



Investing in Relationships with Donors: 5 Phases of Securing a Major Gift

Source: Blue Avocado is the educational arm of Ani-rrg nonprofit insurance firm which provides coverage exclusively for nonprofits. They have been partners since we assisted Senator Bob Graham when he supported the act of congress that created Ani-rrg.
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Major gifts aren't just for capital campaigns. They are also critical for your annual fund.

Whether your organization considers \$500 or \$5,000 a major gift, you must take the time to invest in building a relationship with the prospective donor. If you have not started to build those relationships, the time is now. Major gifts are not just for capital campaigns. They are also critical for your annual fund, which provides unrestricted dollars.

There are five phases of a major gift process.

1. Identify:

Who will you ask? You should have a goal of at least 20-30 potential donors with whom you will work within a year. The best way to identify potential donors is to check your database. Hopefully, you have a database with donor history going back at least two or three years. If you don't have an "official" donor database, don't worry. A database can be an excel spreadsheet. You are looking for your largest donors cumulatively and your most loyal donors. Loyal donors are those who have repeatedly given regardless of the amount. These donors are going to be your best individual giving prospects. They already have an affinity for the organization and are showing it by donating money.

Don't have a database and are totally new to fundraising? Don't panic.

Start with **friendraising**: Call a meeting of your staff and board of directors to conduct a mapping exercise: the circle of influence. This exercise will give them the opportunity to document their network of folks so you can begin the process. Each person should be given a [sheet of paper with spokes running off of a center circle](#).

Ask participants to write their name in the center circle.

Then ask them to come up with categories of people they know. Family and friends, people with whom they do business, members of civic groups, and people with whom they attend church are types are examples that can be shared to get the ball rolling.

Once your staff and board have completed this exercise, they will have a list of names that can be vetted through the major gift process.

2. Qualify/Discovery:

Does this individual have the **ability** to make a significant gift to your organization, and are they **inclined** to do so? You can conduct research on major gift prospects in several ways. Sources of major donor prospect information can include the following:

- Their past giving history with your organization and with other organizations
- Peer screening activities in which others who know the prospect provide confidential insights into their financial capacity and interests
- General news about the prospect in magazines, newspapers, or online resources
- Specific prospect research tools and online databases such as wealth screenings
- Discovery phone calls and visits with the prospect

It is important to remember that donors do not give because your organization needs money. They give to satisfy their own needs. The discovery phase seeks to discover this satisfaction step. Therefore, the discovery phase should be focused on gathering information on your prospect and not focused on providing information to your prospect. To do discovery well, you must ask good questions and actively listen.

Here are some discovery questions you can ask during the visit:

- What interests you most about our organization?
- Why do you give, and what do you want to achieve by giving?
- What inspired your first gift?
- What causes are you most passionate about? How can we get you more involved in our organization?

3. Cultivation:

The next step is to engage and involve your major gift prospects in the work of your organization. You must start to build relationships with the individuals on your list. The saying, “people give to people” is true. Donors want to trust and like the individuals at the organizations they support. Cultivation is about building relationships before asking for money. You *cannot* skip this step. You must, even if you already know the people on the list, create a plan for each of the individuals. The plan should be strategic and customized for everyone. No more than five donors should be included in the plan per person so that no one on your staff is overwhelmed trying to manage relationships. The plan should detail how you intend to “touch” your donor a minimum of 5 times in a year—whether that is soliciting their advice: inviting them to an event; setting up a coffee, breakfast, or dinner chat; or simply making a telephone call.

4. Solicitation:

This is when you make a compelling request for support. When you’re ready to begin asking your prospects for major gifts, call and schedule an “ask meeting” with each of them. When you schedule your meeting, make sure you are honest. Let the prospective donor know you would like to discuss how they can invest in your organization in a bigger and more meaningful way. It should be no secret why they’re coming. Once the meeting is secured, it’s ideal for two people from your organization—preferably the executive director and a board member—to attend. Select people the prospective donor has **already met** at least more than once. It is important that whoever attends prepares and practices before the meeting. Also, remember that this is about relationships, so the person who asks should have the strongest relationship with the prospect. The ask should be for a specific amount for a specific program or service.

5. Stewardship and Recognition:

This is when you extend gratitude and acknowledgment to the donor. How will you thank your donors so that they understand the impact they’ve made on your organization? It is important that you offer thanks so donors want to give again and again and again.

Once you establish this process, work this plan weekly to ensure the success of your nonprofit’s major giving program.

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