

Types of Donors

There are many different entities that contribute their valuable time and money to nonprofit organizations. It is important to diversify the types of donors who support your organization in order to ensure your organization's financial health. By developing relationships with a variety of funding sources, your organization will be more likely to generate new sources of revenue when other resources become extended. Consider each of the following types of donors when developing your fundraising plan:

1. **Individuals** who contribute to nonprofits include program participants, volunteers, staff, customers, friends, neighbors, good samaritans, and philanthropists.
2. **Small businesses** often contribute to nonprofit organizations in exchange for an opportunity to promote the name and goodwill of the company in the community.
3. **Corporations** usually support nonprofit organizations through a corporate foundation or community involvement program. Many companies match their employees' charitable gifts.
4. **Foundations** usually provide grants, or gifts that are not repaid. There are several types of foundations:
 - a. **Operating Foundations** run programs and do not distribute grants.
 - b. **Family Foundations** are founded and governed by an individual, family, or other cohesive group.
 - c. **Community Foundations** pool funds from multiple donors, manage the funds, and distribute grants according to each donor's wishes.
5. **Churches** often hold fundraising events or donate a portion of their collections to religious causes; many also give to nonreligious local community groups.
6. **Community Service Clubs**, such as the Lions Club, the Kiwanis Club, and Soroptomist International are actively involved in raising funds and awareness for local issues.
7. **Federated Funds**, such as the United Way, collect and distribute donations to member organizations. Most of these donations are solicited through workplace giving campaigns.
8. **Government**; at the state and federal level, distributes funds to nonprofit organizations through grant initiatives sponsored by specific departments or agencies. Local governments may also make contributions or grants.

Your strategy and approach for each type of donor should correspond to that donor's motivation for involvement with your organization, their giving history with your organization and in the community, their ability to give, and their socioeconomic characteristics. Conduct extensive research about each donor before approaching them to ask for a gift.