

# Solutions to Faith-Based Organizational Inefficiencies



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# Introduction

Much like a car's internal system, an organization's internal actions have external consequences. If you think about the structure of a car and all its moving parts – engine, brakes, radiator, screws, wires, air filters, shock absorbers, muffler, etc. – just backing out of your driveway requires many of those parts to work in concert with one another. And, if one part isn't working right, it can affect the entire operation. Even when all parts work exactly as intended, how we drive the car affects not only our car but also those around us. In other words, what we do inside of our cars (internal) affects what happens to the cars around us (external).

**Think of your faith-based organization in a similar way – many moving parts that need to work together for the whole to run smoothly.**

## Faith-Based Organizations

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“Faith-based fundraising is different than regular fundraising. People are giving out of obedience and gratitude for what God has done for them. That's different than giving to a cause. Faith means giving can be deeper. It's built into the fabric of the community and that infrastructure doesn't exist with most charities.”

**–Frank Barry, co-Founder, [Tithe.ly](https://tithe.ly)**

All faiths are united in the importance of doing good, helping others and giving back to the community. In this, they are like most non-faith-based nonprofit organizations.

Faith-based fundraising (FBF) differs in many ways, but the main one is in its name: **Faith**.

Faith plays a critical role in giving, marketing, retention, communications and participation. However, internal inefficiencies in a faith-based organization can negatively affect external relationship-building, communications, and fundraising.

When all the parts of an organization are working in sync and being run responsibly, there is opportunity to thrive and grow. However, when internal red lights flash, it has negative effects not only in the office but also on donors and their giving.

In this brief eBook, we will look at three internal inefficiencies which faith-based organizations need to avoid:

- **multiple systems**
- **silos**
- **the 11:59 pm method of getting things done.**

We'll look at the problems and offer solutions.

Giving to faith-based institutions is down (see next section). No reason to exacerbate a tough situation by making things harder on ourselves through our work processes. Let's make our work lives easier so we have more time and energy to devote to our supporters and growing our institutions.



Ephraim Gopin  
Founder, 1832 Communications

# The Current State of Faith-Based Fundraising

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“Donors are absolutely more connected to faith-based fundraising. They are motivated and have a stake in the game. In terms of fundraising, the faith-based organization already has an inside track, because there’s some commonality of experience and commonality of background. On the flip side, for some campaigns you have a limited audience because it’s limited to members of your faith or members of your congregation.”

**William Daroff, CEO at Conference of Presidents of Major American Jewish Organizations**



The current state of faith-based fundraising? Let’s call it what it is: Not great.

In general...

- The overall donor retention rate stands at an abysmal 40%.
- Individual household giving is down.
- According to the Giving USA 2024 Report, total estimated charitable giving climbed to a current dollar high of \$557.16 billion in 2023, up from \$546.61 billion in 2022 and up 1.9% from 2022. **However, when adjusted for inflation, charitable giving decreased by 2.1% from 2022.**

Sigh.

When it comes to religion, the situation is getting worse. While the sectors of education, human services, health giving, environment/animals, arts, culture, and humanities all grew in 2023 (even when adjusted for inflation), giving to religion fell by 1% when adjusted for inflation.

Although 65% of Americans identify with an organized religion...

- Since 2019 giving to religion has declined by 4.76%.
- Since 1980, charitable giving to religion has declined from 56% of overall giving to just 26% in 2023.
- Donations to religion have gone up 10% since 2000 according to Giving USA. But during that time overall giving went up 28%- which means religion is lagging.

There are two big reasons for the decline in religious giving:

1. There's been a huge drop in the number of people who attend religious services every week or nearly every week.

#### Changes in Frequency of U.S. Religious Service Attendance Over Past Two Decades, by Religion

Figures are the percentage who attend religious services weekly or nearly every week

	2000-2003	2011-2013	2021-2023	Change, 2000-2003 to 2021-2023
	%	%	%	pct. pts.
U.S. adults	42	38	30	-12
Mormon/Latter-day Saints	68	75	67	-1
Protestant/Christian	48	49	44	-4
Islam/Muslim	34	46	38	4
Catholic	45	40	33	-12
Judaism/Jewish	15	19	22	7
Orthodox	35	25	26	-9
Buddhism/Buddhist	16	11	14	-2
Hinduism/Hindu	21	17	13	-8
None/Atheist/Agnostic	6	5	3	-3
Other	45	40	21	-24

GALLUP

Source: Church Attendance Has Declined in Most U.S. Religious Groups  
([gallup.com](https://www.gallup.com))

It would appear that Americans are increasingly likely to become religiously unaffiliated.

2. There is a LOT more competition out there for donor dollars. Many people consider religious institutions to be one of their giving options (religion is still the number one cause for charitable donations) but not necessarily the main one.

Yes, the data is worrying but it's not apocalyptic. There are plenty of churches, mosques, and synagogues which are in growth mode! Through processes which put an emphasis on how to maximize a small amount of internal resources to create maximum external output, faith-based organizations can retain members at a high rate, expand by welcoming new members and raise much needed funds to keep their community strong and thriving.

**Let's look at three of those internal processes which can help your faith-based organization move from a scarcity mindset to one of growth.**

# Multiple Systems

## BASED ON A TRUE STORY

*Lea's stepmom passed away. In her obituary, the family mentioned that donations in her memory could be donated to a local religious institution, where Lea's stepmom had been a long-time member.*

*Gifts were made in her memory, but Lea was never informed about those gifts until months later, when she proactively asked for the list of people who had given so she could thank them. It took three weeks for the institution to comply with her request.*

*Overall, it was a very frustrating experience for Lea.*

How many different accounting and database systems does your faith-based organization use?

This is one of those cases where “the more the merrier” is not a positive. In fact, more systems create confusion and delays and can cause donors to worry about the efficacy of your operations – i.e., how your organization manages their donations, funds and pledges.

The internal workings of your organization affect your donors on the outside.

Here are a few examples where multiple systems can create problems:

### **Where's the source of truth?**

Many faith-based organizations have a CRM system which tracks the work of the development team and a separate system for accounting.

A check arrives in the mail, and...

1. the development team enters it into their CRM.
2. The check then gets passed to the accounting team, who inputs it into QuickBooks.

At the end of each month the systems need to be reconciled to ensure they're showing the same data. What happens when the numbers don't add up? More work for both teams.

Additionally, internally, you must ensure which department oversees gratitude letters to donors (hint: it should be development). Those thank you letters need to go out as soon as possible!

Does your organization wait for the check to be processed through accounting before sending a thank you letter? If yes, that could take a few days or weeks. Meanwhile, the donor doesn't know if their check was received or not. This can harm retention (memorable gratitude leads to higher gift value and higher retention, but if gratitude is always delayed...).

When the donor calls to ask how much they have donated this year, who has the system of record – development or accounting? For this example, let's say it's accounting.

The donor's contact is in the development department. The donor calls them. The development person tells the donor they'll have to get back to them because they don't have the exact figure the donor is seeking. It sits somewhere else.

How does that make the donor feel? They deal with the fundraiser all year long. Shouldn't the fundraiser be able to tell them right away how much they've donated?! That is not an inefficiency you want the donor thinking and worrying about.

### **Pledges:**

A donor pledges to donate \$500 per month in 2024. Your development staff enters it into your system, and then you invoice that donor each month (or send a friendly email reminder).

What if the donor could pay it out independently each month? What if the CRM you used had a donor portal where the donor could manage their business?

✅ Less time your staff has to spend chasing people

✅ Your donor doesn't feel like she's being chased each month and treated like a cash cow

**A win-win for everyone.**



CommunitySuite Portal

My Donations

My Donations

Donations

ID	Date	Fund	Amount	Type	Amount
4170	08/23/2024	Anderson Family Fund	20.00	Check	20.00
4171	08/23/2024	Hill's Fund	20.00	Check	20.00
4172	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4173	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4174	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4175	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4176	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4177	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4178	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4179	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4180	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4181	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4182	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4183	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4184	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4185	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00
4186	08/23/2024	Anderson Family Fund	5,000.00	Check	5,000.00

# REAL-TIME ACCESS

Foundant's CommunitySuite allows donors to have real time access to their fund information

## Funds:

If your faith-based organization has funds that donors deposit into and take money out of...

The donor calls the development department and asks that funds be moved from his account into the account of a grantee. The development team now has to pass that request along to accounting, and it could take weeks until it is done. Meanwhile, a request has been made, but the balance on the account hasn't changed.

The same is true if the fund owner wants to deposit money into the fund or if the funder asks for an update of their fund.

The fact that something so important to a fundholder could take weeks to process is not a good look for your organization. The ability for a fundholder to access a portal that allows them to conduct transactions and update balances right away would

- Be beneficial for funders (keep them happy!) as they can see their entire giving history in one place, deposit and take funds out
- Reduce the workload of your development team (super important!)

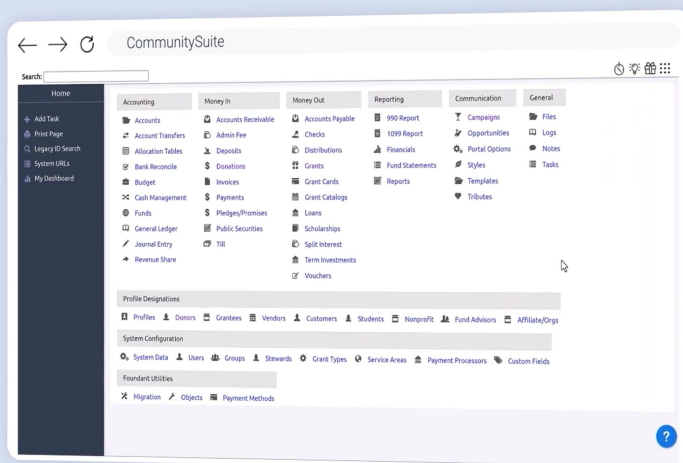
## Fundraising efficiency:

When all donor data is stored in one place, staff now have access to each individual's giving—e.g., their funds and annual campaign gifts—which reduces duplication of effort and redundant conversations. This also allows fundraisers to properly personalize and segment any asks they make of each donor, two things that will boost retention and lifetime donor value.

And when donors call with a question regarding their giving, their contact in the development department can produce an answer immediately. Good customer service is part of the donor experience.

Multiple CRMs and database systems can cause headaches for both your staff (internal) and your donors (external). Having one central system your development team, accountant, and the funder themselves (or their representatives) can access creates a frictionless experience for everyone.

**Which will boost retention and help your organization grow.**



## FUND ACCOUNTING

Foundant's CommunitySuite allows a fundholder to conduct transactions and update balances.

# Silos

## BASED ON A TRUE STORY

*Brad's dad left a \$10,000 gift in his will for his local religious institution. It was important to him to provide for an entity that had given him so much value and spiritual nourishment during his lifetime.*

*Brad called the institution's fundraising director, told them about the gift, and discussed the easiest way to move the funds.*

*Two weeks later, as Brad was cleaning out his dad's apartment, he went to the mailbox to go through the mail. The mail that day included a "planned giving" packet from the religious institution his dad left a gift for.*

Silos are great for farms. Not for nonprofits.

Do the fundraising and marketing teams work together in your faith-based organization on projects and campaigns? Do they always meet to talk and exchange ideas? Do they have a joint strategy?

If you answered "no" to any of the above questions, you have an internal headache which will cause external problems.

Look at the story of Brad's dad above. Brad DID call the fundraising department, but clearly, they did not let the marketing department know

- this person is now deceased,
- to remove their name from future mailings.

It just makes it worse that a person who left a planned gift was receiving a planned gift packet in the mail.

How about a food bank in the basement of a church? For regular church-related fundraising campaigns, the development team will emphasize the organization's "faith" component to raise more money from more members.

But the food bank is NOT a program specifically of the church. It may be housed in the church, but it's meant for the entire community. This means that any marketing campaigns for the food bank will not emphasize "faith," seeing as non-church members will be asked to donate.

The annual Thanksgiving food bank marketing campaign begins, and the lead is, "Our faith demands we feed the hungry." 🙏 The marketing department based their branding and messaging on past fundraising campaigns. If they had spoken to the fundraising team, they would've known that this campaign is for the entire community, not just church members.

Fundraising and marketing are notoriously territorial. They don't want the other intruding on their space. "The marketing people don't understand what it takes to raise money," and "the fundraising people are clueless about messaging, branding, and placement."

It can get ugly in there. However, that ugliness can cause external problems when a campaign is launched.

In the previous section, we discussed silos that are created because development and accounting have separate systems. In this case, the silos are created by teams of people who want all of the credit.

The simplest solution is to integrate the teams so they work together. They can learn from each other, collaborate on projects, and use their combined talent to help the organization grow.

However, this is not always possible, or there is strong internal resistance to this type of move. A different solution would be weekly/monthly meetings between the heads of the teams to discuss upcoming projects. Create a to-do list where both sides have to complete tasks so that campaigns are ready on time and successful.

(See the next section for an idea that should be incorporated into either solution above.)

We know that giving to religious institutions is down. Don't worsen the problem with inner squabbling that can negatively affect your fundraising.

# Last minute-itis



*“Ramadan is the ninth month of the Islamic calendar and is observed by Muslims worldwide. During Ramadan, Muslims fast to commemorate the first revelation of the Quran to the Prophet Muhammad.*

*During Ramadan most Muslims choose to give their Zakat (alms/giving). Zakat is similar to the concept of tithing for Christians and refers to compulsory charitable donations. It is also like the Jewish concept of tzedaka, a Hebrew word that refers to acts of voluntary giving. Zakat requires Muslims to pay 2.5% of their qualifying wealth to ‘the poor and needy’.*

*With so much potential for fundraising during Ramadan, Muslim led organizations prepare for Ramadan in various ways to ensure success through unique ideas and events.*

- Having a dedicated donation page on the website specifically for a Ramadan fundraising campaign will increase the chances of reaching the fundraising goals.*
- Zakat is a duty of every Muslim if they have personal wealth and it can be very tricky to calculate the Zakat amount. Make it easy for donors to donate by either embedding or linking a Zakat calculator on the donation page.*
- Iftar is one of the religious observances of Ramadan and is often done as a community, with people gathering to break their fast together. Being such a community practice/tradition, iftars are perfect for fundraising. Organize a community iftar at a venue and make it fun and inclusive.”*



**- Dilnaz Waraich, President, WF Fund**

- The holy month of Ramadan is expected to begin on Friday, February 28, or Saturday, March 1, 2025.
- The Jewish New Year (and the High Holidays) will begin the evening of Monday, September 22, 2025.
- Easter will be Sunday, April 20, 2025.
- Thanksgiving is Thursday, November 27, 2025.

We could go on and on, but you get the point: We know in advance when certain holidays fall. And that means we know when our holiday campaigns must be ready and out the door.

And yet...

Does your faith-based organization suffer from “Last Minuteitis,” a horrible condition which prevents you from planning ahead and instead dooms you to always finish projects at 11:59pm the day before the campaign starts?

It’s time to end that, especially in small shops!

Certain times of year are known to be the busiest. In the Jewish faith, it’s the High Holidays. For Muslims, the holy month of Ramadan. But because we know well in advance when those start, we should be strategizing and planning ahead so everything is ready well in advance.

For example, in the nonprofit world, year-end is the biggest giving time of the year. In December, 31% of all giving is donated and in the last three days of the year, 12% of all giving. **Organizations have a LOT riding on their year-end campaign!**

Which means planning way ahead and figuring out what has to be done to get ready:

- craft the year-end direct mail and email copy
- choose a printer and work with them on the direct mail appeal
- calendarize social media posts, emails, and phone calls
- prepare gratitude letters

and more. If an organization only starts working on this in November, it’s too late. June through August is when everything should be planned, prepared, get an official sign off, and sent to the printer.

There's enough stress and anxiety around year-end. Having the campaign prepared well in advance removes a lot of that stress.

The same is true of fundraising campaigns that take place around religious holidays. Start planning and working on it way before the holiday season begins. If the holiday season approaches and your staff are overworked and exhausted, how will they fare when they speak or meet with donors during the campaign?

Ensuring your staff (internal) have the energy to navigate a holiday campaign (external) could be the difference between success and not hitting your goals. One way to ensure everyone at your organization – we're looking at you fundraising and marketing teams – is on the same page and there's a plan is to create a content calendar. During the holiday campaign, you'll be creating a lot of content:

- Direct mail packet
- Emails
- Social media posts
- Texts
- Website content
- Blog content

Use any spreadsheet of your choice and consider using some or all of the following headers:

- Date
- Title of the content piece (e.g. Donate to holiday campaign)
- Who's responsible (Who's responsible for gathering the info and the copywriting)
- Content (1-3 bullet points describing what content has to be featured- that can include any images or links that need to be added)
- Segment (Who is this email being sent to- new members? Current donors? Major givers?)
- Landing page/s (Where are you directing traffic? Are those pages on your website ready with the correct info?)
- Call To Action (What's the CTA for the content piece?)
- Status (Composing, editing, awaiting final approval, published)
- Anticipated publish date (When should this piece of content be published/go out?)
- Actual publish date (When did it actually go out?)

You can plan ahead, and everyone knows when each piece of content is meant to go out. In a larger institution, this kind of calendar can avoid mix ups of multiple emails being sent out on the same day by different people.

You have a schedule. You know what content needs to be included and when it needs to be sent.

Start the planning months in advance. Enter the busy, important and critical holiday giving season rested and ready to execute.



# Conclusion

Faith-based fundraising presents a unique approach to giving, rooted in gratitude towards a higher power and connection to a community with shared beliefs. Faith is significant in these fundraising processes and influences donor motivation, retention, and overall engagement. While faith-based organizations face internal inefficiencies that can impact external relationships and fundraising efforts, addressing issues such as multiple systems, silos, and last-minute planning can lead to improved operational effectiveness and donor satisfaction. Faith-based institutions can enhance their ability to fulfill their mission, engage supporters, and sustain their communities by streamlining internal processes, fostering collaboration between teams, and planning ahead for key fundraising periods.

As a software vendor in the philanthropic space, Foundant knows faith-based organizations are critical to the ongoing success of communities in all geographic regions. As a vendor dedicated to this success, we prioritize building long-lasting relationships so we can understand your pain points and address internal inefficiencies together as partners.

We do this through constant feedback loops with partners and clients and through our Idea Lab, where clients submit product feedback. In 2023 alone, we implemented 455 Idea Lab items. In addition, we hold focus groups, user groups, Coffee Talks, and sector education webinars to further integrate the client voice and layer your needs on top of our day-to-day work.

We look forward to further supporting faith-based initiatives and helping you achieve your mission with greater efficiency, less manual tasks, and more time to connect with your community.



## 1832 Communications

Ephraim Gopin, a fundraising and marketing expert, is the founder of 1832 Communications, an agency which partners with nonprofits to help them build more relationships so they can raise more money, serve more people and have more impact in their community.

Ephraim crafts custom strategies so your nonprofit is in the best position possible to fundraise from your target audience.

**The goal? Stabilize revenue and provide sustainability for programs.**

The organizations Ephraim partners with move from survival to thrival mode and experience growth.

 : [1832 Communications website](#)

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## Foundant Technologies

Foundant's mission is to **maximize the impact of the philanthropic community** through innovative software and exceptional client experiences designed to meet the unique needs of grantmakers, scholarship providers, community foundations, and nonprofits. Our easy-to-use cloud-based solutions streamline day-to-day tasks, create connections, and enable collaboration—making your work easier and freeing up capacity to focus on your mission. Dedicated to your success, we partner with philanthropy to empower change-makers to make the world a better place for all.

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