

# HOW TO CHOOSE A FUNDRAISING DATABASE

The most important asset to any not-for-profit organization is their donor database. Whether donation processing is outsourced or completed in house, the donor database supplies the building blocks that make up the foundation for all fundraising programs.

A fundraising database should enable you to store all contact and historical transaction information for your donors, board members, committee members and even volunteers. With a complete set of contact and historical transaction information for each of these groups you'll have all the information you need to contact your constituents, analyse your current fundraising programs, plan and target your future fundraising programs and provide a full audit trail to your accounting department.



**There are a great many  
database solutions for  
fundraisers to choose from.  
So, how do you choose the  
one that is right for you?**

## Evaluate

Before you embark on your search, you should first evaluate what your current system does and what you would like it to do – or do better.

Ideally you should have one centralized database that contains all of your contact information and sources of revenue. Having a list of what you want and what your needs are specific to a database will help narrow your search. Your list may include the following:

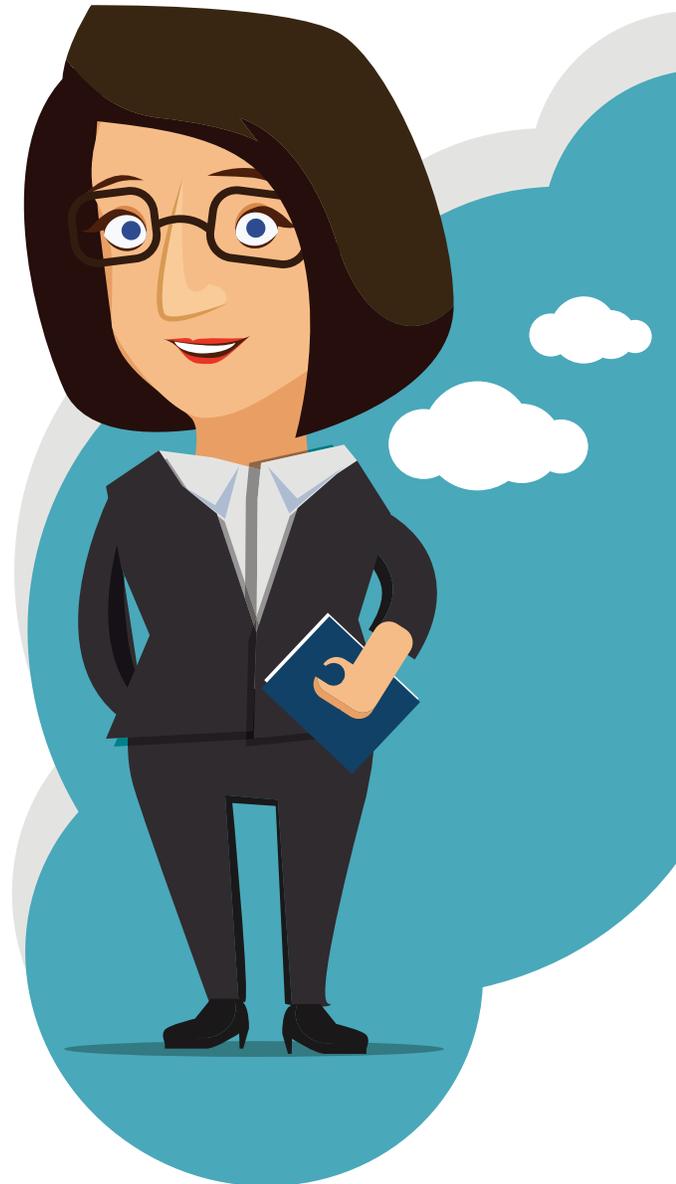
- ▶ Donor management
- ▶ Modules for membership and events
- ▶ Batch processing for one time donations
- ▶ Recurring donation processing
- ▶ Online access
- ▶ Multiple users
- ▶ Interface with accounting system
- ▶ Interface with mail merge program
- ▶ Interface with email program
- ▶ Easy to use query tool

Whatever your requirements and priorities are having a clear understanding of them and how your current donor management system handles those requirements will give you a clear insight into exactly what you want from your next database system.

## In-house or Cloud Based

There are two basic types of donor databases available in the marketplace today. Those that are hosted in-house on your own server or individual computer and those that are “cloud based” meaning that they are hosted on a server that is not at your site and is accessed through the internet or another log-in process. There are pros and cons to both choices.

An in house system requires that you install software upgrades as they become available and that you backup the system on a regular basis. If you have more than one computer that accesses the system you will also need to install the database on a network server and maintain a network. Depending on the size of your database you may need to install quite a powerful server if you want efficiency when running queries and generating reports. While remote access is possible for an in-house system, unless you have an IT person or a database administrator who’s knowledgeable about security, this sort of access can be a security risk.



In a cloud based system software upgrades and secure backups are performed for you. If you have more than one computer that accesses the database the only requirement is that it has internet access. There is no need to maintain a network or a server in your facility and remote locations and branch offices can connect easily to the database. However, you will require internet access that is affordable, fast and reliable for all sites that you need to connect to the database. All access in a cloud based system is remote so you can access your database securely from any device, anywhere as long as you have a secure internet connection.

## Database Security

Now that you have narrowed your search, there are questions regarding the security of your data that should be asked. Questions to ask include:

- ▶ What is the back-up system?
- ▶ What happens to my data in the event of a disaster?
- ▶ Will my data be stored offsite or onsite?
- ▶ What is the recovery plan?
- ▶ Is my database protected by firewalls and encryption?
- ▶ Does the storage and processing of my donor's credit card information meet PCI standards?

For the security of your donor's personal and financial information you'll want to ensure that the data in your database is physically and electronically secure at all times. To maintain long term relationships with your donors and maintain their trust in your organization you'll want to ensure that all privacy legislation and PCI level security requirements is followed to a T.

Working with your new database vendor in determining which security measures are in place with the system and what you need to provide will ensure your organization's most important asset is always protected to the highest level.

## Support

The type and level of support that you will require will depend a great deal on the database vendor you choose combined with the knowledge level of your in-house staff. Either way, unless you have a staff member that is familiar with the database system you choose in the configuration you select you should expect a few days of intensive onsite training from the vendor as well as ongoing support for the first few months. The vendor may assign you a customer service representative to whom you direct your questions. There may also be online tools and training available such as tutorials, user groups and blogs.

If your database vendor will also be processing your donations, you will have more contact with your customer service representative as they will assist with donor relations concerns, reporting and data requests. If possible, you will want to have at minimum one face-to-face meeting per year. This enables you, your staff and the vendor to review the performance of the database and the services provided as well as discuss any issues that may arise throughout the year as needs or processes evolve.

Key questions to ask a donor database vendor include:

- ▶ What type of support will I receive?
- ▶ How much support is included in the purchase price?
- ▶ What is the cost of support over and above the support included in the purchase price?
- ▶ Who do I contact when I have questions?

Developing and maintaining a strong and supportive relationship with your database vendor will help to ensure the success of your fundraising programs.



## Software Upgrades & Updates

Upgrades and updates to the software you've chosen will likely occur at some point after you've chosen your database vendor. Some questions to keep in mind to ask the vendor before you sign on the dotted line include:

- ▶ Does the database vendor perform upgrades and updates?
- ▶ Are there extra fees associated with upgrades and updates?
- ▶ Can you add services on at a later date?
- ▶ What are the system requirements?
- ▶ Is it likely that our computers or network as they exist now will require upgrading to keep abreast of upgrades and updates to the database?

Technology is constantly changing and having a database that is current and up to date will allow you to take advantage of the latest tools for fundraisers. However, it is also important to make sure as much as possible that the hardware you'll require for any new software technology fits in with your organization's budget.

## Annual Fees

The cost of fundraising databases varies depending on the type of software, the size of your database and the number of users. Unless you use open source software you can count on there being cost for the license to use the program. There are a number of different licensing schemes that may be offered and what sort of license applies to each product and the terms of that license will be spelled out in detail in the End User License Agreement (EULA).

In addition to the basic license fees there may be an annual maintenance fees, a fee for upgrades, a fee to add new or more users or install the software on more computers. Fees vary but can include:

- ▶ Maintenance fee
- ▶ Per user fee
- ▶ Per computer fee
- ▶ System access fee
- ▶ Database hosting fee

It is important to know all of the costs before you make a decision to ensure that you choose a database that fits your budget.

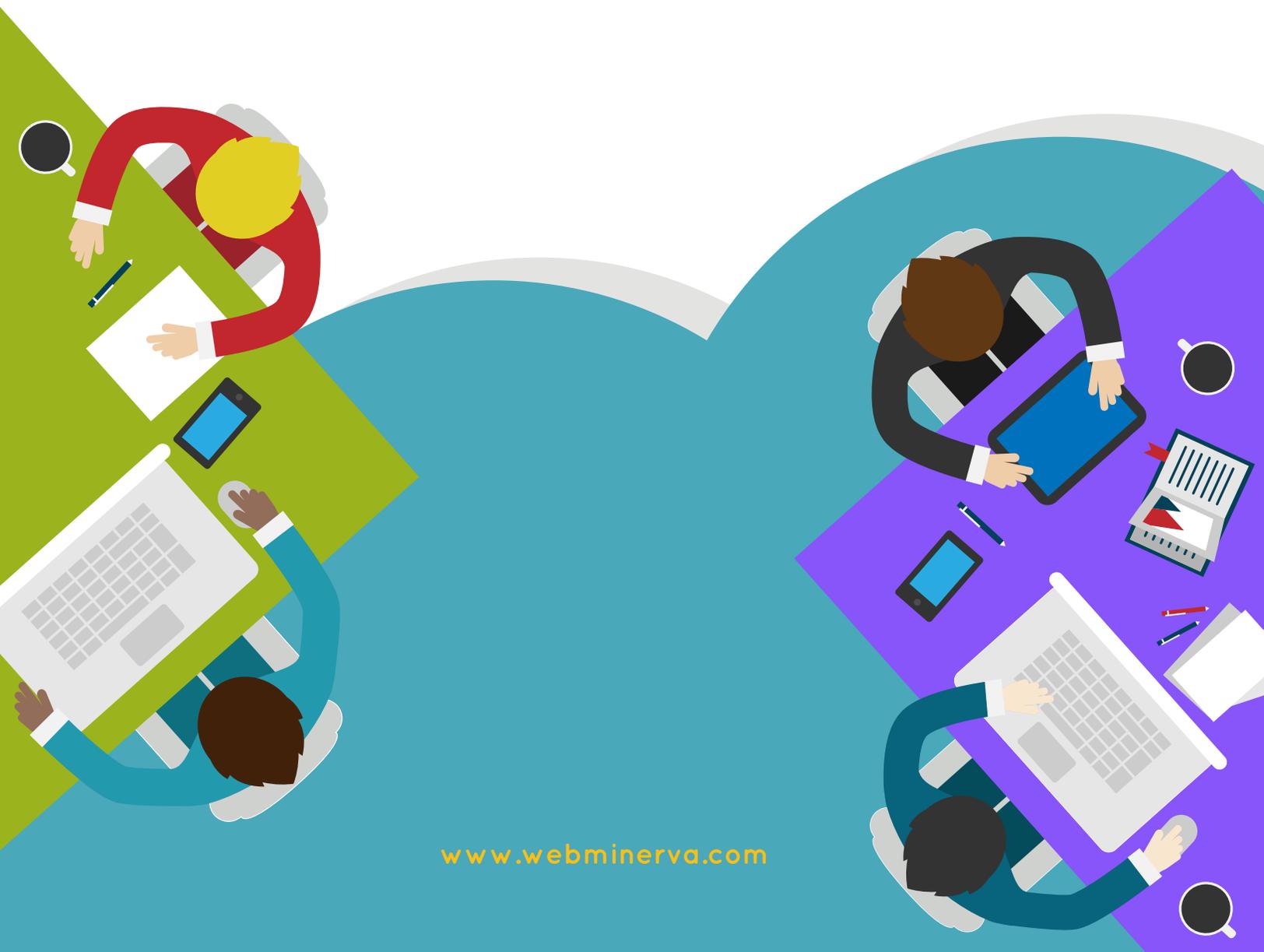


## Conclusion

Choosing a database vendor is no easy task. Be sure to do your research, ask for references and see if they would be willing to provide you with a demo using data from your organization so you can get a “hands on in real time” feel for the product.

There are many things to consider when searching for your solution. Moving all of your tombstone and transaction data to another platform is a daunting task so your goal should be to select a vendor with whom you can build a relationship and feel confident that you will be able to use their services for years to come.

**The most important asset of your organization is your database and the information it contains. Taking the time to review vendors and compare what they offer to the specific needs of your organization is a key element to making an informed decision that is right for your organization.**



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