# The 12 Best Fundraising Tools for Nonprofits




CharityEngine

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# Introduction

## Americans give more than $400 billion annually to charities. That's the good news.

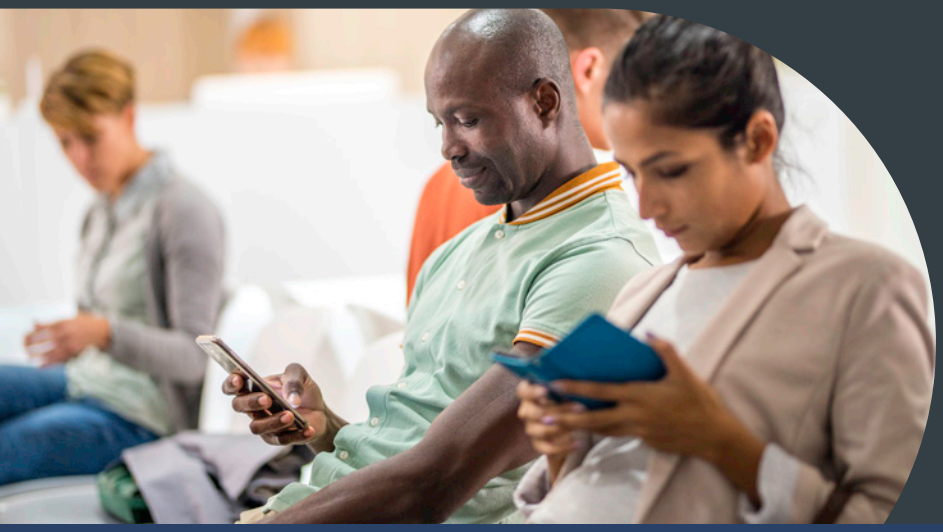
But with more than 300 million people in the United States, nonprofits face an enormous amount of competition. Competition for visibility, competition for donors, competition for advocacy...a crowded field means that every player must up their game to remain competitive.

And with almost innumerable outreach and donor engagement options, nonprofits have a buffet menu of options. Which you choose depends on your size, budget, mission, donor base, and other variables.

We can't pretend to know the best option for every nonprofit executive reading these words. But what we do know, after offering technology solutions to nonprofits since 2008, is that we've landed on a solid core of offerings. Something here is just about guaranteed to catch your eye, either because you want to try it or because you have tried it and know it works.

This ebook will give you an overview of what we consider to be the best fundraising tools for nonprofits. When you're done, you might just have an exciting new idea to try for your organization.

**Here are our recommendations for our top tools.** Take a look at your CRM; most of these tools are likely included off the shelf. If they're not, ask if they are available as "add-on" features to round out your software. Better yet, consider switching to fundraising software that offers all these tools.



TOOL 1

# Email Marketing

## Deliverability, Tone, Testing, and Reporting

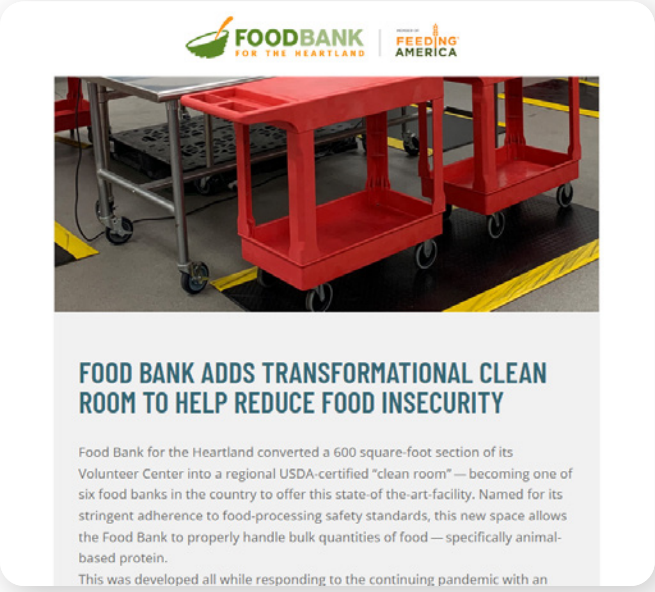
How did our society exist before email? It's now become such a standard method of outreach and communication that it is hard to remember life before. Let's use that to your advantage, though, because you can quickly target groups of people with messages that will resonate and compel them to action. And email is a unique vehicle. It's not a text that requires an immediate response. It's not a social media post that will broadcast to your friends that you engaged with it. It's quiet, conventional, and powerful.

It's highly effective because it's not intrusive, it can sit in your inbox as a reminder, and (as long as it's not labeled as spam) most people will at least see it (so have a great subject line!).

However, it's also fraught with peril! You don't want to appear spammy, but you want to ensure high deliverability rates. You want compelling content, but you want to give recipients the option to unsubscribe. You want to personalize it, but you want to come across as genuine.

We recommend that you **follow best practices to avoid having a lousy spam score**...this can include moderating the number of emails you send at one time and avoiding custom domains. Ask your CRM vendor if you have the option of using a shared email sending pool. In this case, your group of recipients is pooled with many others, and you don't have to worry about being flagged for infrequent emails or an extensive recipient list.

You'll want to give some thought to your graphics as well as how you position your ask. What's in it for them?




**Our advice also includes using stories of the good you're doing in the world.** If you draw readers in with a visual or a story about how their donation can help further your mission, there's more of a chance they will be compelled to donate.

If, for example, you are like Foodbank for the Heartland, one of our clients, and you can say that you distributed more than 37 million meals in fiscal year 2021, that would be an amazing statistic to use to encourage people to support your organization.

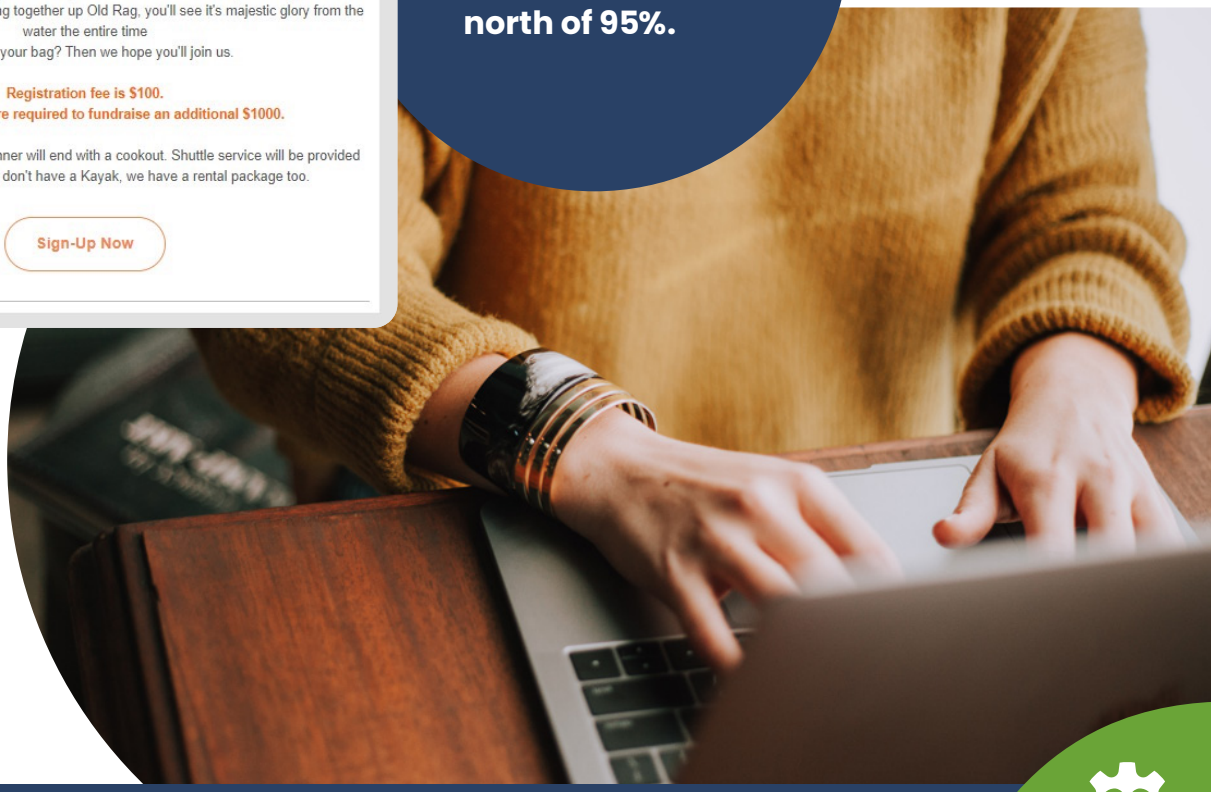
**It also makes sense to try A/B testing.** A/B testing means you send an email to group A, but you change one thing (subject line, color or position of a call-to-action button, first sentence)—and send them to two similar pools of people.

See which one has higher open rates or higher click-through rates (basically, higher engagement) and use that version for the rest of your audience.

And while we're talking about measuring and reporting, ask about your CRM's deliverability rate. It should be well north of 90%, if not north of 95%. Use your technology to measure and track data so you can pull reports that will give you insights into your donors and prospective donors.




**Your CRM's email deliverability rate should be well north of 90%, if not north of 95%.**



TOOL 2

# Major Gifts

## Top Donors, Planned Giving, and Grants

Major gifts, planned giving, and grants are critical to the fundraising of many nonprofits. In fact, these gifts can make up about 85% of the average nonprofit's total revenue. That makes identifying, nurturing, and engaging these donors a top priority for many organizations.

Use technology to get insights into your donors. If your CRM doesn't run the analytics for you, try an online RFM calculator that shows you each donor's recency, frequency, and monetary value. See if you can evaluate wealth indicators, such as real estate ownership, corporate executive positions, or past charitable or political giving.

While cultivating major gifts requires nuance, managing grant applications can cause a headache! This is a process best automated. You can keep track of tasks and application deadlines so you don't miss a thing. You can use robust reporting capabilities to zero in on which organizations are most likely going to accept your grant application.

Planned giving is another leg of this stool that helps nonprofits meet or exceed their fundraising goals. You can encourage any type of giving by making it easy to give. A box on your form that donors can check to make their donation an ongoing pledge, a page on your website that explains the benefits (tax and otherwise) of planned giving, or an appeal letter to donors who have been loyal for a long time are all places you can start.

Once you've found your big donors, launch a stewardship campaign. In essence, this is making sure your donors know they're appreciated. Ask them what matters to them and how they want to get involved. You might have a donor excited to receive a water bottle or t-shirt in the mail, but you might find a donor who would love to help with a community event.

Communication with, and appreciation of, your donors is key to bulking up your major gifts numbers.

### Free RFM Calculator

Use Recency, Frequency and Monetary Value to quickly assign a value to your donors and measure which ones are most likely to give faster.

**Use the Calculator**



TOOL 3

# Membership Management

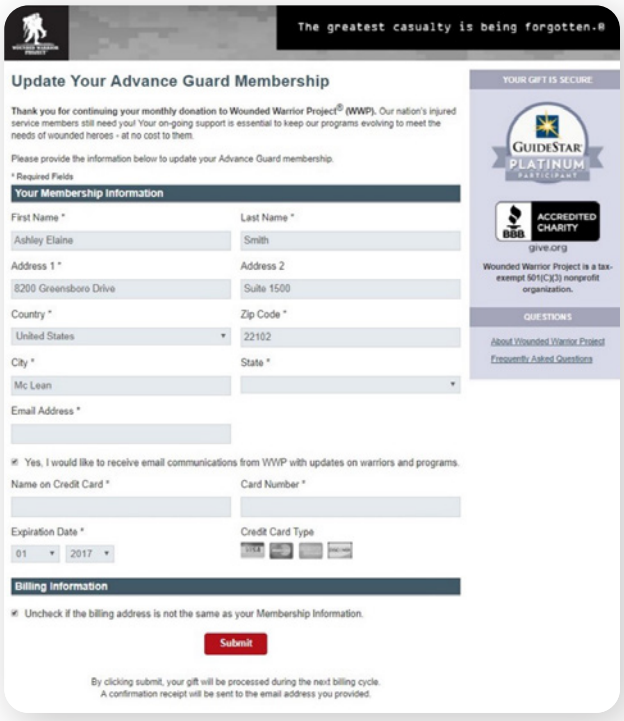
## Accounts, Dues, Chapters, Levels, Billing, and More

Membership management is a little different from donor management or stewardship because it assumes your members pay dues. In return, they have access to benefits like advocacy, communication, resources, access to events and forums, participation in calls or webinars, and position papers. Members can aspire to join the organization in a professional capacity or have a vested interest in the nonprofit's mission.

Some nonprofit organizations will have chapters. This adds another layer to management, and you will need software that can track, manage, group, and analyze the organization's members, even down to the chapter level.

Suppose you're looking at membership management tools. In this case, you will want a database of your contacts, automation to increase efficiency, and billing features that can rebill for missed payments or otherwise ensure higher rates of successful transactions.

We recommend tiering your members. When you have different levels of membership and access to different resources at each, you encourage your members to join at a higher level because the benefits are greater. This raises more money for your nonprofit! These tiers will help you personalize your outreach as well as tailor your ask for what they are likely to give.




Another benefit of membership management software is that members can usually manage their own accounts, giving them the ability to pay dues, buy tickets to events, RSVP to online forums or gatherings, and even buy merchandise. For more ideas, check out this article on 5 Ways to Strengthen Recurring Giving.

TOOL 4

# Online Forms

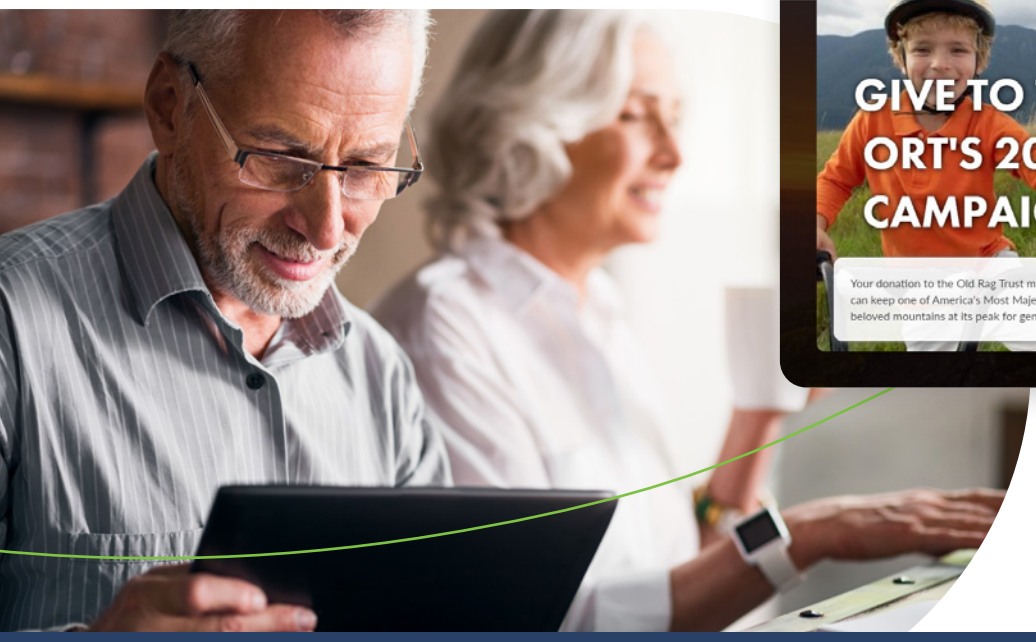
## Landing Pages, Upselling, Reporting, Security, and AI

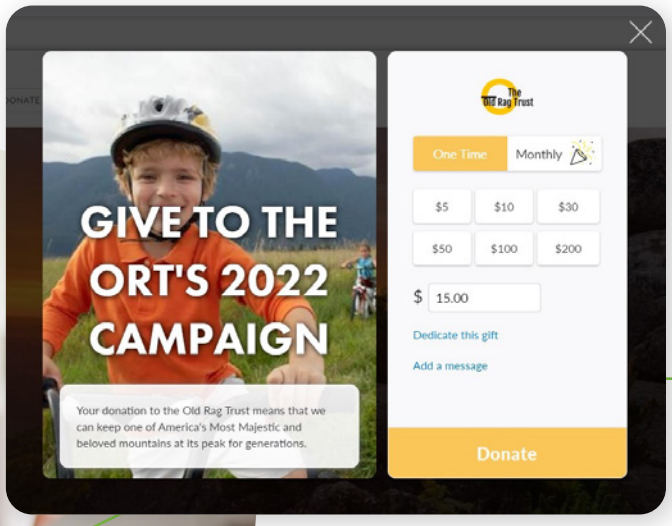
You might be thinking, "This doesn't sound like a fundraising tool." But it's one you can't overlook! Let's assume you accept donations on your website. You need a form, right? More than that, you need a landing page with a form, so you can customize it with your branding and the fields you want.

For example, you might want to include a button asking donors to give just a few dollars more than they planned. Or you might ask them to make it a recurring gift. You can include a QR code on the landing page to link to an online form; this is handy if you're at an event and need to accept donations. A common sight is a button asking donors to cover processing fees—this keeps more of the dollars raised in your nonprofit's bank account.

Some good CRMs will incorporate artificial intelligence, or AI, into their software. This will also help you tailor the ask and maximize fundraising. For example, your form can pull data from the CMS to prefill suggested donation amounts.

**Remember, fundraising success is all about making giving easy.** Part of that is ensuring the absolute safety of donor data, so your constituents feel comfortable entering a credit card number. CharityEngine places such an emphasis on safety that we have patent-pending, AI-based fraud protection in our software. It's an important question to ask whenever donors are trusting you with their checkbooks.





TOOL 5

# Payment Processing and Billing Engine

## Methods, Integration, and Security

Payment processing can seem like an overwhelming subject...we get it. We spend a lot of time explaining how payment processing works to clients. There are a couple of takeaways that are important to understand:

- **You can process payments through an online payment system using something like PayPal, iATS, or Stripe.** These offer ease of use but not much speed, customization, or flexibility. This is a good option for organizations processing less than $25,000 a year, raising most of your funds through an online shop, or one that doesn't have more than 5,000 donors.
- **Different CRMs will integrate with payment processors like those mentioned.** The added benefit of running transactions through a CRM is that you can collect donor data for actionable insights. This is also a good option if your primary focus is collecting donations, not selling goods, and if your donations don't exceed about $200,000 annually.
- **An all-in-one CRM will combine an online donation tool and payment processing.** The benefit of this solution is that you can leverage the data you collect in other fundraising efforts. Having a 360-degree view of your donors—how much they give, how they give, when they give, why they give, if they volunteer, if they attend events, if they engage with phone calls or emails—gives you a vast amount of information on how to best reach them.



### Get In-house Banking Capabilities with CharityEngine

*Just a quick commercial:* CharityEngine now offers in-house processing of bank transfers. Not many CRMs can say this, and it essentially cuts out payment intermediaries taking a cut and costing you more.

**Learn More**

The other big takeaway is **security**, and there are two different levels you will want to understand. The Payment Card Industry certifies payment processors. There are only two levels of PCI certification, but there's a big difference between the two:

- **PCI-compliant** means that the payment processor has taken a self-assessment to ensure they're following the guidelines. There are firewalls and vulnerability management programs in place. In short, it's a rubber stamp that your payment processor is playing by the rules.
- **PCI-certified** is the Big Mac of certification. This isn't easy to get, and it takes about six months to complete. If you're certified, a third party has inspected and assessed your software. They dig into how the solution was developed and what developer training looks like. They really look under the hood, and they check up on the vendor regularly to make sure the certification still stands. This is, clearly, the gold standard in payment processors.

Check the fees you will be charged and make sure any companies on your shortlist appear on Visa's list of registered service providers.

These quick tips give you enough information to know what you're talking about when you interview vendors. You'll ask the right questions and have a good basis for comparison.



TOOL 6

# Reporting and Analytics

## Data Understanding, Decisions, and Strategy

We get pretty nerdy when we talk about data and analytics. We get more excited than most because we live for data! Data-driven decisions are always an unfailingly reliable path forward, anywhere in your life. (Okay, almost anywhere in your life. We told you we're nerds.)

When you know how to leverage nonprofit donor data, you've struck gold. If you know that a donor gives $10 a month, every single month, it's a good bet they would entertain upping their monthly donation by one single dollar. Looking at their donor data tells me they are committed to my nonprofit and are willing to give to me regularly, but they can't or don't want to give an exponentially larger amount. If you were to tell them what their additional $12 a year could do for your nonprofit, it might be compelling.

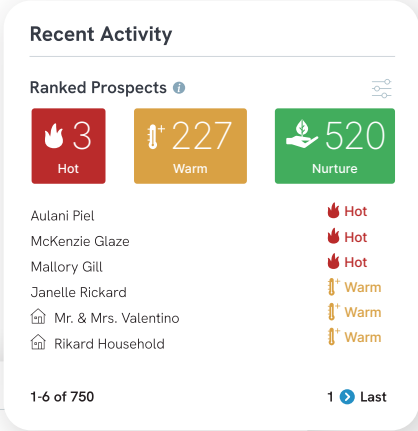
If you have 1,000 donors all give one more dollar a month, you're looking at an impact.

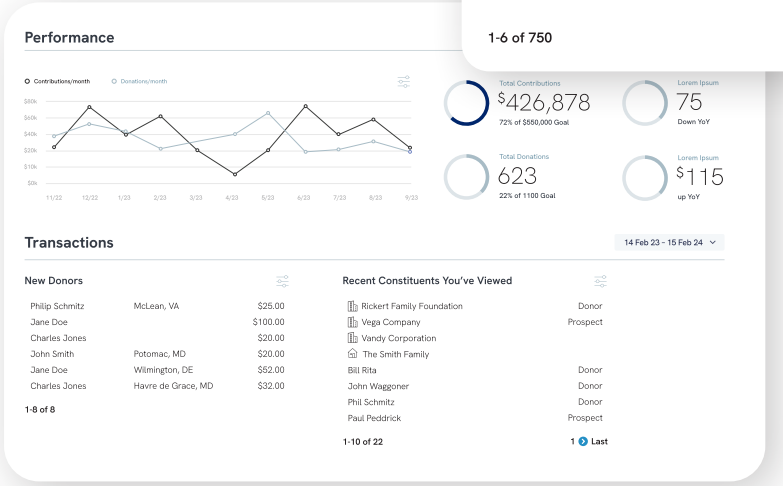
Understanding your donor data has three big effects:

- You know your donors.
- You identify new outreach methods.
- You find new revenue avenues.

For example, if you send a mass email to 50,000 donors, how many of them open the email? How many click on the "donate now" button? How many click on the "matching gift" button? How much do they give, and how does this compare to past giving?

The answers to these questions — this data — can inform your fundraising strategy and make you more successful.



TOOL 7

# Sustainer Management

## Monthly Giving, Pledges, and Engagement

This tool is a little different than donor management. Sustainers, or those who continue to give to your organization regularly, are a special subset of donors. **Sustainers love your nonprofit.** They believe in, or are personally vested in, your mission. They give from the heart, which makes them so important as you continue to fight for or against whatever it is that drives you.

There are a few things to consider with a sustained giving program, which is one of the most essential tools a nonprofit has. We recommend that you start small: put a button on your donation form asking if a donor wishes to turn a one-time gift into a monthly gift. You could even suggest that they lower their donation (hear me out!) and pledge enough monthly to spend just a hair more than the original donation.

The benefits of this go far beyond the extra couple of dollars. You have more of a chance to show this person what you're trying to do. You have more opportunities to engage them in fundraising efforts. You have someone who will become committed to your nonprofit.

If you want a little insight into who you might want to target, it's been proven that Boomers, who represent 23.6% of the population, are the most likely to make recurring donations regularly.

We've identified five keys to using sustainer management as a nonprofit fundraising tool:

- Have a staff dedicated to donor care so your sustainers have someone who will answer the phone when they call. This is important as these donors should know how appreciated they are.
- Along those lines, recognize loyalty. Send a branded item or an e-gift card for a cup of coffee. These people are part of your team. The more tightly they're connected to you.... well, the more tightly they're connected to your cause.
- Invest in a good CRM. Ours? Sure, if we're a good fit. But if we're not, use the tips in this article to find the Romeo to your Juliet. Or the Lilo to your Stitch. The Bonnie to your Clyde? You get it.
- Know which metrics you want to track and make sure you're tracking them. Data and reporting are still your best friends.
- Billing software makes all the difference.

Any nonprofit can start, nurture, and benefit from a strong sustained giving program. It takes a little effort, but it's an effort that pays off big time.

TOOL 8

# Advocacy Campaigns

## Petitions, Surveys, and Outreach

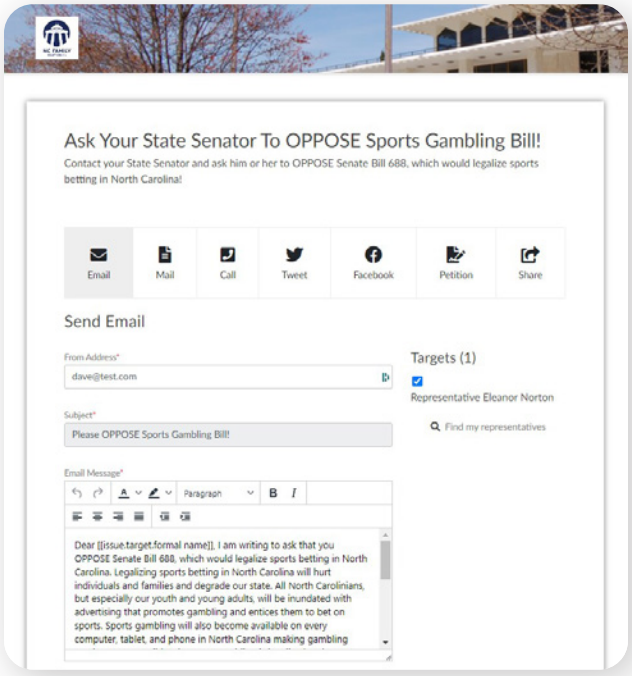
If someone yells in a small, enclosed room, no one hears him. If he yells in a canyon, that sound is going to be amplified and heard miles away.

That's advocacy. One voice is fine, but a whole lot of voices amplified by an advocacy campaign can make a big difference. If your nonprofit is trying to effect change, harness the power of your donor base and put it to action.

Our advocacy clients usually start small to get casual supporters involved. If someone brings a date to an event or volunteers at a community event, they might be willing to circulate a petition on social media. Your regular supporters, accustomed to handing over money, might love the idea of sending out a survey to get even more involved. As your army of supporters grows, you give them more advocacy tools to work on your behalf.

What are the most popular advocacy tools? There's nothing here that will surprise you, but this list might remind you of some other options you could try. Remember, you need to make it easy for people to advocate on your behalf. Advocacy software serves everything your donors need.

- Email
- Phone calls
- Printed letter
- Social media
- Petitions and surveys
- Testimonials




No matter which you choose, you will want to give your supporters the right language to use to put a fine point on whatever it is you're fighting for. And be sure to thank them and to let them know as their efforts result in change, no matter how small. The right advocacy software can make a big difference in automating your outreach, equipping your advocates, and measuring results.

TOOL 9

# E-Commerce

## Shopping Carts, Inventory, and Shipping

Before you keep scrolling because you don't have anything to sell, give a shopping cart a chance!

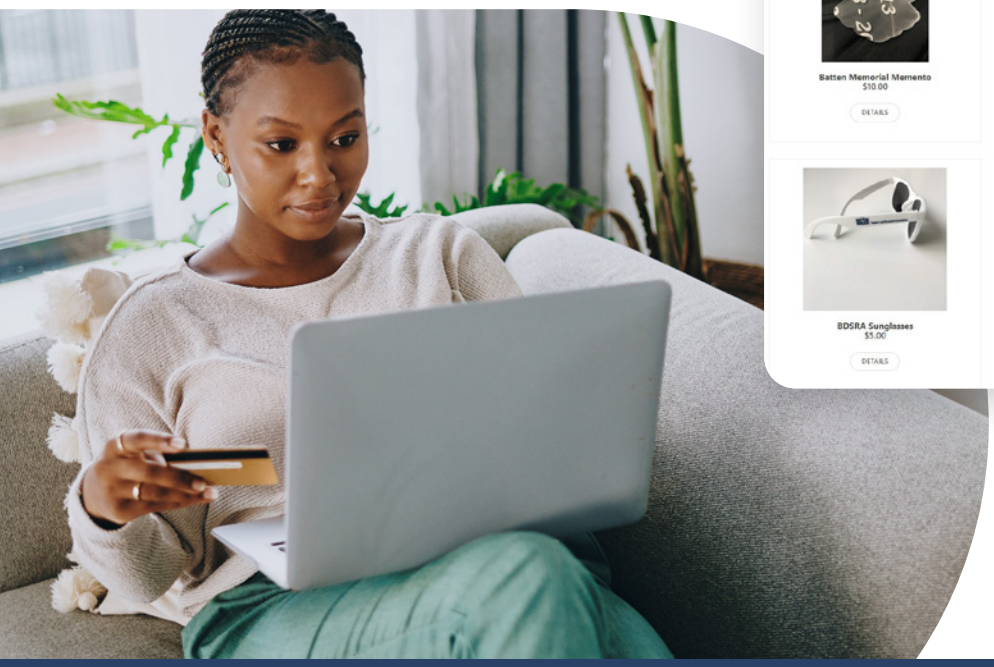
**This is a fundraising tool that can benefit any charity**. Yes, you can sell mugs and t-shirts and reusable shopping bags, but you can also sell experiences. You can sell lunch and learns. You can "sell" a monthly donation. You can sell engraved pavers!

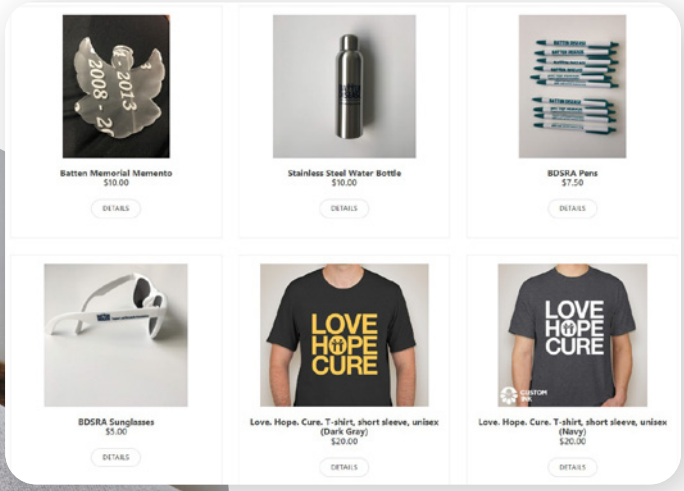
It might seem a little weird for a nonprofit to sell stuff to raise funds, but it's genius because people get something for their donation. If you have a cute logo or bright colors, plaster it on some goods. Your brand will have increased visibility as people see it around their communities.

A word of caution, though. There are regulations you must follow to keep tax-exempt status, so get tax advice when you're setting it up. That tax person will probably tell you an online store is a great way to diversify your income streams.

If you want to sell physical goods, like t-shirts or water bottles, and don't think you have the space, look into **drop shipping**. This is a common arrangement in which you sell products you don't keep in stock. The orders go to a third party, and they send them to the recipient.

Make sure you have a partner that can guide you in best e-commerce practices.





TOOL 10

# Events and Auctions

## Ticketing, Bidding, Volunteers, Attendees, and More

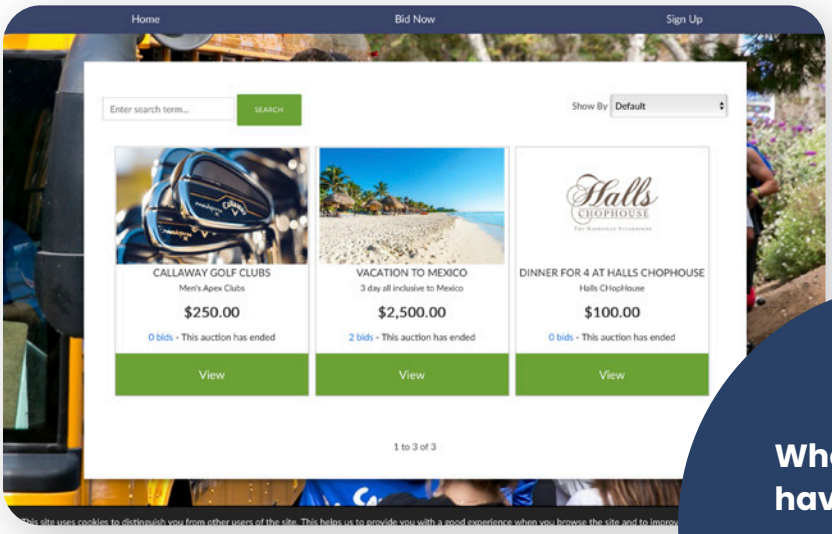
**Everyone loves a party!** This is yet another tool that works for any nonprofit, anywhere.

Auctions are well-known fundraising events, and every organization loves a good auction. But putting one on can be a lot more work than you have time to give! Auction software makes a big difference, because it automates just about everything. It keeps track of ticketing, bidding (even mobile bidding!), volunteers, attendees, seating charts, you name it. It can also help you keep auction attendees coming back.

Events are a broader category, and this is where you can get creative and have a lot of fun without a lot of stress. Events can be grand, of course, but they can be small….have your neighborhood kids get pledges to walk a mile, grab some doughnuts, and pick a sunny Saturday morning. Plan a bigger fun run or walk or plan something on any scale you can handle.

I remember coming home from the beach one year and my kids were distraught over the plight of sea turtles. They promptly put up a lemonade stand with a sign that said all proceeds would support saving the turtles. There wasn't one neighbor who only paid the required 75 cents for lemonade and a brownie! The jar saw more $20 bills than $1 bills. Can you imagine that effort on a larger (and, probably, a non-elementary-school-aged) scale?

When people can have fun and do good, it's a winning combination. Robust event management software will ensure you've got all your bases covered, no matter how complicated and large an event gets.




**When people can have fun and do good, it's a winning combination.**

TOOL 11

# Peer-to-Peer Fundraising

## Tooklits, Campaigns, Social Media, Tracking, and More

We recently hosted a webinar in which some of our team members talked about the enormous success our clients have had using this tool. If you want, you can read this article that sums up the key points.

This subject was fun for us to talk about because it's a winning combination: low-cost, fun, highly engaging, and effective!

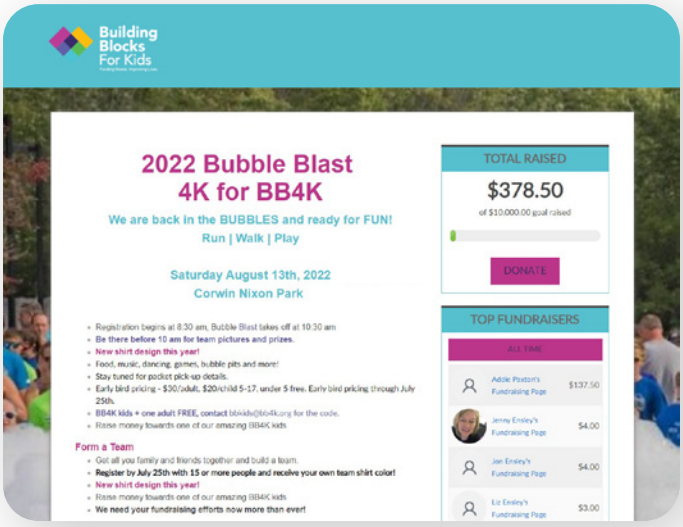
We consider P2P almost an incidental tool because it's such a low-effort way to get your most engaged donors even more involved. You can leverage online tools, like social media. What you're essentially doing is bringing your mission into communities, with your most passionate donors spreading your message and collecting funds on your behalf. It's scalable, so you can do it with a dozen donors or hundreds or thousands of donors.

You give them tools and carefully crafted messages, and they raise money.

In the article recapping the webinar, we will give you some examples of how our clients are using P2P. If you want to hear how Wounded Warrior Project, Zeta National Education Foundation, Building Blocks for Kids, and the Phoenix Boys Choir successfully use this tool to raise money, you can watch the webinar.

Our best tips for P2P campaigns include the following:

- Choose the right technology.
- Equip your fundraisers with a robust toolkit.
- Plan a well-organized campaign.
- Use social media as the foundation of a strong marketing campaign.
- Nurture, engage, and support your fundraisers.
- Monitor the performance of the campaign.




Following these six steps for success will make you a P2P convert!

TOOL 12

# Text-to-Give

## Automation, Segmenting, Testing, and Tracking

Our last best fundraising tool is probably something you do every day....look at your phone. Most of us spend a lot of time staring at those small screens. It makes sense, then, that if you want to reach people, you get your message right in front of their eyeballs.

Software designed for this effort will leverage the donor data in your CRM, sync your records, and give you a list for your campaign. You send a quick text, and they click on a link to get to a secure form to donate. Messages are response-driven, so the interaction is entirely automated.

This is another effort in which we recommend segmenting your audience and testing different messages. Sometimes humor works well when you are trying to catch someone's attention.

Remember how Boomers are the best sustainers? It's no surprise that the younger the demographic you're trying to reach, the more likely it is that a mass text or text-to-give campaign will take off.

Regardless, keep your messages short and to the point. Have a clear, easy-to-use form, offer different donation amounts, and (broken-record alert) track your data and analyze your reports.






# Conclusion

## A Dozen Tools to Increase Nonprofit Fundraising

That's our list of the best, most tried-and-true, most successful fundraising tools. Yes, you can get all those tools in one system, or you can find them in different systems. The fewer machines you have talking to each other, the better, and the more closely aligned and analyzed your data will be.

Use this guide as a shopping list or a checklist to see what new tools or efforts you can use next year. If you are wondering what some of them look like in action, check out What's Possible With a Nonprofit CRM. If you want more tips on selecting a nonprofit CRM, check out the e-book to the right.

If you want to see our all-in-one nonprofit CRM, you can book a demo. If you want to drop us a line and report on how your fundraising efforts are going, contact us. We're invested in the success of all nonprofits, not just our clients, and we'd love to chat with you.



A COMPLETE SOLUTION

# Want to see CharityEngine in action?

Discover how CharityEngine's unique all-in-one solution gives you everything you need to run your nonprofit in one place.

**Request a Demo**

CharityEngine