

Doing Good *Well*

Donor Management System:
A Guide for Non-profit Organisations



CONTENTS

- Chapter 1 **INTRODUCTION**
- Chapter 2 **CONCEPT**
- Chapter 3 **PLANNING**
- Chapter 4 **IMPLEMENTATION**
- Chapter 5 **REVIEW**

Copyright © National Volunteer & Philanthropy Centre, Singapore. 2008. All rights reserved.

This publication may be freely reproduced, transmitted or stored in its entirety provided that the information on this page including copyright notice is not removed. The publication may not be sold without the publisher's written permission.

The information given in this publication is only a guide. It is not intended as legal advice and does not claim to be comprehensive. It was prepared from information believed to be accurate and reliable at the time it was sourced. However, the National Volunteer & Philanthropy Centre and/or its employees do not give any guarantee, representation or warranty as to the reliability, accuracy or completeness of the information, nor accept any responsibility or liability arising in any way (including by reason of negligence) for errors in, or omissions from, the information here.

Published by National Volunteer & Philanthropy Centre
6 Eu Tong Sen Street #04-88
The Central
Singapore 059817

www.nvpc.org.sg

ISBN:978-981-08-0590-6

Chapter

01

INTRODUCTION

1. The need for donor management

Non-profit organisations (NPOs) in Singapore face many challenges, including increased scrutiny from donors. It would help NPOs to develop a sustainable and preferably diversified fundraising programme rather than depend solely on traditional funders or the founders' generosity. The Donor Management System (DMS) framework aims to help NPOs by giving:

- ◆ A starting point for meaningful discussions with Board, management and staff for developing a donor-centric fundraising approach
- ◆ Direction on fundraising and donor management, thus simplifying the decision-making process
- ◆ A “checklist” that helps fundraisers and donor managers address key aspects of donor management
- ◆ Practical approaches and processes for use in real-world donor management projects.

2. Key principles

Before applying the framework, note the key principles of successful donor management and fundraising.

◆ **Fundraising is NOT just about money**

Fundraising is not just about dollars. It is not merely about targets to be met, response percentages or fundraising efficiency ratios. Fundraisers face the risk of becoming so money-minded that they may forget what fundraising is all about.

◆ **People GIVE to people**

People give through you to someone in need somewhere, rather than to, say, feed the ego of an organisation. People give to people who ask on behalf of other people. Knowing this principle is not enough; apply it in all forms of communication that you have.

◆ Fundraising provides an opportunity to give

It is basic human nature to help. By asking for support you are giving an opportunity to make a difference in the community. Communicate the need in human terms. Show how people are affected by the lack of what you offer and then how they will benefit from its provision.

◆ You DO NOT GET what you DO NOT ASK for

One reason why people do not donate is that fundraisers did not ask! The purpose of a fundraising appeal is to raise funds, and the “call to action” is the essential piece of the message. Good fundraising requires that we ask clearly and exactly what is needed.

◆ DON'T give up

Another reason why many fundraisers fail is because they take “no” for an answer and give up too soon. There may be better ways of presenting your case or other opportunities to invite people to give their support. If you believe your cause is important and you can share this view with the people, then persist - don't give up!

3. Donor management system framework

The Donor Management System (DMS) framework is a four-stage framework¹. It covers the concept, planning, implementation and review stages, with various steps in each stage.

| | |
|---|---|
| <p>I. Concept stage</p> <ul style="list-style-type: none"> a. Undertake research and analysis of the sector the NPO operates in b. Formulate fundraising mission, vision and goals (e.g. quantum to be raised within specific period) c. Develop case statements (e.g. reasons for support, programmes and funding needs) d. Design budget. | <p>III. Implementation stage</p> <ul style="list-style-type: none"> a. Set up donor management process (e.g. database for identification, segmenting & monitoring of potential donors, tracking of donations) b. Recognise donors (e.g. thank you letters, tokens of appreciation) c. Communicate with donors (e.g. regular reports). |
| <p>II. Planning stage</p> <ul style="list-style-type: none"> a. Designate roles of staff / board members / volunteers (e.g. formation of committees, board involvement, and organisation structure) b. Determine governance structure (e.g. accountability and transparency through audits, board reviews) c. Develop fundraising strategy, sources of funding and communications plan. | <p>IV. Review stage</p> <ul style="list-style-type: none"> a. Review concept stage b. Review planning stage c. Evaluate implementation stage d. Review donor relations (e.g. ask donors for feedback). |

¹Please refer to the Code of Governance for Charities & Institutions of a Public Character (IPCs) when using this guide, as the former contains principles and standards relevant to donor management, e.g. board governance, fundraising practices, disclosure and public relations. The Charity Council. (2007). Code of Governance for Charities & Institutions of a Public Character (IPCs). Retrieved 19 Mar 2008, from <https://www.charities.gov.sg/charity/index.do>.