

# RISE

Results in Independent Schools E-newsletter  
Shining a Light on Fundraising

Alexander Haas  
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

**First Things First**



June 5, 2018

[www.fundraisingcounsel.com](http://www.fundraisingcounsel.com)



from the standing-desk of  
**David H. King** | President & CEO

## Ways Independent Schools Can Improve Fundraising

Nonprofits of all sizes can experience cash shortages, and many do: Around half of U.S. nonprofits have less than one month of operating reserves, according to a recent study.

Nearly two-thirds of charities have annual budgets of less than \$1-million, which makes them similar to small businesses in terms of spending and revenue. Nonprofits face many of the same challenges as their commercial counterparts. They are under-capitalized, lack reserves to withstand a crisis or act on a special opportunity, and struggle to stay afloat from one pay period to the next.

So, how can small organizations, like independent schools, overcome these obstacles and improve their financial health?

### 1. **Be proactive and diligent about building an operating reserve.**

Even if it's just \$500 a week, get in the habit of setting money aside. Too often, institutions try to accumulate a large lump sum before transferring it to reserves. It's never the right time to let go of a big sum, so move money into a reserve account in small, regular increments. This method will help you create a meaningful reserve without hampering cash flow.

### 2. **Don't focus on raising endowment funds.**

That may seem counterintuitive, even heretical, but here's my logic: If a nonprofit has a \$1-million budget and raises \$1-million for an endowment, at a 5% annual spend rate it would receive just \$50,000 each year. That's a lot of money being held captive rather than providing meaningful support. If the organization should need cash to stay afloat, in most cases it would be prohibited from accessing the endowment corpus, the original assets.

In contrast, if that same nonprofit raises \$1-million in operating reserves or

establishes a quasi-endowment - a board-designated investment fund with fewer restrictions than a true endowment.....

*Keep going...*

### **Best of the Web:**

#### **3 Ways to Keep Your Donors Coming Back**

According to the **2018 Nonprofit Leadership Impact Study** released by **NonProfit PRO** and **MobileCause**, "Donor loyalty is a priority area of focus for nonprofits, which was rated as the most important outcome when measuring their organization's annual success." Retaining donors is a big deal.

So, what influences donors to come back year after year to your organization? Let's take a look at the top three reasons donors cite for giving in the **2017 U.S. Trust Insights on Wealth and Worth**, and how you can use this knowledge to keep your donors loyal to your organization.

Read the full article on [NonProfitPRO.com](http://NonProfitPRO.com).



Turn their **NO** into a **YES!**

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**Listen and Learn....**

### **Mentorship & Advancement**

**Philip Mazzara**, President and CEO of **Providence Health Foundation** joins Alexander Haas President and CEO, David King to share steps along his career path from advancement to fundraising and how mentorship helped shape that journey. Philip and David also discuss the challenges and rewards of capital campaigns and what the future of health care looks like.



Catch a new episode of Futures in Fundraising each month on Tuesdays at 10:00 am (EST) on Facebook Live. To download this show and catch up on others, find us on iTunes.

[Listen up, this is good stuff....](#)

## We'd Like You to *Know....*

### **Transforming Institutions**

Welcome New & Returning Client Partners



**Brookstone School** in Columbus, GA is a new Client Partner. We have been retained to conduct a Campaign Strategy Study.



**Christ Church Episcopal School** in Greenville, SC is a returning Client Partner. We have been retained to provide Pre-Campaign Counsel.

### **Our Transformational Fundraising Services**

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transformational Services.

[Jump!](#)

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