



## WebPass Social Cause Supporter Network

Building a nonprofit membership program from the ground-up can seem daunting. But membership programs are one of the best ways for nonprofits to create reliable revenue streams—and stronger relationships with their supporters.

In these programs, nonprofits provide members with incentives or benefits in exchange for donations and financial support. It's a win-win: nonprofits get the funding they need, and members gain access to exclusive experiences, events, training, discounted services, and other perks.

Membership programs can take many different forms! You might want to:

- Raise money for your organization.
- Build a stronger network around your cause.
- Develop the industry you're a part of
- Give members a larger voice in your organization.

Whatever your priorities are, there are 15 key elements that should be incorporated into any successful nonprofit membership program. Wondering what sets a successful nonprofit membership program apart, offering real value to its members? Use this guide as a roadmap for getting started.

# 15 Elements of Successful Nonprofit Membership Programs

## 1. Clearly Defined Purpose

While it can be tempting to start building your program right away, it's important to define the purpose of your program first. This will require collaboration between leaders on your team and careful consideration of your ultimate goals in creating a membership program.

You'll want to consider:

- **How this program will reinforce your organization's mission and values:** Maybe your organization brings professionals from a certain industry together to collaborate or focuses on giving back to a certain community. Reinforcing your mission and values with your members will encourage them to get more involved and become evangelists for your organization.
- **What this program should accomplish:** Maybe you want to strengthen your relationships with members. Or you might be looking for a way to create a steady revenue stream. In reality, you'll want to accomplish both.

Once your purpose is set, you'll need to define the roles that your members and organization will play within this program. Clearly defining the overall purpose of your nonprofit membership program will give your team the clarity they need to efficiently implement the program within your organization.

## 2. Dedicated Program Leaders

The next step in creating your nonprofit membership program is determining who will lead the initiative. Decide who's responsible for getting the program up and running, and who will lead the program on an ongoing basis.

You can ask:

- **What will your leadership strategy look like:** Whether your leaders are staff or volunteers is completely up to you. If your staff are over capacity and can't take on more work, you can recruit a team of volunteers to manage the membership program. Just remember: if you need full-time efforts to get the program up and running, you might need a staff member in charge.

- **How many people will lead this program:** The size of your membership program's leadership team will likely correlate with the size of your organization. If you run a smaller nonprofit, one person could head this initiative and oversee the program. If your organization is larger, it would make sense to have a few individuals or even a committee of staff members that can manage membership efforts.

Having designated leadership in charge of spearheading your membership program will allow them to focus on building the program, delegate important tasks to others, and become a central resource for questions about the program.

### 3. Valuable Member Benefits

But what does your nonprofit membership program have to offer? You'll need to show members that they are valued and give them a reason to stay. One of the best ways to do this is through nonprofit membership benefits.

Here are some ideas for what you can offer your members:

- Members-only publications
- Committee and leadership opportunities
- Early access and/or special pricing to event tickets, workshops, classes, or community-building activities
- Exclusive discounts on products or services
- Free merchandise
- Digital or physical membership card
- Access to members-only content and online education
- Entry into a members-only online community
- Access to industry-specific job board with exclusive member pricing for postings

Ultimately, the right nonprofit membership benefits will increase the likelihood of membership renewal, recurring donations, or involvement with your organization. But remember: your members know themselves best. To increase the chance of renewal, make sure to assess their needs on an ongoing basis.

### 4. Purposeful Membership Tiers

A streamlined tier system is a nonprofit membership best practice, crucial for creating consistency and clarity among members. Tier systems allow members to easily understand their membership dues and benefits, so they can choose the tier that fits their needs.

Your membership tiers should be categorized by level and should give members a good sense of how extensive their benefits will be in each level.

A few examples of possible tiers include:

- Standard, Comprehensive, Premium
- Bronze, Silver, Gold
- Friend, Supporter, Champion

Categorizing your membership tiers by level doesn't just offer a clear understanding of what a member gets! It also lets them move through tiers. Members can upgrade to a higher tier after they see the value in your program or scaling back (if, for example, they don't have the financial means to continue at their current level) without having to drop their membership entirely.

## 5. Robust Membership Management Solutions

A membership management solution enables you to efficiently collect and organize member information. There are many different options available for membership management software and it is important to find the right fit for your nonprofit.

What is association management software (AMS)? An AMS tackles every aspect of membership management. They're used for storing and updating member data, automating dues collection, communicating with members, running a website, planning and executing events, managing financials, and more. AMS systems help organizations increase member engagement, improve recruitment and retention, and streamline their operations to save time and resources.

Here are the top features to look for in membership management software:

- Member data management
- Website & content management system (CRM)
- Tiered dues management
- Email marketing
- Event management
- Financial management
- Reporting

Think your organization is ready for association management software? [Click here to explore the WebPass Social Cause Network Supporter Program.](#)

## 6. Comprehensive Marketing Plan

Communicating your nonprofit membership benefits effectively is just as important as establishing them in the first place. To begin, define your audience and focus on crafting your core messaging. This will build the foundation for a multichannel marketing strategy aimed at attracting the members your program is built for. A multichannel marketing strategy combines different distribution and promotional channels, such as email, websites, and display adverts, into one holistic strategy.

Before you start marketing, though, you'll want to identify key prospective members with your organization's AMS. You can look for high-value individuals and create targeted communications lists. Who's high value? Every organization is different, so you'll need to examine your data and create a profile that makes sense to you. Prospects could be long-time donors, loyal volunteers, or advocates of your nonprofit. Once you've compiled this list, move to advertising the benefits of membership.

Here are some ways you can get the word out:

- Link your member benefits on your homepage.
- Include new benefits in email campaigns.
- Create a "Benefit Spotlight" in your newsletters.
- Create videos that show people your member benefits.
- Post on social media about the benefits

Creating a comprehensive marketing plan will allow you to find the people best fit for your program.

## 7. Simplified Registration Process

This step is pretty simple, but it can make or break your membership program.

No one likes a complicated form with dozens of required fields. To maximize your registrations, you'll want to:

- Make your form easy to find. Link it directly on your website and ensure that it works well on all different types of devices.
- Reduce the number of required fields by only asking for information that is truly relevant.
- Make sure the platform you use to facilitate the sign-up process has a recurring membership renewal option.

## 8. Updates to Members About Their Impact

Impact is crucial. A successful nonprofit membership program shows your members what their contributions have accomplished and what you'll accomplish in the future.

How do you show impact? Let members know when you've accomplished something big and emphasize the role your members played in that accomplishment. Maybe your nonprofit was able to build a new house or maintain an afterschool program, and it wouldn't have been possible without member support.

Impact updates show members that their money is going towards your mission. Show them how they've helped you help others and celebrate when you do well.

## 9. Frequent Member Communication

In addition to updating members on impact, regular communication will be a key component of your membership program.

There are a variety of communication channels that you can choose from. Test these out, and evaluate which work best for your audience:

**Newsletter:** The easiest way to get information out to your members is with a regular newsletter. You can include photos, videos, and links to event registrations that will engage your members.

- **Social Media:** You can share content on your social media profiles and create spaces for your members to interact on these social platforms, such as a member-only Facebook group.
- **A Dedicated Online Community:** An online community can be a great place for members to connect and collaborate with one another. This online space can help you boost participation and significantly increase the value of your membership.

A strong communication practice will keep members updated on your organization's projects and events and remind them why they signed up in the first place. Just be sure that you walk the line between keeping them in the dark and spamming them with too much information.

## 10. Exclusive Member Experiences

In addition to the member benefits mentioned above, your organization should consider hosting special members-only events to express your gratitude.

Get creative with this! You can host memorable events regardless of the size of your organization or budget. Here are a few types of events you could host:

- Casual dinner
- Cocktail and networking night
- Exclusive weekend getaway

The most important thing is showing your members how much they mean to your organization. Make the event feel special with personalized invitations and a well-thought-out agenda. The right events that make members feel appreciated can ultimately increase member engagement and retention!

## 11. Process for Requesting and Incorporating Members' Feedback

Gathering member feedback will help you strengthen your nonprofit membership program and tailor it to your members' needs. Once these improvements are made, member retention will likely increase. It's also a great way to learn how to increase membership in your nonprofit organization!

Here are two ways you can gather feedback:

- Send regular surveys to members to assess their satisfaction with your membership program.
- Invite members to a members-only community in order to facilitate regular conversation.

And when you make the changes, they've asked for? Let them know about them, so they feel heard.

## **12. Tracking Tools to Assess Membership Program Growth and Progress**

Tracking your membership program's success lets you see how well you're fulfilling the goals you set in step one.

This is where association management software comes in handy. With an AMS, you can track membership growth and change, including attendance and activity participation.

- Tracking membership engagement helps you understand what is or isn't working and can reveal opportunities for improvement. You can mark the progress you've made towards your nonprofit membership program's goals and set realistic goals for the future.

## **13. Automated Renewal Reminders**

Making it easy for your members to renew their membership is a key element of a successful nonprofit membership program.

No one likes to spend time and energy searching for a renewal link and without prompt reminders, many people will forget to pay their dues in the first place. If possible, use membership management software to send out timely reminders and make the renewal process convenient for everyone involved.

## **14. Strategy for Expressing Gratitude to Members**

Thanking your members for their contributions to your organization is important for many reasons. Your members should feel like their support is making a difference and that they are valued by your nonprofit. And when do members feel valued? You see the impact on member satisfaction and member retention.

Here are two ways to express your gratitude:

- Set up automated acknowledgements any time a member renews their membership, donates to your nonprofit, or participates in one of your organization's activities. But make sure they don't feel like an afterthought: automated messages should still feel personal.



- If you have the time, send thank-you notes personalized with an employee signature. Not every organization does this! It could help your program stand out.

## 15. Exit Interviews with Lapsed Members

Your membership program will always have turnover. However, your relationship doesn't have to end when a member leaves the program.

Some of the best feedback you'll receive will be from lapsed members. With an exit interview, you can get to the heart of why members are leaving your program and make the changes that will retain more members in the future.

Here are some tips for collecting feedback from lapsed members:

- If they have availability in their schedule, set up time to discuss why they're leaving. Consider sending them a gift card in return!
- If they can't have an interview, create and send out a member exit survey instead.

Collect feedback, implement improvements, and make your nonprofit's membership program stronger than before. After you make these changes, you might even be able to win back these lapsed members!

## Wrapping Up

These 15 elements of successful nonprofit membership programs will help you increase member engagement, retention, and the financial stability of your nonprofit. It will take thoughtful planning and a considerable investment of time, but the relationships you build with your members will be invaluable.

And remember: a critical element of successful nonprofit membership programs is a robust membership management software system.

Want more information on starting a nonprofit membership program?

# Where Should Not-for-Profits Report Membership Dues on Form 990?

Someone in the community just joined your organization's leadership circle and paid \$2,000. Would this be considered a donation or program revenue? It all comes down to whether the member received a significant benefit or an insignificant one.

Membership dues are presented as contributions on Form 990 if they represent contributions from the public. Payments for benefits are reported as program revenue on Form 990.

## What is considered an Insignificant Benefit?

The value of the membership benefits can be disregarded when annual membership dues are \$75 or less and the benefits are insignificant. Insignificant benefits include rights and privileges a member can exercise often during the membership period and can include:

- Free or discounted admission to the organization's facilities or general events
- Discounts in the gift shop or restaurant
- Free or discounted parking
- Stroller or locker rental
- Newsletters are used to keep members informed about the organization's activities which are not available to nonmembers.
- Admission to member-only events where the organization estimates the cost per person (excluding overhead) is within the definition of low-cost articles meaning of IRC Sec. 513(h)(2). The low-cost article amount is \$10.70 for 2017 and \$10.80 for 2018.

## What is considered a Significant Benefit?

If there are rights and privileges a member cannot exercise often during the membership period, these are significant benefits. These include:

- Free or discounted admission to specific events
- Free private use of the facilities
- Newsletters and periodicals that contain advertising and include articles for which the authors are compensated.

Significant benefits include items provided to donors, which exceed low-cost article definition and admission to events open only to members where the organization estimates the cost per person exceeds the limits established for low-cost articles. They

can also include free or discounted special events or performances since these would happen infrequently.

If annual membership dues are greater than \$75, you need to first consider whether the organization offers any memberships at \$75 or less in order to determine the difference between significant and insignificant benefits. If an equal or lesser membership does exist, the insignificant benefits offered to the higher membership are the same as those offered to the membership levels of \$75 or less. If the organization does not have membership levels at \$75 or less, then none of the benefits are deemed to be insignificant and none of the benefits can be disregarded.

### **Insignificant Benefit Example**

Members pay annual membership dues of \$75 and receive free admission to the museum for a year, a 10 percent discount at the gift shop and a copy of the monthly newsletter. **These benefits are considered insignificant and the full \$75 is considered a donation.**

### **Significant Benefit Example**

Members pay annual membership dues of \$1,500 and receive free admission to the museum for a year and a ticket to attend a special event free of charge with an event cost of \$50. The event is not open to all membership levels. Since it is not open to all members, then the benefit is significant. Therefore, \$1,450 is considered a donation and \$50 is considered an exchange transaction.

### **Non-benefit Example**

Members pay annual membership to a recreation center of \$380. Benefits include the use of the facilities for the year. This is an exchange transaction and would be reported under program fees as membership dues. Reporting membership dues on Form 990 comes down to membership benefits. Taking time to review the benefits received by your members at each membership level will help ensure you are reporting them properly.