BUYER'S GUIDE TO NONPROFIT FUNDRAISING SOFTWARE

There are a lot of fundraising tools out there…

…and it's hard to know what questions to ask and what to consider when you are looking for the right fit to support your fundraising activities. This guide is intended to give you the insights you need to make an informed decision.

Exploration of common questions/concepts is followed by a functional requirements checklist to help you identify what features/functions you need before you begin searching for a vendor.

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CRM vs Fundraising Solution

What Is The Difference?

Donor Management (CRM) software and Fundraising Software are often lumped into the same category, but they shouldn't be. While they work in tandem, they have very different functions.

Donor Management (CRM) – This software houses all of your constituent data. It archives communication history, donation history, relationships between donors. It enables queries and reports, data import/export. It may also offer volunteer management and other ad-on management capabilities.

Fundraising Software – This software facilitates all of your donor commerce and should focus on helping your organization employ effective strategies to make as much money as possible and save when it comes to administrative costs.

Increasingly, Donor Management (CRM) Systems offer fundraising software as an add-on. However these often have limited functionality/features and are not optimized to provide robust, effective fundraising tools.

Look for fundraising software that can integrate with your existing donor management software so that you can leverage the respective strengths of each tool.

“Donor Commerce” is more than just “Donations”

Most organizations engage in a wide variety of fundraising activities; make sure your fundraising software can accommodate all of them. Here’s a list to get you started:

- Outright donation
- Recurring donation
- Tribute & Memorial Gifts
- Membership
- Gala
- Night At The Races
- Reunion / Convention
- Raffle Ticket Sales
- Merchandise Sales
- Concert
- Adopt-An-Animal
- Corporate Sponsorships
- Free event registration

*Be sure that you can ask for a donation on your event page or sell memberships and event tickets together.

What is cloud-based software and why do I care?

Cloud-based software is hosted and maintained by the vendor and accessed by your organization via a web browser. This means you don't have any software to install or maintain and you can access the platform from any device with an internet connection. When new features/functionality are introduced, they are immediately available to you. No prompts to download and install updates; it's all taken care of it for you. It also means that you don't need to be in the office to access the software. Need to work from home? No problem, you can login from your home computer. At a conference, you can still keep up with work from your laptop or tablet.

Cloud-based software is generally cheaper to implement than installed software and it's maintenance free, which means you don't need to dedicate IT staff to maintenance and training; a definite cost savings.

What is an “Open API”? Why is it important?

API stands for “application program interface”. It is important because a platform with an open API is designed to be able to integrate and share data with other programs. Fundraising software with an open API, for example, might integrate with an email marketing platform and a donor database. So, when a new donor makes a contribution, her contact details and donation information are transmitted to the donor database and her email address and other relevant information are sent to the email marketing platform where a series of welcome emails might automatically be initiated. In order to be sure that new tools and technologies will work with your fundraising software, you want to look for a solution with an open API.

What Is A Merchant Account / Payment Gateway?

Payment Gateway: A service that authorizes online donor commerce transactions. Basically, when a donor makes a contribution online and supplies a credit card number, your fundraising platform sends the credit card details to the payment gateway. If the credit card details match the information on file with the credit card company, then the transaction is authorized and the payment gateway transfers the money from the donor's credit card to your merchant account.

Merchant Account: A type of bank account that enables nonprofit organization to accept donations via credit card. Once your payment gateway has approved a transaction, it transfers the donated funds to your merchant account. Donations accrue in this account and are automatically transferred to your organization's "real" bank account every 2-7 days.

Both a merchant account and payment gateway are required if you want to accept donations, sell memberships or event tickets online, and accept credit card payments.

Typically, if you want to have funds directly deposited into your bank account and want to ensure the details like your organization's name displaying on the donor's credit card statement you need to jump through hoops to set up your own merchant account/payment gateway and submit to lots of fixed monthly charges and complicated fee structures when it comes to transaction fees. The alternative is to use a payment aggregator like PayPal or Network for Good. These are quick and easy, but they typically disperse your funds once a month or every few weeks and they also open you up to risk of costly chargebacks because your organization's name does not appear on donor credit card statements.

It is possible to have the best of both worlds, so be sure to ask your software vendor for all of the following:

1. Funds deposited directly into your bank account.
2. Your organization name on donor credit card statements.
3. PCI compliance (ensures transaction is secure)
4. All-inclusive transaction fees (transaction fees that include credit card processing and software licensing fees)
5. No hassle – (just provide your bank and routing number)
6. Quick & Easy – (24-48 hours to activate your account).

The Ins & Outs Of Website Integration

Fundraising software providers offer a wide range of integration with your website.

No Integration: These actually direct donors away from your site to the vendor's site in order to process the donation, and are typically heavily branded with the vendor's logo/language. While this is the cheapest route to go, studies show that donors are 5X more likely to abandon the transaction. Those who do donate, make significantly smaller contributions.

Basic Integration: These generally use your organization's header and color scheme to try to communicate your brand on the page. The URL (web address) in the browser bar may or may not reflect your organization's domain. These may also have some vendor branding present on the page.

Full Integration: These are fully branded to absorb the look and feel of your organization's web site. The URL reflects your organization's domain, and there is no obvious vendor branding on the page. Fully integrated donation pages inspire the greatest donor confidence and typically provide the best donor experience.

Note: Many platforms show off portfolios of fully integrated donation pages, but note that they were "adapted" by their staff. This means more money and more reliance on support to maintain those pages. Before you decide on a fundraising tool be sure you know what your pages will look like "out-of-the-box".

Why Fully Configurable Forms Are Mission-Critical

Most standard forms collect first name, last name, address, phone number and email. But many nonprofits want to gather additional information from their constituents. Maybe you want to know what county they live in, so you can send relevant advocacy appeals. Maybe you want to know how many children are in a household. If you want to add/change fields on forms, many fundraising tools require that you hire one of their programmers to make these modifications. This can quickly gouge your budget, or limit your ability to get the data you need.

Look for a platform that enables a non-technical user to modify forms and fields so they are optimized for your organization.

How Much Flexibility Do I Have?

Here are some key questions to ask regarding your ability to create donation levels, membership items, event registration items, etc.:

1. Does the software enable me to set donation levels on my giving pages?
2. Can my organization offer a description of the impact of a gift, or the benefits of membership?
3. Can we incorporate images to make our giving catalog more engaging?
4. Can we allow donors to designate their gifts?
5. Are there any limitations to the number of donation items we can create or the fields available?

In addition to asking these questions, be sure to confirm that a non-technical user can easily create and modify pricing, description, etc.

How Important Are Mobile-Optimized Giving Pages?

A 2013 Pew internet survey indicates that 56% of adults in the US use smartphones and the number is only increasing*. As more and more people check email and grow comfortable transacting via their cell phones, it is important that your donation forms are responsive so that they are as easy to use on a cell phone as on a computer or tablet. Be sure to ask your fundraising software provider for examples of mobile-optimized or responsive donation pages.

*http://pewinternet.org/Reports/2013/Smartphone-Ownership-2013/Findings.aspx

Ask About Social Sharing Capabilities

Encouraging social media sharing is a great way to get in front of a network of new potential donors. When a donor shares via Facebook or twitter, or sends an email to tell friends and family about his engagement with your organization, you benefit from free marketing and endorsement.

Many platforms allow you to passively position social sharing buttons on your page. Ideally, however, you can prominently display social sharing icons and actively ask constituents to share your content.

Look for the ability to offer pre-configured shareable content including images and text so it's easy for donors to promote nicely formatted, relevant content with friends and family.

What Recurring Giving Features Do I Need?

The Association of Fundraising Professionals' 2013 Fundraising Effectiveness Project found that most organizations lose more donors than they gain each year. One way to combat this brutal attrition rate is by designing and promoting a recurring giving program. This means more than just having the ability to collect recurring donations.

Be sure the following functionality is supported by your fundraising platform:

1. Communicate the impact of each recurring giving level (i.e. Your donation of $18 /month saves the lives of 10 puppies).

2. Enable a range of recurrence intervals (annually / monthly / weekly)

3. Customize Receipt Emails.

4. Automatically detect when credit cards are approaching expiration

5. Automatically notify donors of declines/expirations and ask them to update their information

6. Segment recurring donors so you can tailor messaging to them.

7. Use Smart Forms to acknowledge previous giving levels and "upgrade" gifts.

8. Identify Lapsed Recurring Donors and automatically nurture them with a pre-configured "win-back" drip email campaign (can we do this?)

Key Questions About Fundraising Analytics

Getting good data from your fundraising software needs to be a priority. It will give you the insights you need to evaluate, modify and improve your fundraising year over year. Most fundraising platforms come with some analytics capability. Here are just a few key reports to look for:

1. Average gift size
2. Conversion Rate
3. YOY analysis of campaigns
4. LYBUNT / SYBUNT Reports
5. Donor acquisition
6. Donor attrition

In addition to the reports themselves, be sure to consider the accessibility of your data. Can you extract raw data in excel or csv format? Do reports reflect “real time” data? If you are using custom fields, can you report on them? Can you create segments of your constituency based on custom properties or any key data point? How extensive and thorough are “canned reports”? Are analytics capabilities built-in, or do you need to use a reporting tool like Crystal Reports?

A Look At Peer-to-Peer Fundraising

The market is flooded with peer-to-peer / crowdfunding websites. From Indiegogo to GoFundMe to Crowdrise…the list goes on. These platforms have opened up a world of potential by demonstrating that average people will fundraise on behalf of causes they care about and that their networks will respond to appeals from friends and family.

Typical crowdfunding websites host pages for many different organizations and causes. They also are loosely regulated when it comes to who can start a campaign. This means your appeal may be lost in the din of other voices or blemished by proximity to less than legitimate fundraisers.

Ideally, your fundraising software will support the peer-to-peer fundraising model while allowing you to control the entire experience. As one part of a larger fundraising solution you may find that costs are significantly lower. Typical crowdfunding sites, charge transaction fees of 5%-9% PLUS credit card processing fees. Not only that, but they often have rules that require you to set and reach a stated goal in order to collect any pledged donations.

Be sure to ask if your fundraising platform supports “Peer-to-Peer”, “Crowdfunding”, or “Personal Initiative” fundraising and compare pricing to other vendors in that market.

What Are My Database Integration Options?

If your online giving program is just starting out, you may not be too concerned about database integration. But, if growing the program is a priority, you may quickly find that getting relevant data from your fundraising software into your database is not something that can be facilitated manually.

There are three basic ways in which your fundraising software can make it as easy as possible for you to ensure that your donor database is up-to-date and accurate.

Manual Integration: Data is extracted from your fundraising software in excel or csv file and then the import into your database is manually initiated. Fields extracted from your fundraising platform need to map to those you want to populate in your donor database and you need to consider the possibility that duplicate records could be created if manual comparison of import file against existing database records is not performed.

Mediated Integration: **This is the most recommended integration method.** The manual process is enhanced through the use of technology that automatically extracts data from your fundraising platform on a set schedule. The technology reconciles the import against your existing database. Net new information is automatically imported into the database and any data suspected to be associated with an existing database record is flagged for review by a staff member who decides whether to create a new record, append an existing record, or disregard the import.

Fully Automated Integration: While there are some use cases where fully automated integration makes sense, it is typically frowned upon because of the risk of record duplication. This integration method eliminates the record flagging and staff mediation described above. It automatically extracts data from the fundraising platform and imports it into the database on a fixed schedule.

What Do I Need When It Comes To Customer Support?

Before you select a fundraising software vendor, be sure to ask about customer support. Many vendors offer tiers of support at varying costs.

Free support: Typically it takes the form of forums and libraries of information where customers are encouraged to self-help.

Email support: Email support is generally available at minimal cost and varying levels of quality. Some vendors have live reps who receive and respond to support inquiries while others lean heavily on auto-responders. Ask about average response time and average resolution time for email support issues.

Phone support: This is typically the most expensive support. Some vendors supply you with a dedicated support representative while others offer an allotment of support minutes each month and a general customer service line. Ask about average hold time, response time and resolution time.

A la carte: Some vendors offer as-needed support via email and/or phone. While this option reduces your fixed cost, it can quickly become expensive if you encounter a problem that requires significant support. Fees can be as high as $200+ per hour with one-hour minimums.

What Is A Virtual Terminal? Do I Need One?

A virtual terminal is a back-office application that allows staff to accept credit card donations over the phone, or sell event tickets at the door. Immediately process credit card, ach, or cash transactions and document them with no need for pen and paper and no risk of double-entry.

This is not generally considered essential functionality, but it is nice to have. Ask your software vendor if it is an available option.

Add-Ons To Look For

Promo Codes & Discounts: Particularly when it comes to promoting events and/or membership, promotional codes and discounts can be critical to create urgency, cross sell, and reward loyalty. Be sure to ask if your fundraising software offers this functionality.

Gift Cards: Selling gift cards online or on-site can be a great way to raise more money and inspire patrons to introduce others to your organization. Offer branded gift cards for membership, classes, special events or merchandise.

eCards: eCards are a great way for constituents to make a gift in celebration of Mother's Day, Father's Day, birthdays and other holidays. Give them a selection of attractive cards that they can personalize with a custom message.

Raffle Ticket Sales: If your organization promotes a fundraising raffle, selling tickets online can dramatically increase sales, and streamline the administrative tasks associated with the raffle. Buyers purchase online using a credit card and ticket stubs are automatically send to them via email. No more scribbling contact information on the stubs! The organization batch prints the stubs to add them to the hopper. All contact details are archived so participants can be contacted and cultivated.

Parting Thoughts

Before contacting vendors, it's wise to create a committee empowered to identify requirements and make decisions regarding purchase. Make sure representatives from all relevant departments are included: development, education, special events, membership, accounting, database administration.

It's wise to start the process by creating a functional checklist to identify what features / functions you want / need. You can use the list to evaluate and compare products and make an informed decision regarding which is the best fit for your organization.

You can always build a functional checklist from scratch using Excel or Word, or you can download a template. For a downloadable Functional Requirements Checklist, visit www.gobigriver.com and click RESOURCES in the top menu.

This guide is provided by Big River Online. Big River fundraising software was designed specifically to help nonprofit organizations raise more money online with easy-to-use, innovative tools. Big River provides unified solutions for all kinds of donor commerce including donations, recurring donations, events, memberships, raffles and more.