasion, is employed infrequently. The approach used by Moody seems to be the more normative approach used by ministries today.

## Contemporary Problems

A twenty – plus year decline in the percentage of household income that Christians give to the ministry has not been reversed. It is generally agreed this is currently about 1.5% to 3.5%. A higher percentage of income was given during the Great Depression (3.2%) than is given today (Research by The Empty Tomb). Though 17% of Christians say they tithe, only 3% of Christians actually do tithe, giving 10% or more (Barna Research). Seventy percent of Christians leave nothing to the ministry or God’s work when they die because they do not have a will or an estate plan (PhilanthroCorp).

## Critical Guiding Passages of Scripture

- 2 Corinthians 8-9
- Philippians 4:10-20

## Action Required

1. Develop a philosophy of raising money (*see Fundraising Philosophy-Appendix A*).
2. Develop a philosophy of debt (*see Debt Philosophy-Appendix B*).
3. Educate ministries on a “biblical philosophy of fundraising.”



LIFE LESSON



Churches with the best giving, relative to the resources of the congregation, seem to have a balanced approach to raising money. This includes prayer, hard work, and asking people to give. The leadership is careful to educate the congregation on stewardship issues in all areas and encourages people to give in a variety of ways over long periods of time. These churches plan well, lead people well, and give God the glory for the results. Generally these churches have no debt and learn to live within their means. Giving is never a negative activity, but a cheerful expression of God’s blessings.



## Quotes

- “If you don’t have much, but give-you will have more. But if you don’t give, whatever you have will never be enough.”-Dwight L. Moody
- “There was a man, some called mad; The more he gave, The more he had.” -John Bunyan
- God promises generous reaping to those who sow generously.  
-2 Corinthians 9:6
- “Money doesn’t talk, it swears.”-Bob Dylan
- Robertson McQuilken writes that the maturity of Christians can be measured by both the way and the attitude with which they give to the Lord’s work. He suggests these classifications:
  1. “Infancy is marked by non-giving, illustrated by the man in Luke 12:16-18 who hoarded his wealth.
  2. Kindergarten is characterized by Impulse Giving, such as Zacchaeus in Luke 19:8
  3. Elementary: Legalistic Giving, as described in Luke 11:42.
  4. Christians at the ‘Secondary Level’ of maturity – high school – give in keeping with honest management, like the steward in Luke 16.
  5. Higher levels mature into Love Giving, as is seen in the poor widow in Luke 21:1-4.
  6. The Graduate Level of giving is Faith Giving, based on Luke 12:28. These people gave sacrificially, gladly, and by faith, trusting God to meet their needs.”

*(Nelson’s Complete Book of Stories, Illustrations, & Quotes, Robert J. Morgan, Thomas Nelson Publishers, pp. 347-348)*

## Tips

- Remember that biblical fundraising is:
  - Much prayer, hard work, and about giving
  - God-honoring from beginning to end
  - Encouraging, cheerful, in faith
- Serve God and use money; don’t serve money and use God
- Excel in the “grace of giving” because it is love in action
- Eliminate roadblocks and hurdles. Ministries need to “help people give”
- Avoid debt whenever possible because raising money to pay off debt is very difficult. Many ministry leaders are quick to borrow money and slow to work hard at fundraising. Scripture does not specifically prohibit debt, but it does say it establishes a master/slave relationship
- Do not assume people have limited resources; remember God has unlimited resources. this is the wealthiest society in the history of the world

TIPS



## Step 2. Build a Proper Climate for Giving

What is a proper climate for giving?

### Definition

A proper climate for giving is one where God's people experience the joy of giving because they have been moved by the Holy Spirit and challenged to support the Great Commission. Giving thrives in an atmosphere of trust. Integrity is the oxygen that gives life to donors. The people know they are loved, served, and are serving and loving others. (See Desko-“Building an Atmosphere of Trust.”) The expectancy of God's work in their lives and how they can impact others is present. They are working toward “excelling in the grace of giving.”

### Fundamental Principles

- 1. It's all about the “Mission.”** This is more important than money. The primary reason people give is: they “believe in the mission” of an organization. Therefore, the organization must be very clear about its mission and filter all programs and activities through its grid.
- 2. Vision motivates givers and raises money.** Clear direction for the future of the ministry helps excite people about the possibilities of what God can do with their resources.
- 3. Develop and maintain “openness and integrity.”** Full honesty and clear communication are absolutely essential. Good ministry leadership communicates both successes and failures, both good decisions and mistakes.
- 4. Generosity in ministry Leadership.** When the organization's leadership is generous, even though they do not communicate how much they give, the constituents follow their leadership. All board members must be giving to the ministry.
- 5. Seek to build “A people of God,” emphasizing the role of Biblical community.** Treat all givers and potential givers as being of equal value in God's sight.
- 6. Teach and preach about giving.** A master plan for teaching stewardship principles should include reaching toddlers through senior adults.
- 7. Dynamic preaching and worship stimulate giving.** The ministry that understands worship, and actively practices it, will see giving as a vital part of the worship process.



8. **Prayer follows financial investment.** This is similar to the principle that where your treasure is your heart will be. People pray for the ministries they have given to support.
9. **Celebrate successes.** Thank donors and volunteers regularly and profusely. Encourage, exhort, and uplift the people. Use testimonials of God's provision.
10. **Develop systems of accountability.** Regular reporting of the use of funds as directed is absolutely essential.
11. **No ministry has ever survived without money.**

## Conclusion

A ministry with a healthy giving climate is characterized by:

1. An understanding of the ministry's mission
2. A clear vision of where the ministry is headed
3. Generous leadership
4. A commitment to prayer
5. A fully informed constituency
6. Strong accountability
7. Godly, stable leadership



## Question

Doesn't everyone understand tithing?

Simply put, no. The guiding New Testament principle is "generous giving as you purpose in your heart before God." God wants His people to be generous, keeping the Old Testament principles of "tithes and offerings" as guidelines. Ample evidence exists that giving is the first priority in the use of resources. This principle is largely ignored since most giving is out of surplus. Herein lies the problem-very few people have a surplus in this present culture. Therefore, good teaching and wise planning are necessary.

"In the church I attend, there was a married couple terrified that if they put their tithe into the offering plate they would not have enough to pay bills during the next week. Some Sundays they would write the check and then not put it into the offering plate when it was passed. It took some time before they felt confident in God's provision to give from the first of their income rather than the surplus."



### Mission Statement:

A description of what God has called your ministry to be; purpose statement.

### Sample:

The Fellowship Church has been called into existence by God to fulfill the Great Commission through evangelism, discipleship, and prayer.

### Vision Statement:

A description of what your ministry believes God has called you to do in a specific time frame, i.e., three years, or five years, in relation to programs, personnel, and projects.

### Sample:

With completion of new facilities the Fellowship Church desires to be the premier center for ministry, discipleship, and evangelism in Upper Bucks County.

## Contemporary Problems

1. **A pattern of negativity.** The only time many congregations hear a sermon on giving is when the ministry is behind in their budget or some special project is to be funded. The only printed communication is a weekly statement of the deficit.
2. **Never mentioning giving.** Many consider giving such a private matter that it is ignored altogether. When this happens, the importance of stewardship is minimized. People need training and teaching in biblical stewardship.
3. **Announcing construction of a new building before firm costs and funding are identified.** Many ministries will prematurely announce projects and then see the costs continue to increase. The project may then need to be reduced in size so people are disappointed and often lose confidence in leadership.

## Critical Guiding Passages of Scripture

Micah 6:8-“He has showed you, O man, what is good. And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God.”

## Action Required

1. Establish a fundraising committee that is responsible for developing a ministry-wide long-range plan for raising money.
2. The mission statement should be clearly visible on all buildings and literature, and be memorized by all leadership and staff.
3. The “vision” or direction of the future of the ministry needs to be clearly understood by the congregation.
4. Ministry leadership should commit themselves to open, honest positive communication about finances and stewardship.





## LIFE LESSON



Ministries with the most financial problems usually have debt, instability in leadership, and lack of direction. To compensate for this, there is a constant emphasis on the budget-often “how far we are behind” (failing to tell how expenses have been cut or are reduced as well), or that “we only increased the budget 2% this year” (as if there were something spiritual about small increases, when actually small increases usually keep people’s sights low), or using the budget as an excuse for all “no’s” (“it’s not in the budget so we can’t do it,” or, “we’ve used up the budget”). The only time the constituents hear about giving is when the ministry is behind in the budget. In a church the sermon theme is fairly predictable: “Give ‘til it hurts,” or “Will a man rob God,” or “Bring the whole tithe into the storehouse.”

The easiest way to destroy an atmosphere of trust is to use a donor’s gift in a way other than what the donor directed. No apology seems to be enough to rebuild the trust. These donors never seem to regain their enthusiasm for giving.

## Quotes

- “Where there is no vision, the people perish.”-Proverbs 29:18
- “An audience that doesn’t pay is very critical.”-George Burns
- “One of the greatest missing teachings in the American Church today is the reminder that nothing we have belongs to us.”-George MacDonald

## Tips

- The tithe is not taught in the New Testament; cheerful generosity is. So be careful of demanding tithe
- Storehouse tithing to the church alone is not a New Testament principle
- Compassion, empathy, and sympathy are great ways to encourage people to give
- Ministries should not see themselves in competition with other ministries for the donor’s gifts. The decision to give is between the donor and God. He must follow his heart
- People don’t like to give to pay off debt or cost overruns
- Don’t tell people to “Give ‘til it hurts,” tell them to “Give ‘til it feels good”
- There are more verses in the New Testament on money and material possessions than on heaven and hell combined
- Always use funds exactly as the donor designates. Do not borrow internally from restricted funds. Nothing discourages giving like mistrust

## TIPS



## Step 3. Equip the Leadership

### Definition

The role of leadership is to carefully and thoughtfully determine, under the direction of the Holy Spirit, the mission, vision, values, and plans for the future of the ministry. Included in the plan is how to build and maintain a giving program.

Leadership sets the pace for generous giving in the ministry. A direct correlation exists between the level of generosity by leadership and by the constituency. This does not mean the amount of money given, but rather the level of sacrificial giving relative to a person's capacity to give. Effective leadership clearly defines the mission, vision, and long-range plans of the organization. By using a planning process that is inclusive of all constituencies, they lead a process designed to challenge people with the opportunities to participate in God's work through the ministry.

### Fundamental Principles of Leadership in the Fundraising Process

1. The planning process must be led by the ministry leadership and include all constituencies.
2. Spiritually mature leaders:
  - Encourage generosity through their example
  - Clearly articulate the "mission" and foster adherence to it by the constituents
  - Train people in stewardship principles
  - Consult with others to plan their fundraising program
  - Set goals, identify priorities, obtain accurate costs, and budget carefully
  - Have realistic expectations
  - Maintain consistency
  - Staff with quality people
  - Commit to excellence in everything
  - Work hard and are zealous
  - Serve others
3. Effective leadership builds an atmosphere of excitement, expectancy, and urgency before a major fundraising campaign is presented.
4. Leadership plans not only for the initial funding of a project or program, but also for its continuance or maintenance.

#### Long-Range Plan:

The end result of a planning process, led by leadership and developed with broad-based input and consensus. It identifies priorities in programs, personnel, and facilities. It may contain what is referred to as a "strategic plan" or "strategic thinking."



5. Leadership learns how to ask in ways that are not offensive and are within the cultural framework of the ministry.
6. The fundraising leadership is able to listen.
7. Leadership recognizes the importance of prayer as the foundation for the fundraising process.



## Question

Why not just tell them what needs to be done and what to do?

Ministries that include all constituencies in their planning process raise far more money than those that have a plan prepared solely by a few in leadership. Even though the plan in each case would look essentially the same, the “ownership” of the plan that is developed by a careful process helps people give more.

## Contemporary Problems

1. **Too many ideas.** A visionary leader often has more exciting ideas than money to fund them. This type of leader needs thoughtful people who can plan carefully in order to complement the leader’s gifts. Otherwise, the ministry will go in too many directions and the projects will not be funded properly.
2. **Little or no planning.** Funding fails because projects and programs are not well planned and prioritized.
3. **Not staying with the plan.** When new needs arise and new opportunities are presented, the ministries that stay with their plan of identified, agreed-upon priorities always produce more money. Moving off the plan undermines donor confidence in leadership.
4. **Premature announcements.** Projects are often announced to the constituencies before the costs are determined or a majority of the funding is arranged. People believe a project is a reality when the artist renderings are presented or printed materials are distributed.
5. **Underfunding.** Most capital projects are under-funded rather than over-funded. Lack of cost control will restrict giving rather than cause people to give.

## Action Required

1. Develop a long – range plan which has broad-based consensus, has clearly articulated mission and vision statements, and has funding priorities identified that are reasonable in attainment and cost.



### Case Statement:

A persuasive document that encompasses the long-range plan, mission, and vision of the ministry inviting people to participate with their gifts to see the vision realized and the mission of the ministry fulfilled.



2. Prepare a financial plan that corresponds with the term of the long-range plan.
3. Develop a Case Statement for support.  
*See Case Statement Requirements-Appendix C*
4. Periodically review and evaluate your stewardship program.

A number of the ministries I have talked with over the years have stated they never had a problem with giving in their ministry. The money always seems to be available when it is needed. After reviewing their fundraising climate, the following factors are present: biblical principles about giving interwoven throughout the ministry; an atmosphere of trust and respect for the leadership's demonstration of fiscal responsibility; visionary leadership who exhibit good planning; and leaders who lead. With many of the necessary components of a good stewardship program in place, generous giving is taking place. The missing component is usually a process to help people reach their maximum potential.

### Quotes

You got to be careful if you don't know where you're going, because you might not get there." -Yogi Berra

### TIPS



### Tips

- Don't try to control where donors want to direct their gifts. Honor donors' leading of the Spirit as to where they should give their money
- Realize there are more needs than money, always
- Constituencies never have enough funds to do all they want to do
- Leadership always underestimates the financial resources of its constituencies
- People give to people because they have a relationship and trust the people to whom they are giving



## Step 4. Facilitate the Who, When, What, Where, Why, and How of Giving

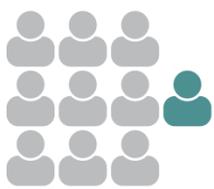
### Definition

People give the most generously when giving at the right time, for the right thing, in the right way, when asked by the right person.

The “process” of fundraising is very important. To improve giving in the ministry, leadership must understand who is giving, when people give, what they give, where they give, why they give, and how they give.

### Fundamental Principles

**The WHO:** (Giving generally follows these patterns)



10% of your donors will give 90% of the money

- 10-20% of the people give 80-90% of the money
- Planners give more
- Volunteers
- Leadership and long-term board members
- Single adults and married couples without children
- Savers

**The WHEN:**

- Usually, when asked
- Those who give first give often
- Early, large gifts set the pace
- When they are ready
- Often on impulse or emotion

**The WHAT:**

- Cash
- Securities- Stocks, bonds, mutual funds
- Insurance- Whole life policies
- Personal property- Gold, silver, coins, stamps, jewelry, automobiles
- Real estate- Land, homes, vacation homes
- Other- Interest in a business

**The WHERE:**

- Organizations that have captured their hearts
- Organizations for which they have prayed
- Their church (50%) and parachurch ministries (50%)
- Organizations with a clear mission
- Organizations with vision



- Organizations in which they have been involved
- Organizations they trust
- Organizations that offer opportunity

**The WHY:**

- To see lives saved and changed
- Because they believe in the “Mission”
- Because they were asked by people they know and trust
- Because they have been educated in giving
- Because they believe they are part of something exciting
- Because their hearts were stirred, their minds stimulated, and their souls challenged

**The HOW:**

- Current giving- Most giving is done out of current income
- Projects- one time or repeated
- Deferred- through wills, annuities, and trusts
- Memorial gifts
- Via credit card and/or electronic funds transfer

**Deferred Gift:**

A gift arranged now to take place at a future date, usually the donor’s death. Examples are wills, annuities, and trusts.

People give three ways: annual or regular general operating gifts, commonly called unrestricted gifts; capital gifts usually to specific projects or programs, commonly called temporarily restricted gifts (in some cases to endowment which is permanently restricted); and deferred, or permanently restricted gifts to endowment (in some cases to unrestricted or temporarily restricted).

**Ways to Give Chart**

Annual	Capital		Deferred		
General Operations	Projects & Programs	Endowment	General Operations	Projects & Programs	Endowment



## Conclusion

Reluctance to be part of the fundraising process usually results from ignorance of the “5W’s and H.” When leadership and volunteers are able to grasp the vision of helping people give back what is already God’s, much of the apprehension disappears.

## Contemporary Problems

The most common problems voiced by ministry leadership are:

1. **“Our people don’t have the money.”** (The reality is that many people have more money than ever before. We are the richest nation in the history of the world. It’s not a matter of having money; the problem is how we spend it.)
2. **“Our people don’t like to be asked.”** (In reality, studies show the number one reason why people do not give is because they are not asked. Maybe the issue is: How appropriate is the way they are asked?)
3. **“Our people are giving money elsewhere.”** (People now give more than 50% of their money outside their local church, probably because these parachurch organizations are becoming more effective at the process of fundraising.)
4. **“Our people aren’t tithing.”** (You’re right, they’re not! Only three percent of Christians are tithing, yet twelve percent believe they are.)
5. **“They said no.”** (No doesn’t always mean no. It may mean they do not have enough information, it isn’t the right time, or there are other problems. Be patient.)
6. **“We don’t believe in pledges, we give by faith.”** (The ministry needs some way of planning cash flow. Call it a pledge or “faith promise” or something else, but for a campaign it is a necessity. If you don’t plan, and declare your intentions to spend only what God provides, then don’t even consider debt.)
7. **“We want our giving to be private.”** (It can be if you think through a process to ensure confidentiality.)

## Action Required

1. Provide educational materials to assist donors in understanding the ways they can give. Include brochures and books such as “Ways People Give,” “How to Plan Your Estate,” and “Preparing Your Will.”
2. Hold seminars on budgeting, planning, and investing.
3. Help people understand the “5W’s and H” of giving.





## LIFE LESSON



I met with an elderly lady who was interested in making a gift to a Christian school. She needed some help with her estate plan. Realizing she had no charitable component I suggested she consider it. She said she had never thought of including the school. Then I mentioned she should consider her church. No one had ever asked her before. She was delighted to do it. At her funeral I was able to present the pastor of her church with a check for \$25,000!

## Quotes

- “The basic question is not how much of our money we should give to God, but how much of God’s money we should keep for ourselves.” - J. Oswald Sanders
- “Be faithful with what you receive; be prayerful about what you need; be open about what you are doing.” - E. Brandt Gustavson

## Tips

- 85% of all giving comes from individuals
- Assist those who have the capabilities of making large gifts
- 35% of all individual giving is by way of deferred gifts-wills, annuities, trusts, life insurance, etc.
- Since most people give out of current income, they need education concerning how to give out of capital and other assets that have increased in value
- The lowest income levels give the highest percentage of their income; the highest income levels give the lowest percentage of their income
- Conspicuous consumers usually are poor donors
- The best donors are in the 55-75 age range
- Help the younger generation to give through credit cards and electronic funds transfers (EFT)
- Don’t publicly announce a building project until 50% of the funds are in hand
- People give to see lives changed, so publicize the construction of a building as a means to change lives
- Use bequests and maturities of deferred gifts to retire debt, build endowment, and fund special projects
- Offer memorial opportunities

## TIPS



## Step 5. Help People Give

How do you help people give generously?

### Definition

To maximize their gifts, people need the assistance of others to better understand their stewardship responsibilities and plan their giving, within a particular time-frame and resources, and to experience God's maximum blessing for their generosity.

### Fundamental Principles

One role of the ministry is to assist people to plan and give wisely. When a ministry has developed and communicated a biblical philosophy of stewardship, built a positive climate for giving, equipped the leadership, and facilitated the "5W's and H" of giving, it is in the best possible position to help people give. Providing assistance would include the following:

- 1. Personnel-** Competently trained staff, stewardship or fundraising committee members, or other volunteers should be available to discuss planning and stewardship issues with people. It is best to discuss the issues with both spouses if the parties are married.
- 2. Planning parameters-** People should be directed to planning their giving. First, if it is a matter of a specific gift or pledge, then the donors should be encouraged to pray, and then plan a budget with giving the first priority. Next, they should be fully informed of the mission, vision, and plans, and have assistance available if additional questions arise. Or, if the issues are more complex and involve estate planning, they should, before going to a professional, consider the "4 P's" – the **P**eople they want to include in their plans; the **P**roperty God has entrusted to them; the **P**riorities or goals they have, including giving; and the **P**rofessionals who may be able to assist them in preparing a plan.
- 3. Professionals-** The ministry should be able to suggest attorneys, financial planners, or accountants who can provide the professional services necessary to complete plans.

### Contemporary Problems

Surveys show that pastors and many ministry leaders feel ill-equipped to address most stewardship issues. Nearly all ministries have finance committees to spend money, but few have committees established to help



people plan and give wisely. One of the reasons why giving to churches has declined but has increased to parachurch ministries is the giving assistance that is provided by the latter. Ministries need to provide the necessary stewardship training for staff and interested lay people.

### Action Required

1. Assemble a team of qualified personnel (men and women) who are able to assist people in their planning and giving as members of a Fundraising/Stewardship Committee. This committee should not have responsibility for spending funds.

*See Fundraising/Stewardship Committee Responsibilities-Appendix D*

*See Recommendations for Finance Committee-Appendix E*

2. Develop sources of competent professionals who can assist people with their planning and giving.
3. Encourage people to include the ministry in their estate plans.



LIFE LESSON

Mrs. C. had a plan leaving everything in her will to her nieces and nephews since she had no children. She was presented with the opportunity to include her church in her estate plan. Realizing she had never tithed on the increase in value of her home and investments, and that the inheritance tax was 15%, and income taxes on an IRA could be as high as 28%, she made her church the last beneficiary of her IRAs. By making the church the last beneficiary of her IRA no taxes had to be paid by her estate. This saved an enormous amount of tax (at least 43% in income tax and her family inheritance taxes) and provided for her church upon her demise at very little expense to her nieces and nephews.

### Quotes

Fundraising isn't something you do to someone. It's something you do for and with someone." -Jerold Panas



## TIPS



### Tips

1. First of all, help people understand the mission and vision of the ministry
2. Second, help people understand the priorities of the ministry
3. Most people believe they can only give out of current income; they have never thought of the other ways to give.
4. Giving of time and self are NOT the same as giving money
5. Use volunteers and ministry leadership for asking, not paid outsiders
6. Don't miss the opportunities afforded for large gifts through bequests and other plans; ministries should help people give while they live and when they die.
7. Train the staff and fundraising committee members with the basics of giving and planning
8. Involve women in giving, since they survive their husbands 90% of the time. Some experts have suggested the following differences in the way people tend to give. The important issue is that people do give from various kinds of motivation and we have to help each person give base upon where they are.
  - Men give because of peer pressure
  - Women give because they have been inspired to join others to make a difference
  - Men like big projects and programs
  - Women are drawn to people
  - Women take longer to make up their minds
  - Women want to hear stories
  - Men like statistics
  - Women are spontaneous in their giving when moved
  - Men give in a strategic way



## Step 6. Developing the Fundraising Plan

### Definition

A fundraising plan is agreed upon by leadership to set forth the actions that will be taken, Lord willing, to secure the necessary funds for the prioritized goals of the ministry in accordance with its mission and vision.

### Fundamental Principles

1. The fundraising plan is a written plan, which identifies who will be asked, when they will be asked, and by whom. It identifies the ways people can give and what they will be asked to give to.
2. Major commitments come first, usually from leadership and key donors.
3. If it is a campaign, 50% or more should be secured before making final project funding decisions and “going public.”
4. Deferred components of the plan (wills, annuities, trusts, insurance, and real estate) should be an ongoing emphasis.
5. A system must be in place to properly thank donors and receipt gifts.

### What Does the Plan Look Like?

When the plan is completed the following components will be in place:

1. Prayer: Part of the plan includes an organized prayer effort that will serve as a foundation for the giving program of the ministry.
2. Mission and Vision: The mission and vision statements of the ministry will be powerful, clear, and agreed to by all constituencies.
3. Long-range Plan: The identified and agreed upon priorities of the ministry over a two to three year period that are clearly identified and carefully budgeted. A timeline lays out the sequence and proposed implementation of each item. The financial plan for the ministry covers the same time period.
4. Committed Leadership: The ministry leadership demonstrates generosity with their personal giving, and leads efforts to educate the organization on stewardship principles.
5. Fundraising Committee: A committee charged with the responsibility of writing and implementing the fundraising plan is created with direct reporting to the leadership.
6. Budget: Adequate funds are available for materials, technology, personnel, and consulting assistance.
7. Volunteers: A corps or committee of individuals who are able to assist people with their planning and giving.



8. **Communication:** The “who, when, what, where, why, and how” of the giving program is clearly presented by the people who are most gifted in this area. Printed materials assist the ministry to understand the giving program.
9. **Asking:** The ways in which the people will be asked—whether corporately, by phone, mail, or individually – is decided in advance.
10. **Education:** A ministry – wide plan to teach biblical principles of giving and stewardship is implemented.
11. **Opportunities:** The plan has opportunities for people to make memorial gifts, special gifts, annual gifts, and lifetime gifts such as bequests, insurance, real-estate, and personal property.
12. **Thank You:** Means for properly and promptly receipting gifts, showing expressions of gratitude, and opportunities for testimonies of God’s provision and blessing are incorporated.

### What Other Components are Included in a Capital Campaign?

1. **Campaign Leadership Training:** Those who are coordinating the asking need training before the plan is implemented.
2. **Quiet Phase:** Generally, leadership and key supporters should commit to 50% or more of the campaign goal before the campaign is made public. This gives the leadership an opportunity to assess the support for the priorities and to determine if the goals are realistic.
3. **Public Phase:** A “Kickoff” event such as a banquet or special event should mark the public presentation of the campaign. Those in attendance are invited to join in partnership with others to reach the goal. Commitments and gifts may be received – at this time or secured through additional mailings and personal contacts.
4. **Follow Up:** Volunteers should meet with families on an individual basis to help them think through their commitments to the campaign.
5. **Wrap Up:** Procedures should be established to make sure all constituencies, families, and individuals have responded to the fundraising committee’s satisfaction.
6. **Celebration:** Opportunities should be provided for the constituents to celebrate God’s provision. Reward the volunteers and donors for their hard work and generosity.

#### Pledge:

A promise to pay a certain amount of money at a future specific date – often synonymous with commitment, or faith promise.



COMMON  
QUESTIONS

### Questions

Should a feasibility study be conducted before a capital campaign?

A feasibility study is a very helpful tool to accomplish a number of important objectives, such as determining the amount of money that can be raised,



obtaining anonymous valuable input from key donors and leadership, and clarifying the important goals of the campaign with key donors.

## Is a consultant needed?

Many ministry leaders feel ill-equipped to address the complexities of raising money, biblical stewardship, tax laws, varying opinions on faith-based fundraising, and high-pressure emotional appeals. An experienced and fresh perspective to guide and evaluate the ministry process is usually beneficial. The chemistry between the ministry and the consultant is extremely important.

## What do you look for in a consultant?

Someone who:

1. Will work compatibly with you-find the right personal style and chemistry
2. Understands your culture, ministry and mission
3. Is a good listener and is not selling
4. Is highly organized
5. Is credentialed and has a proven track record
6. Is ethical and has spiritual understanding
7. Is accessible and available.
8. Will not take a percentage of the amount raised

## Contemporary Problems

Fundraising efforts and campaigns most frequently fail because:

1. Goals are established that do not reflect the organization's mission and vision
2. Leadership changes
3. Goals are unrealistic or changing
4. Campaign does not stay with the plan
5. Goals or plans are announced too early before the necessary funds have been committed
6. There is a lack of volunteer leadership
7. Cost over-run

## Action Required

1. Prepare a "Plan for Planning," which identifies how the organization is planning to plan.
2. Determine whether the ministry needs a "campaign" focused on raising a large amount of money in a shorter period of time, or just a general effort to improve giving.



3. Prepare a comprehensive Fundraising Plan for the ministry including the steps, budget, materials, timing, and personnel assigned for implementation. This is often called the “Critical Path Plan.”
4. Consider use of outside “counsel” for fundraising, planning, or both.



## LIFE LESSON



The ABC Church leadership was convinced they needed a new sanctuary. It had been talked about for years in the congregation and it was assumed it would have widespread support. Plans and renderings were prepared. Artist renderings were presented to the congregation and displayed prominently as ‘coming soon.’ The final cost estimates came in way over budget and the project had to be scaled back. The congregation was disillusioned because this new plan wasn’t what they had been presented. Funding for the project failed to materialize and plans were scrapped until a later date. Confidence in leadership eroded and attendance and giving declined.

Leadership failed the church by not planning more thoroughly, not determining the appropriate size of the project, and not assessing the financial support available.

## Quotes

“Earn all you can, save all you can, and then give all you can. Giving to God is no loss; it is putting your substance into the best bank.”-Charles H. Spurgeon

## Tips

- A rule of thumb is that for every \$1 a person gives through the mail, they will give \$10 over the phone, and \$100 in person. When people have an opportunity to sit down, think, and plan their giving, they give more.
- When setting a goal for a campaign, consider a minimum goal and a higher, challenge goal
- Printed materials should be in a “Case Statement” format. *(See Appendix C)*
- In a campaign, it is likely that 80-90% or more of the gifts will come from 10-20% of the donors. These major gifts may be defined as any gift that is one to one-and-one-half percent of the goal. Most donors can afford to donate at least five times as much as they are currently giving.
- Project and fundraising materials should be simple. Avoid complex plans, expensive looks, and an emphasis on just “projects.” People are more interested in “changing lives.”
- If you use a fundraising firm to assist the ministry in a campaign, avoid giving the firm a percentage of the amount raised; negotiate a flat fee for services or a per-hour rate
- Multiple year pledges, or faith promises help leadership plan better

## TIPS



## Conclusion

Trusting in God’s provision and seeing it realized is a tremendous encouragement to the faith of believers. Just as the Macedonian church experienced the “joy of giving,” we can experience that joy today. The call in this booklet is to a more thoughtful, prayerful, balanced approach to giving—one that results in blessing and joy to the giver and fulfillment of the Great Commission. God uses people to accomplish His work. He requires our time, our work, and our gifts. Working hard, praying hard, and giving hard is required of those who want to participate fully in the process of “excelling in the grace of giving.”

*See Appendix F-Fundraising Overview-for a complete overview of the philosophy and approach suggested in this booklet.*



**Wayne Lynch** is an Advanced Certified Fundraising Executive (ACFRE) by the Association of Fundraising Professionals (AFP). As a consultant, Wayne brings over 30 years of experience in finance and fundraising.

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If you are a leader of a church, non-profit or business and would like to further advance the effectiveness and health of yourself or your organization, we can assist you through our proven guidance and relational approach. We provide customized solutions for your complex problems. Our solutions include coaching, assessment, communications, crisis guidance, planning, staffing & HR, succession planning, and personalized coaching retreats. For more information, call our office at 215-723-2325 or visit our website [centerconsulting.org](http://centerconsulting.org).

Appendix A. Fundraising Philosophy  **THE CENTER**  
CONSULTING GROUP

### Sample Fundraising Philosophy

1. All we have is God’s.



2. We recognize the stewardship responsibilities entrusted to us by God.
3. We are obligated to tell the truth to the constituents when raising money and in communication of plans and goals.
4. We will meet our obligations to donors and our constituents.
5. We will observe the letter and spirit of all laws that pertain to the ministries activities, both internal and external.
6. We will give factual accounting of what actually is occurring.
7. We will not pay finder's fees or commissions for the raising or acquisition of gifts.
8. We believe that "God loves a cheerful giver" and we are "not to give under compulsion but as we purpose in our heart before God."
9. Information collected by the Fundraising/Stewardship Committee is confidential and is to be used for the purpose of "wise planning."
10. We respect the privacy of individuals and their giving.
11. We want to "help people give" so that they enjoy God's blessings, assist the ministry, and encourage one another.
12. The ministry will only raise money for the Board-approved goals.
13. Our decisions will be based on principles rather than consequences.
14. We will inform donors about the tax implications of their gifts.
15. Donor designations will be respected and be accounted for separately.
16. We will avoid conflicts of interest.
17. We will accept gifts-in-kind and bargain sale gifts only with approval.
18. We commit ourselves to being generous so that we may more effectively ask others.



## Appendix B. Debt Philosophy

### Sample Debt Philosophy Statement

- It is our stated goal not to incur any long-term debt for ministry operations, expansion of programs, or facilities.
- Interim financing will be used to cover the gap between the receipt of financial commitments to give and the available cash-on-hand for payment of bills.
- “Faith Promises” or pledges or financial commitments will be obtained from people for the purpose of “planning wisely.”



## Appendix C. Case Statement Requirements

### **What is the Mission of the Ministry?**

### **What is the Vision of the Ministry?**

### **What is the history of the Ministry?**

- Founded when and by whom
- Major milestones and accomplishments

### **Whom does the ministry serve?**

- Demographic information
- Describe those who benefit from the ministry-share testimonials

### **What issues confront the people served by the ministry?**

- What challenges do the people served face?
- What pressing problems does the ministry need to address?

### **How does the ministry address these challenges?**

- What programs does the ministry offer?
- What services are provided for people?

### **What is the ministries reputation for stewardship?**

- What evidence can be given pertaining to the ministries stability?
- What evidence can be given pertaining to fiscal responsibility-for example, years of deficit-free operations?

### **How is the planning process described?**

- Who participated in the planning process?
- How broad-based was the process?
- How thorough was the planning process?

### **What are the goals for the future as evidenced in the long-range plan?**

- What are the program, financial, facility, and spiritual goals?
- How will the congregation be better served?

### **How will the donor's gifts be used to accomplish the mission and vision of the ministry?**

- Why is the campaign being conducted?
- Who is participating?

### **How will the donor's involvement be acknowledged?**

- Describe the gift opportunities
- Describe the intangible (including spiritual) benefit donors receive by their giving



## Appendix D. Fundraising/Stewardship Committee Responsibilities

- Choose a chairperson of the committee
- Add committee members when and where needed
- Assist people with their planning and giving
- Receive and dispose of real property gifts
- Recruit and train volunteers
- Promote and encourage giving
- Prepare and implement a program educating the organization on stewardship issues
- Promote and encourage deferred gifts, such as wills and trusts
- Lay the groundwork for increased giving in the future
- Facilitate a prayer support plan
- Create a fundraising budget
- Produce and review all printed and video materials
- Communicate regularly to the constituents
- Report to the Board
- Secure gifts to meet the stated goals of the long-range plan:
  1. Ensure the annual operating budget is met
  2. Raise \$X to purchase the land
  3. Raise \$X to construct a new building
- Choose a campaign chairperson
- Determine the length of acceptable pledges
- Track gifts and pledges
- Enlist people to be volunteer solicitors in the campaign
- Encourage all committee members to make their pledges or gifts first

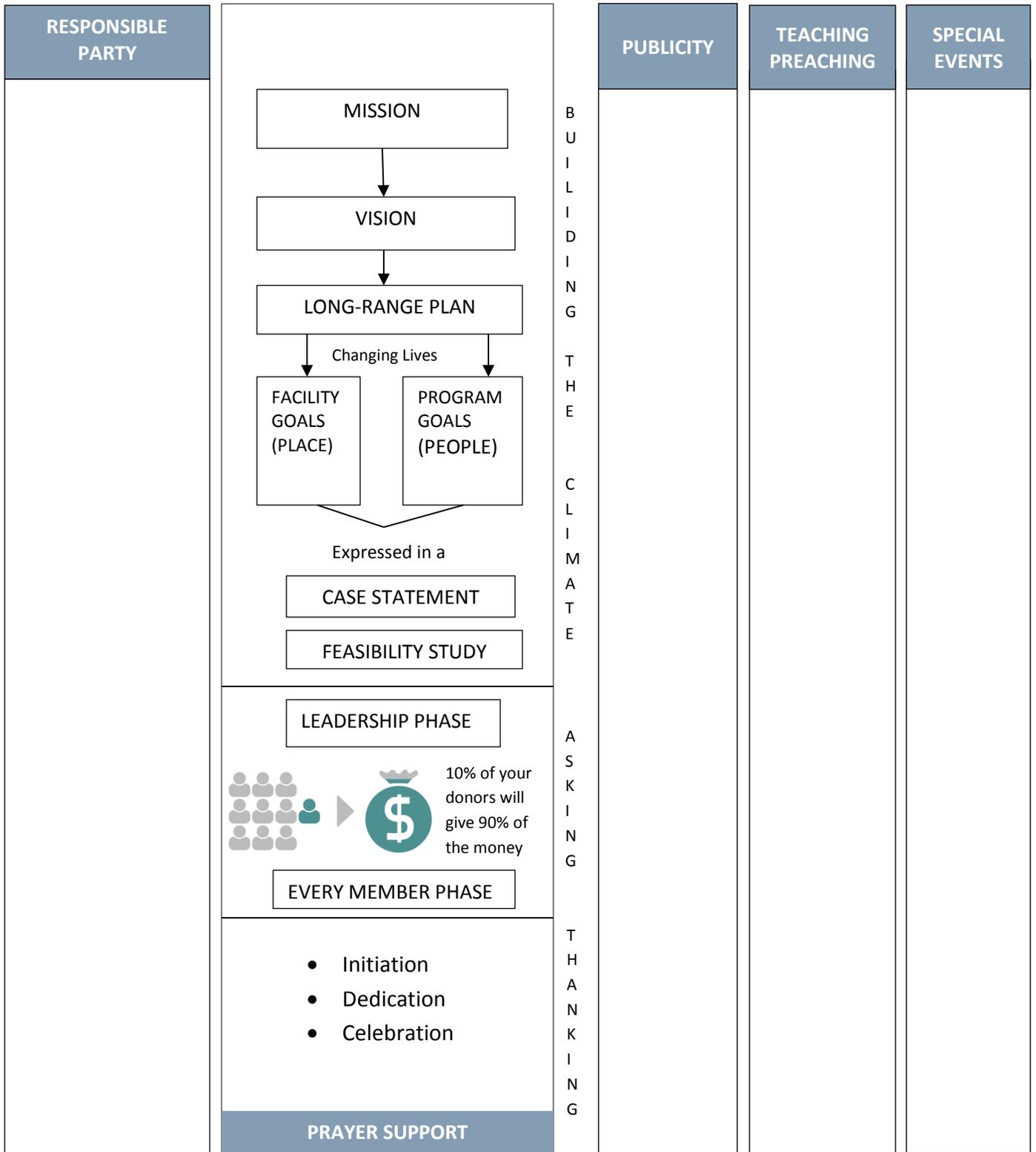


## Appendix E. Recommendations for Finance Committee

- Short-term funds should be invested in government insured money market accounts or bank money market accounts insured up to \$100,000
- Restricted funds should not be used for borrowing by other accounts
- Receipts for all gifts should be generated promptly. Remind donors that all gifts over \$250 need an official receipt for IRS purposes
- Unless specified by the donor, all gifts should be considered unrestricted and applied in order of the priority agreed upon by the Board
- All gifts should be confidential unless the donor directs otherwise
- Arrange interim financing to “bridge the gap”



## Appendix F. Fundraising Overview



B U I L D I N G T H E C L I M A T E A S K I N G T H A N K I N G

