

FUNDRAISING

FUND ADVISOR TOOLKIT

Northwest Minnesota Foundation



Fund Development: Goals and Categories

The end goal of fund development is to broaden the sources and dollars amounts raised of financial support for the fund. However, a parallel goal is to also build a relationship with the various types of donors (individual, local businesses, corporations, foundations sponsorship, events) to **make people aware** of the fund, **get them to care** about the fund, **encourage them to support** the fund and to **keep them connected** to the fund. Then, through the growth of the relationship, you can help them continue and grow their financial support of the fund.

You can build the relationship a donor has with a fund through the Pyramid of Giving.

Figure 1. The Pyramid of Giving²



2. James M. Greenfield. *Fund Raising: Evaluating and Managing the Fund Development Process*. 2nd Ed. New York: John Wiley and Sons, Inc., 1999, p. 26. Reprinted by permission of John Wiley and Sons, Inc.

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Annual Giving is the broadest base of funding. These gifts are sought each year and help identify new potential donors, allow you to connect with donors and provide information to them about efforts of the fund and begin the fund/donor relationship.

Examples include:

- annual giving campaigns
- activities
- benefit events
- special events
- giving groups
- membership
- direct mail
- grants
- stock gifts
- qualified charitable distributions
- acquisition and renewals

Major Giving is the mid-point on the giving continuum. These gifts are sought for special projects, major campaigns, or capital campaigns. Major campaigns engage and encourage donor growth. They also demonstrate an increased interest and involvement in your fund from current donors. Funds grow their potential and sustainability when these donors are engaged.

Examples include:

- endowment campaigns
- stock gifts
- qualified charitable distributions
- capital and special campaigns
- major gifts from individuals, groups/clubs, corporations and foundations

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Estate or Planned Giving is the top of the giving continuum. These gifts demonstrate donor commitment and investment to your fund. Planned gifts require knowledge and expertise in financial planning tools. You may or may not be involved in developing these funds, but the philanthropy staff at the Northwest Minnesota Foundation is available to assist you.

Examples include:

- bequests
- planned gifts

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