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Specialist Certification in Strategic Philanthropy

## Fundraising Strategies

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**Annual fund:** An annual fund is a fundraising effort by an organization to raise money on a yearly basis. It is often used to support an organization's operating budget and may be used to fund programs, scholarships, or other initiatives.

**Capital campaign:** A capital campaign is a fundraising effort by an organization to raise a large amount of money for a specific project or purpose, such as the construction of a new building or the purchase of major equipment.

**Challenge grant:** A challenge grant is a type of grant that is given with the condition that the organization must raise a certain amount of money from other sources before the grant will be released. This can be a useful way to incentivize donors to give, as they know that their gifts will be matched by the challenge grant.

**Corporate giving:** Corporate giving refers to the charitable contributions made by for-profit corporations. These contributions can take the form of cash donations, in-kind donations, or volunteer time.

**Donor-advised fund (DAF):** A donor-advised fund is a type of charitable giving vehicle that allows individuals, families, or organizations to make a charitable contribution, receive an immediate tax deduction, and then recommend grants from the fund over time.

**Foundation:** A foundation is a type of nonprofit organization that is typically funded by a single source, such as an individual, family, or corporation. Foundations are often established to support a specific cause or mission.

**Giving circle:** A giving circle is a group of individuals who come together to pool their resources and make collective grant decisions. Giving circles can be a powerful way to engage donors and increase the impact of charitable giving.

**Grant:** A grant is a financial award given by a foundation or government agency to support a specific project or program. Grants are typically awarded through a competitive application process.

**Major gifts:** Major gifts are large, one-time donations made by individuals or organizations. These gifts can be transformative for an organization and are often used to fund significant projects or initiatives.

**Matching gift:** A matching gift is a type of corporate giving program in which a company agrees to match the charitable contributions made by its employees. This can be a powerful way to incentivize employees to give and increase the impact of their gifts.

**Planned giving:** Planned giving refers to the charitable contributions made through estate planning, such as bequests, charitable trusts, or gift annuities. These types of gifts can provide significant benefits to both the

donor and the organization.

**Sponsorship:** Sponsorship is a type of corporate giving in which a company provides financial support to an event or organization in exchange for advertising or promotional opportunities.

**Stewardship:** Stewardship refers to the responsible management and care of the resources that have been entrusted to an organization. This includes the careful stewardship of donor relationships, as well as the effective use of financial resources.

**Unrestricted gifts:** Unrestricted gifts are donations that can be used for any purpose, at the discretion of the organization. These types of gifts are especially valuable to organizations, as they provide flexibility and allow the organization to direct resources where they are most needed.

**Annual fund:** An annual fund is a fundraising effort by an organization to raise money on a yearly basis. It is often used to support an organization's operating budget and may be used to fund programs, scholarships, or other initiatives. Annual funds are important for organizations because they provide a steady stream of revenue that can be relied upon to support the organization's work.

To be successful, annual funds should have a clear and compelling case for support, a well-defined target audience, and a strong communication plan. It can be helpful to segment donors and tailor messaging to each group, as well as to offer a variety of giving levels and recognition opportunities.

Here are a few tips for running a successful annual fund:

- \* **Start planning early:** Give yourself plenty of time to plan and execute your annual fund campaign. This will allow you to create a well-thought-out strategy and avoid last-minute scrambling.
- \* **Set clear goals:** Establish specific, measurable, and attainable goals for your annual fund. This will help you stay focused and motivated, and will also make it easier to measure your success.
- \* **Tell a compelling story:** Use storytelling to bring your organization's work to life and show donors the impact of their gifts. This can be a powerful way to engage donors and inspire them to give.
- \* **Make it easy to give:** Make the giving process as simple and seamless as possible. This might include offering online giving options, providing suggested giving levels, and offering the option to set up recurring gifts.
- \* **Say thank you:** Be sure to thank your donors promptly and sincerely. This will help build strong relationships and encourage donors to give again in the future.

Here is an example of an annual fund appeal letter:

Dear [Donor],

As a valued supporter of [Organization], I wanted to reach out and thank you for all that you do to help us make a difference in our community. Your generosity has enabled us to [insert example of impact].

I am writing today to ask for your continued support as we kick off our annual fund campaign. Our goal this year is to raise \$100,000 to support our [insert program or initiative]. These funds will be used to [insert

specific use of funds].

We know that we couldn't do this important work without the support of friends like you. That's why we're asking you to consider making a gift to our annual fund today. Any amount, no matter how small, will make a difference.

To make a gift, you can [insert giving instructions]. If you have any questions or would like to learn more about our work, please don't hesitate to contact me.

Thank you for your consideration, and for all that you do for [Organization].

Sincerely,  
[Your Name]

**Capital campaign:** A capital campaign is a fundraising effort by an organization to raise a large amount of money for a specific project or purpose, such as the construction of a new building or the purchase of major equipment. Capital campaigns are typically conducted over a defined period of time, such as two or three years.

Capital campaigns can be a powerful way to fund significant projects and advance an organization's mission. However, they require careful planning and execution in order to be successful.

Here are a few tips for running a successful capital campaign:

- \* **Conduct a feasibility study:** Before launching a capital campaign, it's important to conduct a feasibility study to assess the potential for success and identify any potential challenges or obstacles.
- \* **Set clear goals:** Establish specific, measurable, and attainable goals for your capital campaign. This will help you stay focused and motivated, and will also make it easier to measure your success.
- \* **Build a strong case for support:** Develop a compelling case for support that clearly articulates the need for the project, the impact it will have, and how it aligns with the organization's mission.
- \* **Engage a broad base of support:** A successful capital campaign relies on the support of a wide range of donors, including individuals, foundations, and corporations. It's important to engage these donors early and often, and to provide them with regular updates on the progress of the campaign.
- \* **Communicate regularly:** Keep your donors informed about the progress of the campaign, and thank them for their support. This will help build trust and encourage donors to continue giving.

Here is an example of a capital campaign case for support:

Dear [Donor],

As a valued supporter of [Organization], I wanted to share some exciting news with you. Over the past few years, we have been working hard to [insert need or problem]. As a result, we have identified a need to [insert solution or project].

We are thrilled to announce that we are launching a capital campaign to raise \$5 million for the construction of a new [insert building or facility]. This facility will enable us to [insert impact or benefit].

We know that this is a significant undertaking, but we are confident that with your support, we can make it a reality. We are asking you to consider making a gift to our capital campaign. Any amount, no matter how small, will make a difference.

To make a gift, you can [insert giving instructions]. If you have any questions or would like to learn more about our campaign, please don't hesitate to contact me.

Thank you for your consideration, and for all that you do for [Organization].

Sincerely,  
[Your Name]

**Challenge grant:** A challenge grant is a type of grant that is given with the condition that the organization must raise a certain amount of money from other sources before the grant will be released. This can be a useful way to incentivize donors to give, as they know that their gifts will be matched by the challenge grant.

Challenge grants can be

**Corporate Philanthropy:** Corporate Philanthropy is the practice of companies making charitable donations to support nonprofit organizations and causes. It can take many forms, such as cash grants, in-kind donations, and employee volunteer programs. Corporate philanthropy can help companies achieve their business objectives, such as enhancing their reputation, engaging employees, and building relationships with customers and communities.

**Crowdfunding:** Crowdfunding is a fundraising method that involves raising small amounts of money from a large number of people, typically via the internet. Crowdfunding platforms, such as Kickstarter, GoFundMe, and Indiegogo, allow individuals and organizations to create campaigns and solicit donations from the public. Crowdfunding can be an effective way to raise funds for a variety of purposes, including startup businesses, creative projects, and social causes.

**Donor Advised Funds (DAFs):** Donor Advised Funds (DAFs) are charitable giving vehicles that allow donors to make a tax-deductible contribution to a sponsoring organization, such as a community foundation or a national charity, and then recommend grants to be made to their favorite nonprofit organizations over time. DAFs provide donors with a convenient and flexible way to manage their charitable giving and can help them achieve their philanthropic goals.

**Endowment:** An endowment is a permanent fund that is established by a nonprofit organization to provide a source of ongoing financial support. Endowments are typically invested in a diversified portfolio of assets, such as stocks, bonds, and real estate, and the income generated by the investments is used to support the organization's mission and programs. Endowments can provide nonprofit organizations with a stable and sustainable source of funding, and can help them plan for the long-term.

**Foundation:** A foundation is a type of nonprofit organization that is established to support a specific cause or set of causes. Foundations are typically funded through endowments, grants from other foundations, or

donations from individuals, corporations, and other sources. Foundations can provide funding and other resources to nonprofit organizations, and can also engage in advocacy and other activities to support their mission.

**Giving Circles:** A giving circle is a group of individuals who come together to pool their resources and make collective decisions about which nonprofit organizations to support. Giving circles can be a powerful way to engage donors in philanthropy, as they provide opportunities for members to learn about different causes, meet with nonprofit leaders, and make a bigger impact than they might be able to on their own.

**Impact Investing:** Impact investing is the practice of making investments in companies, organizations, and funds with the intention of generating both financial returns and social or environmental impact. Impact investing can take many forms, such as equity investments, loans, and guarantees, and can support a wide range of sectors, such as renewable energy, affordable housing, and small business development.

**Major Gifts:** Major gifts are large donations made by individuals, corporations, or foundations to support a nonprofit organization's programs, operations, or capital campaigns. Major gifts can range from a few thousand dollars to millions of dollars, and can provide nonprofit organizations with a significant source of funding.

**Matching Gifts:** Matching gifts are charitable donations made by corporations that match their employees' donations to eligible nonprofit organizations. Matching gift programs are a way for corporations to support the philanthropic interests of their employees, and can help nonprofit organizations raise more money than they might be able to on their own.

**Planned Giving:** Planned giving is the practice of making a charitable donation through a will, trust, or other planned giving vehicle. Planned gifts can provide significant benefits to both donors and nonprofit organizations, such as tax benefits, income streams, and the ability to make a lasting impact.

**Social Entrepreneurship:** Social entrepreneurship is the practice of creating and running a business or organization with the primary purpose of addressing a social or environmental problem. Social entrepreneurs use business strategies and market forces to create innovative solutions to complex challenges, such as poverty, education, and healthcare.

**Strategic Philanthropy:** Strategic philanthropy is a proactive and intentional approach to philanthropy that involves setting clear goals, conducting research, and measuring outcomes. Strategic philanthropy emphasizes the importance of aligning philanthropic efforts with an organization's mission and values, and seeks to maximize the impact of charitable giving.

**Venture Philanthropy:** Venture philanthropy is a form of philanthropy that combines the principles of venture capital investing with a commitment to social impact. Venture philanthropists provide funding and other resources to nonprofit organizations and social enterprises, and also offer strategic guidance, operational support, and other forms of capacity-building assistance.

**Volunteer Grants:** Volunteer grants are charitable donations made by corporations to nonprofit organizations in recognition of their employees' volunteer service. Volunteer grant programs are a way for

corporations to support the philanthropic interests of their employees, and can help nonprofit organizations raise more money than they might be able to on their own.

**Capital Campaign:** A capital campaign is a fundraising effort undertaken by a nonprofit organization to raise significant funds for a specific project or purpose, such as the construction of a new building or the purchase of major equipment. Capital campaigns typically involve a combination of strategies, such as major gifts, grants, and crowdfunding, and can take several years to complete.

**Charitable Remainder Trust:** A charitable remainder trust is a type of planned giving vehicle that allows donors to make a significant charitable donation while retaining an income stream for themselves or their beneficiaries. Charitable remainder trusts can provide donors with tax benefits and the satisfaction of supporting a worthy cause, and can also provide nonprofit organizations with a reliable source of funding.

**Challenge Grant:** A challenge grant is a type of grant made by a foundation or other donor that requires the recipient nonprofit organization to raise a matching amount from other sources. Challenge grants are a way to incentivize giving and can help nonprofit organizations increase their fundraising capacity.

**Donor-Advised Fund:** A donor-advised fund (DAF) is a charitable giving vehicle that allows donors to make a tax-deductible contribution to a sponsoring organization, such as a community foundation or a national charity, and then recommend grants to be made to their favorite nonprofit organizations over time. DAFs provide donors with a convenient and flexible way to manage their charitable giving and can help them achieve their philanthropic goals.

**In-Kind Donation:** An in-kind donation is a non-cash contribution made to a nonprofit organization, such as goods, services, or expertise. In-kind donations can provide nonprofit organizations with valuable resources that can help them carry out their mission and programs.

**Matching Gift Program:** A matching gift program is a corporate giving program that matches employee donations to eligible nonprofit organizations. Matching gift programs are a way for corporations to support the philanthropic interests of their employees, and can help nonprofit organizations raise more money than they might be able to on their own.

**Planned Gift:** A planned gift is a charitable donation made through a will, trust, or other planned giving vehicle. Planned gifts can provide significant benefits to both donors and nonprofit organizations, such as tax benefits, income streams, and the ability to make a lasting impact.

**Restricted Grant:** A restricted grant is a grant made by a foundation or other donor that is designated for a specific purpose or program. Restricted grants can provide nonprofit organizations with the funding they need to carry out a specific project or initiative, but can also limit their flexibility and ability to respond to changing circumstances.

**Unrestricted Grant:** An unrestricted grant is a grant made by a foundation or other donor that can be used for any purpose or program. Unrestricted grants provide nonprofit organizations with the flexibility they need to carry out their mission and respond to changing circumstances, but can also be more difficult to secure than restricted grants.

**Cause Marketing:** Cause marketing is a type of marketing that involves a partnership between a for-profit company and a nonprofit organization to promote a social cause. Cause marketing campaigns can take many forms, such as product tie-ins, joint events, and social media campaigns, and can provide both partners with a range of benefits, such as increased brand awareness, customer loyalty, and social impact.

**Community Foundation:** A community foundation is a type of nonprofit organization that is dedicated to improving the

**Charitable Remainder Trust (CRT):** A type of trust that provides income to the donor or other beneficiaries for life or a set period, after which the remaining assets pass to a designated charity. Related terms include trust, charitable organization, and income beneficiary. CRTs offer donors the opportunity to make a significant charitable gift while receiving a steady income stream and potential tax benefits.

**Corporate Philanthropy:** The act of businesses making charitable contributions to support nonprofit organizations, communities, or causes. Also known as corporate social responsibility (CSR). Corporate philanthropy can enhance a company's reputation, engage employees, and contribute to societal well-being.

**Cost Approach:** A fundraising strategy that considers the costs of an initiative and factors in the expected revenue or benefits. Also referred to as cost-benefit analysis or return on investment (ROI). This approach helps organizations determine the financial viability of projects and allocate resources effectively.

**Crowdfunding:** A fundraising method that raises small amounts of money from a large number of people, typically via the internet. Related terms include peer-to-peer fundraising and online giving platforms. Crowdfunding can increase awareness, engage supporters, and generate revenue for various causes or projects.

**Donor Advised Fund (DAF):** A charitable giving vehicle that allows donors to make a tax-deductible contribution, receive an immediate tax benefit, and then recommend grants from the fund over time. DAFs offer donors flexibility, anonymity, and potential tax advantages.

**Donor Pyramid:** A visual representation of a fundraising strategy that categorizes donors based on their giving levels and potential for future support. Also known as a giving pyramid. The donor pyramid helps organizations prioritize outreach, cultivate relationships, and maximize fundraising efforts.

**Endowment:** A fund consisting of donations and investments that provides long-term financial support for an organization. Also known as an endowed fund. Endowments offer stability, ensure sustainability, and enable organizations to plan for the future.

**Ethical Fundraising:** The practice of raising funds in a responsible, transparent, and honest manner, respecting donors' rights and interests. Ethical fundraising aligns with an organization's mission, values, and legal obligations.

**Foundation:** A nonprofit organization that supports charitable activities by making grants to other nonprofits or by directing its resources toward specific causes. Foundations are often classified as private or

public, depending on their funding sources and governance structures.

**Giving Tuesday:** A global day of giving, typically held on the Tuesday after Thanksgiving in the United States. Also known as #GivingTuesday. Giving Tuesday encourages individuals, businesses, and organizations to donate time, resources, or talents to support charitable causes.

**Impact Investing:** The practice of investing in companies, organizations, or funds with the intention of generating both financial returns and social or environmental impact. Related terms include socially responsible investing (SRI) and environmental, social, and governance (ESG) criteria. Impact investing appeals to investors seeking to align their financial goals with their values.

**Legacy Giving:** A fundraising strategy that encourages donors to make planned gifts, such as bequests, life insurance policies, or charitable trusts, to support an organization after their lifetime. Also known as planned giving or deferred giving. Legacy giving offers donors a way to create a lasting impact and support causes they care about.

**Major Gifts:** Large donations from individual donors, typically given in response to personalized solicitations or cultivation efforts. Major gifts can provide significant funding for an organization's programs, projects, or operations.

**Matching Gifts:** A fundraising strategy in which a company or foundation agrees to match donations made by its employees or board members to eligible nonprofit organizations. Also known as matching funds. Matching gifts can amplify the impact of individual contributions and encourage donors to support specific causes.

**Monthly Giving:** A fundraising strategy that encourages donors to make regular, automatic contributions, typically on a monthly basis. Also known as recurring giving or sustained giving. Monthly giving provides organizations with a steady revenue stream and helps donors build a long-term relationship with the organization.

**Nonprofit Organization:** A tax-exempt, mission-driven entity that operates for the benefit of the public, rather than for the profit of its owners or shareholders. Also known as a nonprofit, not-for-profit, or charitable organization. Nonprofit organizations rely on various funding sources, including donations, grants, and earned income.

**Philanthropy:** The act of giving time, money, resources, or talents to support charitable causes or improve societal well-being. Also known as charitable giving or philanthropic activity. Philanthropy can take many forms, from individual donations to corporate sponsorships and foundation grants.

**Planned Giving:** See Legacy Giving.

**Social Enterprise:** A business model that combines commercial activities with a social or environmental mission. Also known as a social venture or mission-driven enterprise. Social enterprises aim to generate revenue while addressing societal challenges and creating positive change.

**Strategic Philanthropy:** A deliberate, data-driven approach to charitable giving that focuses on achieving specific outcomes and maximizing impact. Strategic philanthropy involves setting clear goals, measuring results, and adjusting strategies as needed.

**Sponsorship:** A fundraising strategy in which a company provides financial or in-kind support to an organization or event in exchange for promotional benefits. Also known as corporate sponsorship or event sponsorship. Sponsorships can help organizations secure funding, increase visibility, and build partnerships with businesses.

**Unrestricted Gifts:** Donations that an organization can use for any purpose, without restrictions or specific designations. Also known as unrestricted funds. Unrestricted gifts provide organizations with flexibility to allocate resources where they are most needed and enable them to respond to emerging opportunities or challenges.

**Volunteer Fundraising:** The practice of engaging volunteers in fundraising activities, such as organizing events, soliciting donations, or promoting causes. Also known as peer-to-peer fundraising or supporter-led fundraising. Volunteer fundraising can extend an organization's reach, engage supporters, and generate revenue.

By providing clear, concise explanations of these key terms, this glossary serves as a valuable resource for those pursuing a Specialist Certification in Strategic Philanthropy. Understanding these concepts is essential for developing effective fundraising strategies, maximizing impact, and fostering successful partnerships between philanthropists, nonprofit organizations, and businesses.

**Corporate Philanthropy:** The practice of companies making charitable donations to nonprofit organizations. Also known as corporate giving, it can take the form of cash contributions, in-kind gifts, and employee volunteering. Corporate philanthropy is often used as a strategy for improving a company's reputation and relationships with its stakeholders.

**Crowdfunding:** A fundraising strategy that involves raising small amounts of money from a large number of people, typically via the internet. Crowdfunding platforms such as Kickstarter, GoFundMe, and Indiegogo allow organizations to create campaigns and solicit donations from the general public.

**Donor-Advised Fund (DAF):** A type of charitable giving vehicle that allows individuals, families, or organizations to make a tax-deductible donation to a sponsoring organization, and then recommend grants from the fund over time. DAFs can be an attractive alternative to setting up a private foundation, as they offer similar benefits (such as the ability to involve family members in giving decisions) without the same level of legal and administrative complexity.

**Emotional Appeal:** A fundraising strategy that involves appealing to donors' emotions, often through the use of stories, images, and videos. Emotional appeals aim to elicit feelings of empathy, compassion, and a sense of urgency, with the goal of motivating donors to give.

**Foundation:** A nonprofit organization that is established and funded by an individual, family, or corporation for the purpose of making grants to other nonprofits. Foundations are often classified as either private or

public, depending on their source of funding.

**Giving Tuesday:** A global day of giving that takes place on the Tuesday after Thanksgiving in the United States. Giving Tuesday was started in 2012 as a way to encourage people to give back to their communities and support their favorite causes. The day has since grown into a major fundraising event, with nonprofits around the world participating.

**Individual Giving:** A fundraising strategy that focuses on soliciting donations from individual donors, as opposed to corporations or foundations. Individual giving can take many forms, including direct mail, online giving, and face-to-face solicitations.

**Major Gifts:** Large donations that typically come from a small number of donors. Major gifts can be a significant source of revenue for nonprofits, and often require a strategic approach to cultivation and solicitation.

**Matching Gifts:** A fundraising strategy that involves securing a commitment from a corporation or foundation to match donations made by individuals. Matching gifts can be an effective way to incentivize giving and increase the overall amount raised.

**Monthly Giving:** A fundraising strategy that involves soliciting donors to make recurring monthly donations, often via automatic bank transfers or credit card charges. Monthly giving programs can provide nonprofits with a steady stream of revenue and allow donors to make a larger impact over time.

**Peer-to-Peer Fundraising:** A fundraising strategy that involves enlisting supporters to solicit donations from their own networks of friends, family, and colleagues. Peer-to-peer fundraising can be an effective way to reach new donors and build a sense of community around a cause.

**Planned Giving:** A fundraising strategy that involves soliciting donors to make larger gifts through estate planning vehicles such as bequests, charitable trusts, and gift annuities. Planned giving can be an important source of revenue for nonprofits, as it allows donors to make significant gifts while also providing for their own financial needs.

**Sponsorship:** A fundraising strategy that involves securing financial support from corporations in exchange for promotional benefits. Sponsorships can take many forms, including event sponsorships, program sponsorships, and cause-related marketing campaigns.

**Strategic Philanthropy:** A approach to charitable giving that involves a systematic, intentional, and data-driven process for identifying and addressing social issues. Strategic philanthropy often involves partnerships between donors, nonprofits, and other stakeholders, and may involve a range of funding mechanisms, including grants, loans, and equity investments.

**Tiered Giving:** A fundraising strategy that involves offering donors different levels of recognition and benefits based on the size of their donation. Tiered giving can be an effective way to incentivize larger gifts and recognize donors for their support.

**Unrestricted Gifts:** Donations that can be used by a nonprofit for any purpose, as opposed to restricted gifts, which are designated for a specific program or project. Unrestricted gifts can provide nonprofits with greater flexibility in how they use their resources and can be an important source of revenue for organizations facing funding challenges.

**Volunteer Fundraising:** A fundraising strategy that involves enlisting volunteers to help raise money for a nonprofit. Volunteer fundraisers can organize events, solicit donations, and help spread the word about a cause.

**Year-End Appeal:** A fundraising strategy that involves sending a special appeal to donors at the end of the calendar year. Year-end appeals often capitalize on the holiday spirit and the tax benefits of making charitable donations before the end of the year.

**Zakat:** An Islamic religious obligation that involves donating a fixed percentage of one's wealth to charitable causes. Zakat is one of the Five Pillars of Islam and is considered a fundamental part of the faith. Many Muslim organizations rely on zakat as a source of funding and view it as an important way to fulfill their religious obligations and support their communities.