

Monthly Giving Starter Kit



How To Create Your
Monthly Giving Program

About the Monthly Giving Starter Kit

Six out of every ten donors will stop giving to your organization next year-- but you can reverse that trend with the right fundraising strategy. The donors currently in your database are an essential asset. They know you, they gave to you, and they most likely want to give more.

We created the Monthly Giving Starter Kit to help you retain more donors and raise more money, year after year. You'll learn basic information about the importance of starting and growing a recurring donor program.

This Starter Kit includes templates you can download to help you start organizing and establishing your monthly giving program right away with DonorPerfect's automatic monthly gift processing and integrated online forms. To make it as easy as possible, we have broken up the kit into five simple steps. Once you finish, you'll have everything in place to begin and grow your recurring donor program.



5

Reasons Why You Should Start a Monthly Giving Program

The fundraising principle is simple: on average, recurring donors give more money for more consecutive years than single-gift donors. In addition, for many donors it is easier to donate a small amount every month rather than give a large, one-time gift. Here are five reasons why it's crucial to start a monthly giving program as soon as possible.

1 Retain more of your donors for many years.

The average donor retention rate is 43%. If you start a recurring donor program, your retention rate more than doubles! Hundreds of DonorPerfect clients have already seen a 90% or more retention rate for donors who sign up to donate through DonorPerfect. Most monthly donors stay with an organization between five to seven years and sometimes even longer. We have even seen donors who give recurring gifts to organizations for more than 20 years!

2 Raise more money!

In addition to giving for a sustained time span, monthly donors also tend to give more annually. In a research study by Third Space Studio, organizations with budgets of less than \$2,000,000 annually report recurring donors giving \$625 annually!

3 Worry less about cash flow and focus more on your mission.

With the monthly revenue generated by a monthly donor program, you'll be able to focus more on your mission, prepare more reliable budgets, and plan your programs. Increasing monthly giving will alleviate the stress of drumming up large one-time gifts. Adopting this strategy will allow you to focus on what's truly important: your mission.

4 Give your donors the convenience they'll love.

Donors expect convenience when donating.; why should donating to their favorite organization be any different than paying a gym bill? Monthly giving allows donors to contribute to their favorite organizations in the most convenient way: smaller, more frequent gifts.

5 With DonorPerfect, you already have the tools. Now all you have to do is activate them!

Pioneering electronic funds transfer with its monthly gift processing back in the 1990's, DonorPerfect has since worked to make it simple and affordable to manage a monthly giving program. With DonorPerfect Payment Services, the legwork is done for you. All you have to do is implement the tools shared in this Monthly Giving Starter Kit.

And if you're not yet using DonorPerfect Payment Services for your online donations, one monthly donor pays for the entire program.

With all this in mind, it's a no-brainer to start a monthly giving program!



How to Convince Your Board to Start a Recurring Donor Program



From working with organizations of all sizes, we know that many fundraising decisions are made by the board or others at your organization. So here are some additional resources to help them understand the principles.

The Monthly Donor Calculator

The Monthly Donor Calculator that shows the impact of converting 3% to 15% of your donors, a conservative but reasonable range. We have even seen organizations with up to 60% of their donors giving monthly!

Retention Rate Statistics

According to fundraising professor Adrian Sargeant, increasing donor retention rate by 10% will double the lifetime value of your donors! While you'll never be able to convert everybody to monthly donors, even a conversion of 10% means a major increase in retention.

Average Revenue Increase

You will generate more money from your existing donors. Based upon the earlier study we shared with you: if you're able to bring a donor from \$200 a year to \$625, they're not far from becoming a major donor at \$1,000 or more. Plus, they will still be able to give to annual appeals, and it's been demonstrated that one in seven recurring donors remembers the organization in their will.



5 Essential Steps for Creating and Growing a Recurring Donor Program



Starting your recurring donor program

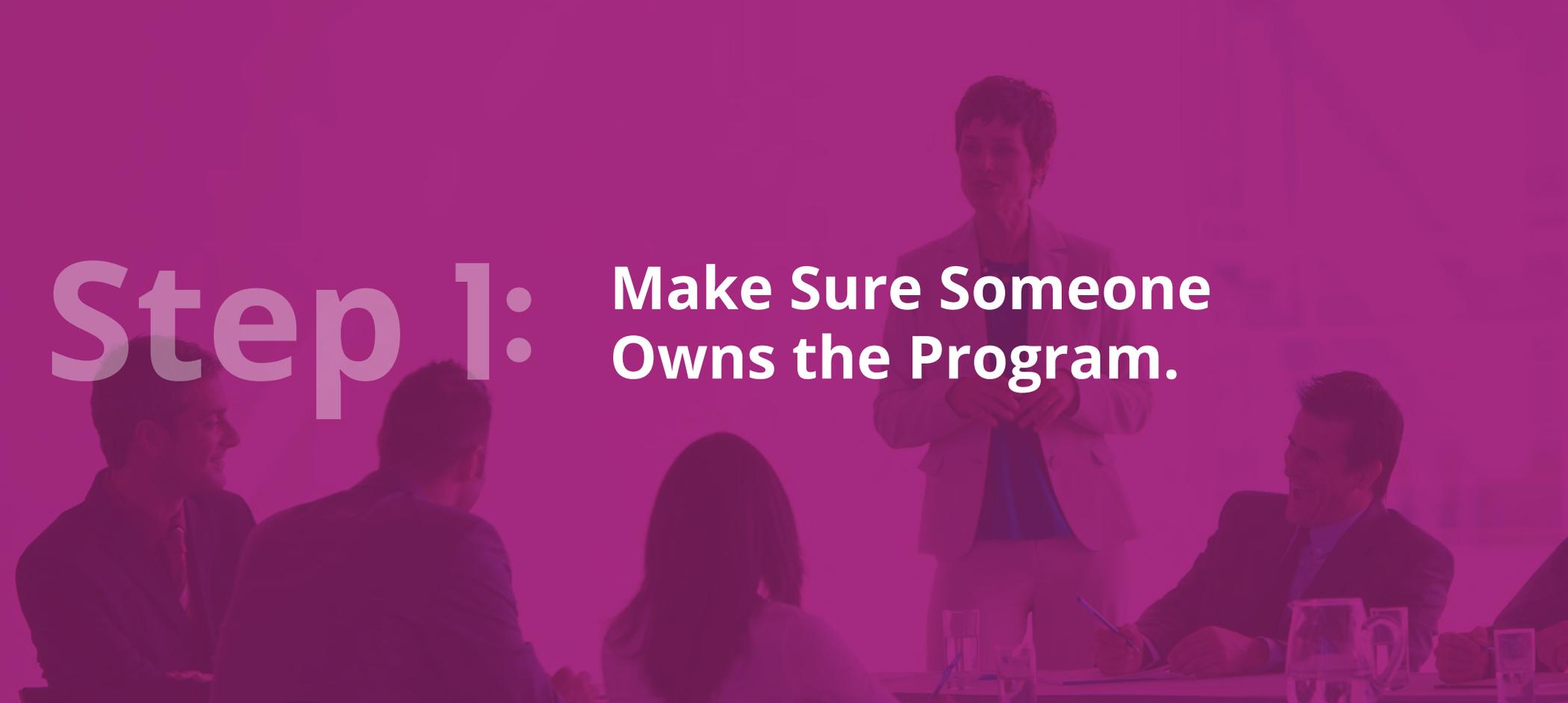
Any size organization can start building a recurring donor program, but your pace of growth depends on commitment and resource investment. You can start a program on a shoestring budget without all the frills. Once you see the results, you'll be able to spend your time growing the program even further. Before we get to the steps, let's look into who these monthly donors are.

Who are they? Recurring donors are typically small donors, oftentimes on a fixed income. They are willing to support the organization, but are not able to write the big checks. If these donors are already in your donor base and believe in your mission, you should be able to convert them to monthly donors - as long as you ask!

More about monthly donors

Recurring donors make a commitment to providing the organization with ongoing revenue through a monthly gift. Once set up, the credit card or bank account donation is processed through DonorPerfect's monthly giving each month. Occasionally, donors who use online banking will transfer the money directly to your organization's bank account themselves. However, that can be difficult to manage. Among DonorPerfect clients, 80% of recurring donors give through credit or debit cards. The other 20% of recurring donors give through their bank account (also called "ACH"). As you expand your monthly giving, you may want to encourage direct bank debits (ACH) because they typically require less updating.

As you read through the recommendations, don't fret over any single one. There will be plenty of time to keep refining your program as you go. By following each step, you'll be able to launch your first campaign within a month from today! Now, let's get started.



Step 1: Make Sure Someone Owns the Program.

No matter the size of your organization, it's crucial to have one person ultimately accountable for the recurring donor program. Think of this person as the overseer of the various moving parts so that everything works together. This person will also need to be close to your website, DonorPerfect (or your database) users, and your accounting and finance specialists to ensure that payments are processed. The person or department accountable must be willing to troubleshoot, follow up, and understand the processes within the organization to continually improve and grow the program. As a fundraiser, that's you, right?



Step 2: Name the Program.

Recurring donors are your special group of loyal donors. They deserve to be treated well and made to feel special because they are! That's why we recommend coming up with a unique name for the program. Sit down with a few people who know the organization well and brainstorm some possible names that tie closely to your mission.



Here are a few examples that have worked well for other organizations:

- Circle
- Friends
- Sustainers
- Partners
- Advocates
- Guardians
- Champions

Step 3: Organize Your Monthly Donation Processing Options.

When it comes to payment processing, there's often an overwhelming set of options, legal jargon, and fees. Fortunately, DonorPerfect has made it simple. We've designed a system to easily process monthly donations.

How does monthly donation processing work?

The donation process begins with a request for monthly donations. Then, donors provide their credit card or bank account information. This can be submitted through a DonorPerfect online Form on your website and downloaded directly to DonorPerfect. Alternatively, payment information can be manually entered by your staff. Once entered, you can begin processing these donations through DonorPerfect Payment Services every month. Based on a schedule you set up, these donations are sent to DonorPerfect's secure gateway. If successful, money from the transaction will be deposited into your bank account in a day or two.

Your monthly donation program will have better, long-term results when your solicitations and online forms offer a monthly recurring option.

Best Practice: Offer a monthly giving option when requesting donations.





3 Ways to Collect Monthly Gifts

A standard donation form on your website

Add a monthly giving option to your regular website donation form. Allow the donor to make that choice and consider making the monthly option the default setting.

A special monthly donation form for email solicitations, etc.

Create a special recurring giving only page (no one-time donations). You will link to it in email and social media campaigns.

Entering a donor's monthly pledge manually

Donor pledges are most effective if they are set up as an indefinite pledge with no total amount or end date. This method has been proven to increase donor retention significantly.

This section illustrates how DonorPerfect clients can process payments and operate a monthly giving program. If you don't use DonorPerfect, check with your software provider, bank or a merchant account provider to help you collect electronic payments.

Getting your ducks in a row

To process monthly donations using DonorPerfect, you will use several integrated products and features such as DonorPerfect Payment Services and DonorPerfect Online Forms. Here are the steps to get ready for the quickest adoption of a monthly gift program.

There are several articles and videos in our Knowledgebase to learn these new tools. If you don't have a gateway or merchant account yet, your account manager will be happy to guide you through the process.

Obtain DonorPerfect Payment Services.

All online credit card and bank account transactions are securely processed through your organization's DonorPerfect Payment Services gateway. All data and processing is PCI compliant, encrypted, and transmitted via a secure internet connection.



Choose a merchant account.

To help you get the lowest rate possible, your gateway will use one of our merchant processing partners.

Learn DonorPerfect's Monthly Giving feature.

Since Monthly Giving is included with your DonorPerfect subscription, you can quickly and easily learn how to use it. We have a complete tutorial series in our Knowledgebase that will give you an overview, help you setup pledges, process monthly gifts, and follow up with failed payments.



Set up your DonorPerfect Online Forms.

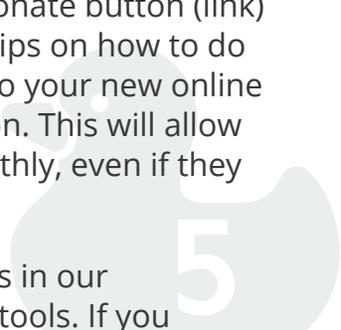
Our integrated DonorPerfect Online Forms collect data and payments, which are securely encrypted and PCI compliant and easily downloaded into DonorPerfect. Create your forms from one of the recurring donation templates available. Once your donation forms are created, you can send them out as links in your solicitations.



Add your form to your website.

On your website, make sure your donate button (link) is very easy to find (here are some tips on how to do this easily). Then, point the button to your new online form with a monthly donation option. This will allow your donors to consider giving monthly, even if they haven't considered it before.

There are several articles and videos in our Knowledgebase to learn these new tools. If you don't have a gateway or merchant account yet, your account manager will be happy to guide you through the process.





Step 4: Ask Your Donors to Give Monthly.

When can you ask? There are a number of appropriate times.

- Donors who just gave are most likely to give again or join your monthly donor program.
- The sooner you can convert a donor to your monthly giving program, the more they will give to your organization and the higher your retention rate will be.
- You will be more successful with your monthly giving program by focusing on it.
- You can acquire monthly donors at any time of the year. It's really up to you, your organization, the online or offline media you're using, and how much you'd like to grow your program.

For you free spirits who don't like rules, there is no bad time to ask and you can ask as often as you want.

Best Practice! No matter when you ask, just remember to tell the donor how the money will be used. For example, \$10 a month will rescue a dozen puppies or \$20 a month will help feed 50 children. This transparency will help donors build trust in your organization.



How can you ask them to join?

In this Starter Kit, we'll focus on organizing your online approach, which works very well for organizations of any size, and is also the least expensive to implement. Here's how it could work for your organization.

If a donor first gives online, ask him or her to join your recurring donor program in the welcome email.

If a donor first gives via the mail or another source, mention the monthly giving program in the welcome letter within 72 hours after the first gift is received.

Then, send a monthly donor request in a letter or email within the first month of receiving the donor's first gift. It's important to remember that every organization is different and your success is based on the number of donors already in your donor base, the number of emails you have available, and the number of times you ask these donors to join your program.

Determine your ask amount.

When deciding your lowest ask amount, never go lower than \$5 or higher than \$10; asking low will allow more donors to join. Remember, your goal is to bring in monthly donors and you will be able to upgrade them later!

The average gift size for the donor can help you decide the other amounts to use when asking. For example, find donors with an average amount between \$0.01 and \$99.99 and divide the average amount by 3 as shown in the previous page's example.

On average, the monthly giving amount across all nonprofit sectors is between \$20 and \$23. Ask low first, and you'll have opportunities to upgrade the amount later!

Step 5: Organize Your Processes.

It is essential that you prepare before launching your first campaign; you can then make minor updates to the content as your program grows. To make it easy for you to get started, we created customizable templates for the recommended items in this step.

Thank your donors and recognize them.

Before you start thanking your donors, decide if you want to acknowledge each monthly donation or just once, annually. Simply choose how often your organization wants to send acknowledgments to these donors before sending your first one.

Send an initial confirmation email after a donor signs up online.

When a donor finds your online donation form and signs up for a monthly gift, they will receive a confirmation email. Make sure to include information about your recurring giving program and thank them for their partnership with your organization.

Send an official thank you email or letter.

Even though your donor may have already received their confirmation email, send an official letter or email to thank your donors for joining your recurring giving program. This should be sent to the donor promptly (within 72 hours of joining) and include details about the program.

Tell your donors what they can expect.

When a donor is joining your program, make sure you've clearly communicated what they'll receive. For example, answer the following questions:

- Will they receive a tax letter every January?
- Is there a special phone number or email to contact if they have questions about their monthly donations?

Other recognition options

- Consider inviting your donors to special events with other monthly donors.
- In your annual report, you could recognize the monthly donors.
- At your headquarters, consider displaying a plaque for your monthly giving program.
- When calling donors as part of your regular outreach or thank-you program, consider including those who give monthly.

If you choose one of these options, keep it **simple and affordable**.

Do you need to send your donors something for joining?

We have found that it is not necessary to offer a premium for joining because most monthly donors already want to support your organization on an ongoing basis. But, it depends on how you have already conditioned your donors to give. If you feel strongly that you need to offer something, make sure it fits with your mission, is affordable, in stock, and can be quickly shipped. Starting with small recognition pieces will allow you to flexibly incorporate donor feedback as your program grows.

Determine the email and phone number for questions.

If your donors have a question about your recurring giving program, which email or phone number should they use to contact you? If possible, create a special email or phone number to route recurring donor questions. When you have the phone number and email, add this contact information to all monthly donor communications.



Set up your codes to track monthly gifts for reporting.

Creating a good coding system is crucial for reporting. This will also allow you to segment your monthly donors by source and type in your database. Tracking monthly donations is especially important when you're upgrading, cultivating, and reactivating your monthly donors.

Here are a few questions to ask yourself when setting up your codes:

- What solicitation appeal (if any) did the donor respond to when joining our program?
- What was the month and year of that specific appeal?
- Did we send the appeal through direct mail, email, or another channel?

In DonorPerfect, these solicitation appeals are tracked in the Solicitation Code field. For each appeal, add a unique Solicitation Code for tracking. As long as you confirm that your data is being properly tracked, your reporting and future appeals will be a breeze.

Play the 'what if' game.

There will be unexpected things that happen throughout your program, but playing a 'what if' game with a colleague may minimize the impact of those events. Simply ask each other a series of questions beginning with "What if..." to see if there's something simple you could do today to prevent the scenario or prepare for it.

Avoid failed payment communications with Account Updater.

To prevent your donors from missing a payment, it's important to establish a process for contacting the donor. If you're processing bank drafts, the number of failed payments may be lower than credit cards, but occasionally you may have to contact the donor if there were insufficient funds.

Here are some templates to help you establish your own process for the "what ifs."

- Email to send donors whose payment failed
- Phone script to use when calling donors with failed payments

Test the process and join your own program.

Before you go live, test everything to ensure you don't have any unwanted surprises. Confirm website content is consistent, links work, and it's easy to find your monthly giving option. Next, send a personal email to your boss, board members, staff, and volunteers. This will be your internal announcement of your monthly giving program and give you an opportunity to ask them to join!

Optional Items to Consider

Develop a list of frequently asked questions.

We created a template for you to start with that can be posted on your website. This will help you build trust with your donors and set proper expectations.

Create a recurring donor page on your website.

This page will give your program more visibility. It should explain your program, state compelling reasons for why a donor should give monthly, and set expectations once they join.

Create a link from your home page to the recurring donation landing page.

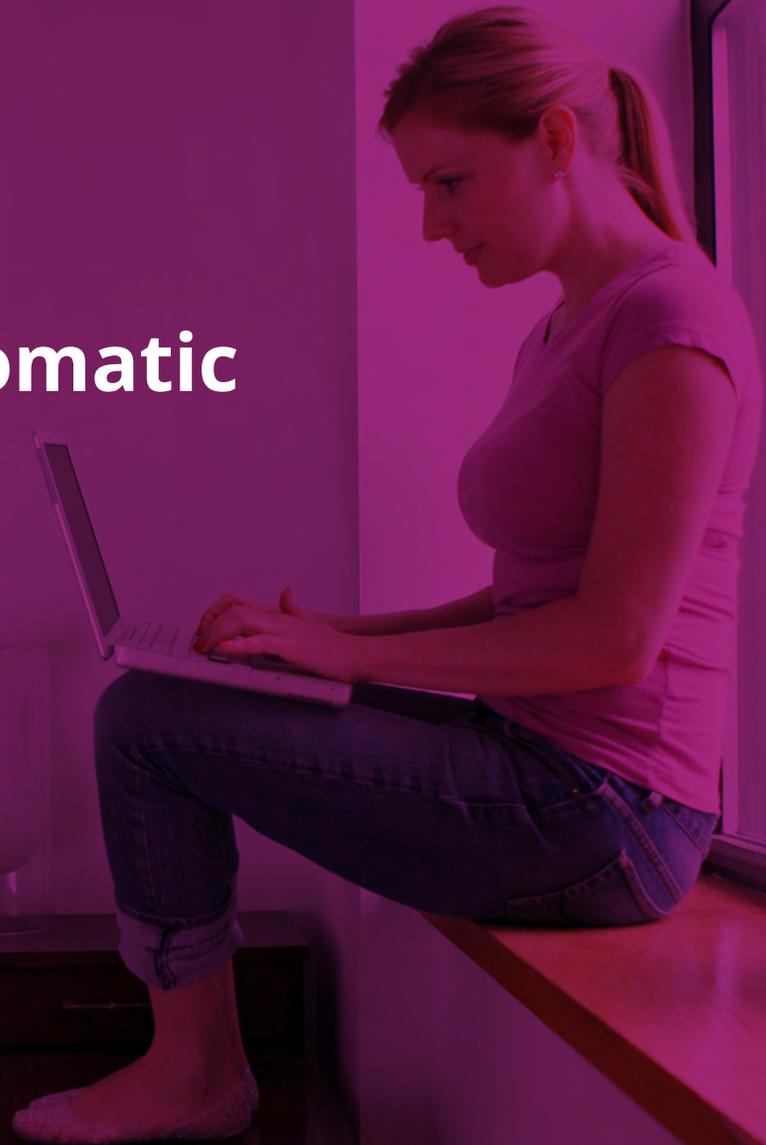
Make it easy to find. The more front and center you put Monthly Giving, the more successful you'll be.



Friendly Reminder: Before you go live, test everything to ensure you don't have any unwanted surprises!

Time to

Get Started With Automatic Monthly Giving



Your approach to recurring donors should fit in with your overall fundraising strategy.

Say thank you, tell stories of their gift's impact, cultivate your donors, provide matching challenges, give a sense of urgency, and set specific goals. It's all part of what you do every day, and recurring donor programs are no different. You still have to tell the donor what you're able to do with their ongoing support. Remember, recurring donor programs make it easier for donors to give at a comfortable level. You're allowing small donors to stay with your organization longer and ultimately make bigger contributions to your organization.

Good Luck!

This Monthly Giving Starter Kit provides everything you need to hit the ground running. Follow these steps to set your organization on a path for consistent revenue from the donors supporting your mission!

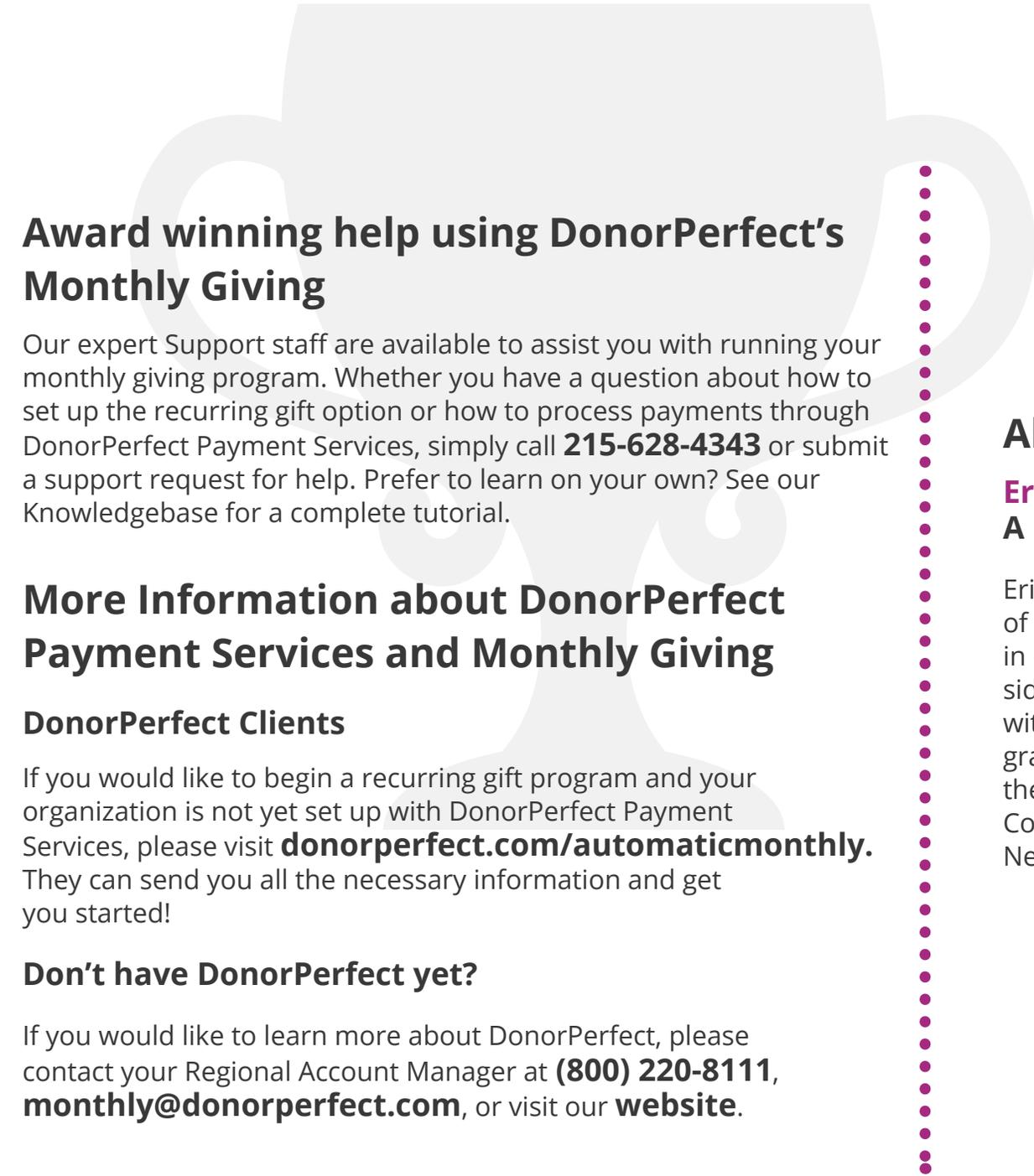
Get the Free Monthly Giving Marketing Kit!

You've started your monthly giving program with the help of this kit. Now what? Learn how to gain and retain donors with expert tips in part 2 of DonorPerfect's Monthly Giving Series, **The Monthly Giving Marketing Kit**.

DonorPerfect's Monthly Giving Marketing Kit will help you:

- Prompt current donors to give monthly and attract new donors
- Retain your monthly donors
- Achieve increases in donors' monthly gifts





Award winning help using DonorPerfect's Monthly Giving

Our expert Support staff are available to assist you with running your monthly giving program. Whether you have a question about how to set up the recurring gift option or how to process payments through DonorPerfect Payment Services, simply call **215-628-4343** or submit a support request for help. Prefer to learn on your own? See our Knowledgebase for a complete tutorial.

More Information about DonorPerfect Payment Services and Monthly Giving

DonorPerfect Clients

If you would like to begin a recurring gift program and your organization is not yet set up with DonorPerfect Payment Services, please visit **donorperfect.com/automaticmonthly**. They can send you all the necessary information and get you started!

Don't have DonorPerfect yet?

If you would like to learn more about DonorPerfect, please contact your Regional Account Manager at **(800) 220-8111**, **monthly@donorperfect.com**, or visit our **website**.

About the Contributing Author

Erica Waasdorp, President, A Direct Solution

Erica Waasdorp started A Direct Solution in December of 2003 with more than twenty years of experience in direct marketing on the client side and the agency side. She has since helped numerous nonprofit clients with recurring gift programs, annual fund campaigns, grant writing, events, and public relations. She is also the US Ambassador for the International Fundraising Congress (IFC), held each year in October in the Netherlands (www.resource-alliance.org).

DonorPerfect gives you all the tools you need to engage, inspire, and retain your donors.

Designed to help your organization grow, DonorPerfect's core CRM system expands to incorporate growth tracks that support fundraising and donor management initiatives like online fundraising, donor engagement, fundraising events, donor retention, and more. From online giving solutions with integrated payment processing to email and mobile marketing tools to highly customizable reporting, DonorPerfect empowers your team to work better together on a single platform, learn what makes your donors move, and most importantly, cultivate the relationships that will make your mission a reality.

With DonorPerfect, you can manage donations, contacts, receipting, reporting, email, and all of your fundraising initiatives from the same system. Maximize fundraising results by tracking information about donors, prospects, volunteers, staff, and all your other constituents.

To learn more about DonorPerfect and Automatic Monthly Giving, please visit donorperfect.com/monthly, email monthly@donorperfect.com, or call **800-220-8111**.

