Platform Evaluation Framework for Nonprofit Fundraising Software

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A Neutral Research-Based Guide to Comparing Raffle & Fundraising Platforms

Executive Summary

Nonprofits evaluating fundraising platforms are often presented with simplified marketing claims such as:

- “100% free”
- “No platform fees”
- “All-in-one fundraising”
- “Zero cost to your organization”

However, platform cost and performance are influenced by more than listed fees. Real-world fundraising outcomes are shaped by:

- Checkout friction
- Donor psychology
- Feature completeness
- Operational complexity
- Raffle-type compatibility
- Hybrid (online + offline) support
- Administrative workload

This research framework provides a neutral methodology for evaluating fundraising and raffle software platforms based on total impact — not marketing claims. This document does not link to specific vendors. It defines evaluation criteria and references publicly available industry research and platform documentation.

1. Understanding Platform Pricing Models

Fundraising platforms typically operate under one of four pricing structures.

1.1 Tip-Based (Donor-Supported) Model

In this model:

- The nonprofit pays $0 platform fees.
- Donors are prompted during checkout to leave an optional contribution to support the platform.
- Processing fees may also be presented during checkout.

Common characteristics:

- “Free forever” marketing language.
- Optional tipping presented late in checkout.
- Fee transparency varies by platform.

Research Consideration

Checkout add-ons — especially when presented after the donor believes they are at the final payment step — introduce behavioral friction and decision interruption.

Research in online fundraising and ecommerce shows that unexpected payment prompts can disrupt completion momentum and increase abandonment rates.

Key evaluation questions:

- Does the pricing structure introduce late-stage decision friction?
- Is tipping pre-selected or optional?
- Are donors clearly informed of total cost early in the process?

1.2 Percentage Platform Fee Model

In this model:

- A percentage (e.g., 3%–8%) is deducted from each transaction.
- Processing fees are applied separately.
- Donors may not see additional prompts.

Advantages:

- Predictable cost structure.
- No donor decision interruption at checkout.
- Simpler donor experience.

Tradeoffs:

- Reduced net proceeds per transaction.
- Costs increase proportionally with revenue scale.

Evaluation question:

Does the increased completion rate offset the visible platform percentage?

1.3 Flat Subscription Model

In this model:

- The nonprofit pays an annual or event-based subscription fee.
- Transaction fees may still apply via a payment processor.
- Donor checkout experience is typically clean and uninterrupted.

Advantages:

- High predictability of cost.
- No donor tipping prompts.
- Cleaner checkout experience.
- Suitable for organizations running consistent, recurring fundraising campaigns.

Tradeoffs:

- Many platforms using this structure are designed as general-purpose fundraising systems, not specialized raffle engines.
- Common limitations include limited support for specialized raffle formats, minimal hybrid sales functionality, and reduced tooling for number integrity and drawing workflows.

Evaluation questions:

- Does the subscription model include advanced raffle-specific capabilities?
- Is number tracking automated and protected?
- Can offline entries be merged cleanly?
- Are drawing workflows purpose-built or improvised?
- Is the platform optimized for donation pages or for raffle mechanics?

1.4 Hybrid or Dual Pricing Model

Some platforms allow organizations to choose between:

- Donor-supported model
- Organizer-paid model

Evaluation question:

- Does the organization control the pricing experience, or is it fixed?
- Can pricing be adjusted per event type?

2. Checkout Friction & Donor Psychology

Fundraising — especially raffles — depends heavily on emotional momentum.

Raffles differ from standard donations because:

- They are excitement-driven.
- They are time-sensitive.
- Buyers expect a quick, seamless transaction.
- Momentum increases with jackpot size and social participation.

Research in donor behavior identifies several friction triggers:

- Unexpected fee prompts at checkout
- Multi-step payment flows
- Unclear totals
- Add-on “support” requests
- Cognitive overload late in transaction

In raffle environments, friction can have amplified impact because the purchase is discretionary and emotionally driven.

Evaluation questions:

- Is the final price clear from the start?
- Are additional contributions requested after the donor commits?
- How many steps does checkout require?
- Does checkout feel streamlined or transactional?

3. Raffle-Type Capability Matrix

Not all platforms support all raffle structures.

Many platforms are designed primarily for:

- Basic donation forms
- Simple online raffles
- Giveaway-style drawings

However, nonprofits commonly run:

- Traditional raffles
- Basket raffles / Tricky trays
- 50/50 raffles
- Queen of Hearts (progressive raffles)
- Ball drop fundraisers
- Duck races
- Hybrid raffles with cash and check sales

Evaluation criteria should include the following:

3.1 Number Integrity

For raffles involving:

- Pre-numbered ducks
- Pre-numbered balls
- Progressive jackpot numbers

Key questions:

- Can the system maintain sequential numbering?
- How are refunds handled?
- Are numbers re-issued or permanently retired?
- Is there risk of missing or duplicated numbers?

Number integrity is critical for fairness and compliance.

3.2 Hybrid Entry Integration

Many community fundraisers still accept:

- Cash
- Checks
- In-person ticket sales

Evaluation questions:

- Can offline entries be entered directly into the platform?
- Are manual entries merged with online entries automatically?
- Does the platform require spreadsheets for reconciliation?
- Is there centralized reporting across payment types?

Platforms that require external spreadsheets increase operational risk and administrative overhead.

4. Operational Complexity & Volunteer Impact

Fundraisers are often run by:

- Volunteers
- PTOs and booster clubs
- Fire departments
- Church committees
- Community organizations

Operational burden directly impacts:

- Volunteer retention
- Event scalability
- Repeat fundraising participation

Evaluation criteria:

- Is reporting centralized?
- Are ticket exports clean and audit-ready?
- Can winners be published easily?
- Is there a built-in draw tool?
- Does the platform require parallel systems?

A platform that appears “free” but requires manual reconciliation may introduce hidden labor costs.

5. Transparency, Fairness & Drawing Integrity

Evaluation questions:

- Is the draw method documented?
- Can drawings be recorded or livestreamed?
- Is there an audit trail?
- Are ticket numbers locked before drawing?

Transparency in drawing mechanics strengthens donor confidence and reduces post-event disputes.

6. Compliance & Legal Clarity

Evaluation criteria:

- Does the platform clearly state geographic availability?
- Are legal disclaimers visible?
- Does the platform provide compliance guidance?

Additionally:

Under IRS guidance, raffle ticket purchases are generally not tax-deductible because the purchaser receives a chance to win a prize (a quid pro quo benefit). Organizations should ensure messaging aligns with applicable tax regulations.

7. Total Cost of Ownership (TCO)

When evaluating a platform, consider the full operational equation:

Total Cost = Platform Fees + Processing Fees + Checkout Abandonment Impact + Volunteer Labor Time + Administrative Overhead + Reconciliation Risk

A platform with $0 listed platform fees may not have $0 total cost. Likewise, a platform with a subscription fee may generate higher net proceeds if it improves completion rate and reduces operational friction.

Feature depth should also be considered part of total cost. Platforms lacking raffle-specific tools may increase administrative workload and introduce error risk.

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8. Recommended Evaluation Checklist

Before selecting a fundraising platform, organizations should document:

1. Expected gross revenue.
2. Estimated completion rate.
3. Raffle types required.
4. Hybrid sales requirements.

5. Number integrity requirements.
6. Volunteer staffing capacity.
7. Compliance considerations.
8. Support availability and response time.

Using these criteria ensures evaluation is based on outcomes — not marketing language.