

Fundraising

For

NGOs



# Key Principles of Fundraising:



## Why people give:

Different causes and different organizations benefit from different motivations. Possible motivations include:

- **Concern**, which is probably the single most important reason why people give. Giving provides someone with the opportunity to do something significant for a cause they believe in.
- **Duty**, which probably comes a strong second as a motive for giving. The idea that we are rich and they are poor.
- **Guilt** is another motivation. Guilt encourages the donor to give in the hope that the problem will go away.
- **Personal experience**. Those people who themselves or whose families have been hit by cancer, heart disease, or some other illness are likely to be especially motivated to give.
- **Personal benefits of some sort**. Many people like the status or recognition that comes with giving when their generosity is publicized.
- **That they are asked**. The main reason for most people NOT giving is that they are never asked.
- **Peer pressure** is also important, where people know that their friends and colleagues are known to be giving and that they have not yet given, or where friends and colleagues are asking them to give. It can be hard for one member of a group to refuse if all the others are giving.
- **Tax**, and in particular the ability to save tax on gifts made for charitable purposes.

## **Fears of fundraising:**

- Previous experience.
- ➔ Fundraising skills.
- The time to do it.
- ➔ Confidence.
- Belief in the cause.
- ➔ Credibility and a track record of success.
- People to ask.

## **Some practical tips:**

- Learn by doing.
- Share experiences with other fundraisers.
- Make a positive decision to get started.
- Get a budget.

## **Tools for Fundraising**

Before you go out and ask anyone for money it is essential that you and everyone else in your organization are clear and agreed about what you are trying to achieve and why – you need a ‘mission statement’.

### **Prepare a mission statement**

Successful fundraisers know precisely what their organization is – and what it is trying to achieve – in exactly the same way as a salesman knows the product he is trying to sell. As a fundraiser, you need to know exactly what your organization stands for and what it is trying to achieve, so that you can tell potential donors.

## **Undertaking a SWOT analysis**

A SWOT analysis is a simple tool that will help you to identify where you stand as an organization, particularly in relation to your 'competitors' for funds. What are your strengths, weaknesses, opportunities regarding fundraising?

## **Preparing a 'case for support'**

The case for support is a brief document that presents your charity, project, or cause to potential donors. It should define the needs of the organization or project for which funds are sought and offer reasons why it is worthy of support.

## **Developing a donations policy**

It is better to decide whether you will take money from anyone, or whether there are some 'no go' areas. You should consult everyone whose view will matter – staff, volunteers, important supporters or grant-making bodies, trustees, and committee members – to decide on a donation policy

## **Marketing Your Products**

Although many people in non-profit organizations are uncomfortable with the concept, the process of fundraising is, essentially, that of 'selling'. The four ps, as they are called, of product, price, promotion, and place are referred to as the 'marketing mix'. Careful planning to get each of these 'right' is the secret of success.

## Promotional materials

Every fundraising organization needs to have at least one or two simple promotional materials at its disposal. There must be some standard, but carefully produced, documents that you can give to potential donors. At the most limited end of the scale, you should have your mission statement and the 'case for support for your organization or project.

## What do you need?

Assessing the need is the first step towards effective communication with your donors. Dividing the various promotional tools into groups that are broadly speaking '**essential**', '**valuable**', '**desirable**', and '**in the realms of fantasy**' may help you to establish what you must have.

### Essential:

Here you should consider:

- a name – if you don't already have an attention-grabbing one
- a mission statement – carefully thought through and presented
- a case for support

## Valuable:

Some of these tools will help you to establish a presence and start to create the branding for your project organizations that will be recognized by the audiences you wish to influence. Many of them are simple to produce and will not absorb too much of your valuable resources – time and money. But do you think if they will genuinely enhance your case:

- **Logo** – keep the design clear, simple, and relevant.
- **Strapline** – this should be short, simple, and unambiguous.
- **Letterhead** – use your logo and strapline on this.
- **Compliment slips and business cards** – if your logo is simple it will work better in black and white.
- **Fact sheets** – simply produced on a word processor these are useful if you have several different projects, or if the status of one is constantly changing. They should offer more detailed but relevant information to donors.
- **Leaflets** – these could be desktop published or may move into the realms of printed material. They are useful if you need to use diagrams or illustrations to explain or enhance your case.
- **Posters and fliers** – creativity is more important than the quality of production – you must grab attention; you won't have space for many words and your posters and fliers will have to compete with many others.
- **Visual aids for presentations** – these can be anything from slide shows to computer-generated presentations for corporate fundraising approaches. Cut your coat to suit the cloth and make sure that your presentations are suitable for each target audience.

## Desirable:

As your organization becomes more sophisticated you will probably approach donor groups, for example, companies, that are more sophisticated in their own use of promotional materials. Use whichever suits your communication needs and your resources:



- **Brochure** – this is a more complex fundraising tool. In some instances, you will be expected to produce a printed, probably color, brochure, but beware of spending too much and putting off donors who think you cannot really need their charity.
- **Newsletter** – this may be vital for keeping a large supporter base informed and motivated.
- **Annual report** – if you are required by law to produce an annual set of accounts, you may wish to incorporate this information into a more glossy annual report. Use this as an opportunity to communicate key messages with a specific target audience.
- **Website** – this should serve a genuine purpose. Use it to communicate key messages to a computer-literate audience.

## Fundraising Techniques

Running a major appeal: finding one or more major donors is a skilled task and should not be undertaken lightly. If you do decide that you have the time and resources – as well as an appropriate project on which to focus a campaign – these are the key stages that you will need to consider:



### Corporate fundraising – the necessary skills

Tapping corporate budgets, whether charitable or commercial, is a specialist skill and one that requires patience and dedication. The corporate decision-making process can be slow and frustrating. It will usually take months to research, present, negotiate and secure a corporate deal. Any organization thinking of trying companies for funding should consider whether it is appropriate. Corporate fundraising demands a substantial input in terms of skill manpower – to do the asking in the first place but, just as importantly, to 'service' any resulting corporate partnership. Key tasks for corporate fundraisers are:

- 
- Researching and targeting potential corporate donors,
  - Producing proposals with benefits to the donor,
  - Securing meetings to discuss proposals,
  - Presenting ideas,
  - Negotiating a deal,
  - Agreeing on a contract, and
  - Implementing the agreement and building relationships.



## Community fundraising and individual endeavor:

There are plenty of bona fide groups within the community whom you could approach, or who might volunteer to fundraise for your or to support you in some other way. Key tasks for raising funds with community support include:

- Choosing reliable partners,
- Agreeing and planning activities,
- Collecting funds raised, and
- Building relationships for future fundraising

## Other fundraising techniques

- Telephone appeals
- Trading, from a single badge to a catalog full of materials

## Skills for Fundraiser

There are a number of important skills that you will need if you are to be successful. If you understand what skills are required, your can:

- Assess your strengths, so that you can concentrate on doing those things you are good at.
- Learn what skills you need to acquire, and set about obtaining the necessary training or experience.
- Find ways of compensating for your weaknesses by mobilizing others to help you where appropriate.

## Major skills are

### Writing a proposal



the first thing to consider is whether you should be producing a proposal for funding at all, or whether it would be better to prepare a 'discussion document'. Follow the basic formats of proposals mentioned as a part of this training.

### Presenting



fundraising is one thing, but standing up in front of a room full of people to sing the praises of your project is quite another! You may well have to do this to persuade others to give you their support.

### Negotiating



asking for money: Many people find they have in-built inhibitions when it comes to asking for money. The simplest way to tackle this is to put your commitment to your cause upfront.

## **Growing support and building relationships**



it is far easier to source money from an existing supporter than to find new ones, and for this reason, everyone for your donors should be valued and nurtured. Clear and honest communication is essential.

## **Monitoring success**



every church organ appeal has its progress chart just inside the lychgate. It serves to promote the cause and to inspire further action. Every fundraising campaign should be monitored in this way, not publicly necessarily, but certainly so that those who are fundraising can judge achievements and see where greater effort is required.

## Other main skills

- Commitment to the cause
- The ability to ask
- Persuasiveness
- Confidence and dealing with rejection
- Persistence
- Truthfulness
- Social skills
- Organisational skills
- Imagination and creativity
- Contacts and the ability to make contacts
- Opportunism

## Getting in touch

To be successful, you need to do five things:

- Identify likely supporters,
- Create the right message that is likely to appeal to them,
- Direct that message to that person,
- Ask for their support, and
- Support your fundraising effort with good public relations.

## **Equipping a fundraising office**

In order to succeed as a fundraiser, there are some items of equipment that will help you in the job.

1. Computer and software.
2. Desk Top Publishing.
3. Telephone and fax.
4. Internet connections.
5. Photocopier.
6. Annual reports, brochures, and other project information.
7. Books and practical information on fundraising.
8. Tax exemption and permission to receive foreign funds.
9. Cash collection facility.
10. Letterheads and compliments slips for correspondence.
11. Basic office furniture.
12. Display equipment for exhibitions.
13. Displays for your reception area.
14. A digital camera.

## **Measuring fundraising effectiveness**

- The fundraising ratio: the ratio between the income raised and the cost of raising it. Donors do not like to see a low fundraising ratio.
- Net income raised.
- Response rate.
- Average donation.
- Recruitment cost.

## Generating Income through Self-Financing

Fundraising is based on the concept that disposable income exists somewhere out there, and that it is possible and valuable to influence people and organisations to give some of their disposable income to the good causes that the fundraisers represents. Income acquired from self-financing may come from business ideas that reflect the main work of the organisation, or from products and services in completely different fields. The enterprise may sell goods and services to a variety of clients including the organisation's clients, other local people, government, the business world, or foreign markets.

## Is self-financing a viable alternative to fundraising?

### Types of funding support:

#### ▪ Funds from Northern Governments

- o Directly as bilateral assistance
- o Indirectly as multi-lateral assistance
- o Via Northern NGOs
- o Via their won governments as bilateral assistance relayed to CSOs.

#### ▪ Funds from Northern NGOs directly

#### ▪ Funds from the Market

- o From existing businesses
- o From NGO enterprises (including investments).

## ▪ Funds from Citizens

- o Directly as gifts
- o Indirectly as support

A wise CSO board and manager should look at the range of possibilities and decide which of these eight, or which possible combinations of these eight, is applicable to their CSO. The following positive and negative aspects need to be considered:

## ▪ Positive factors

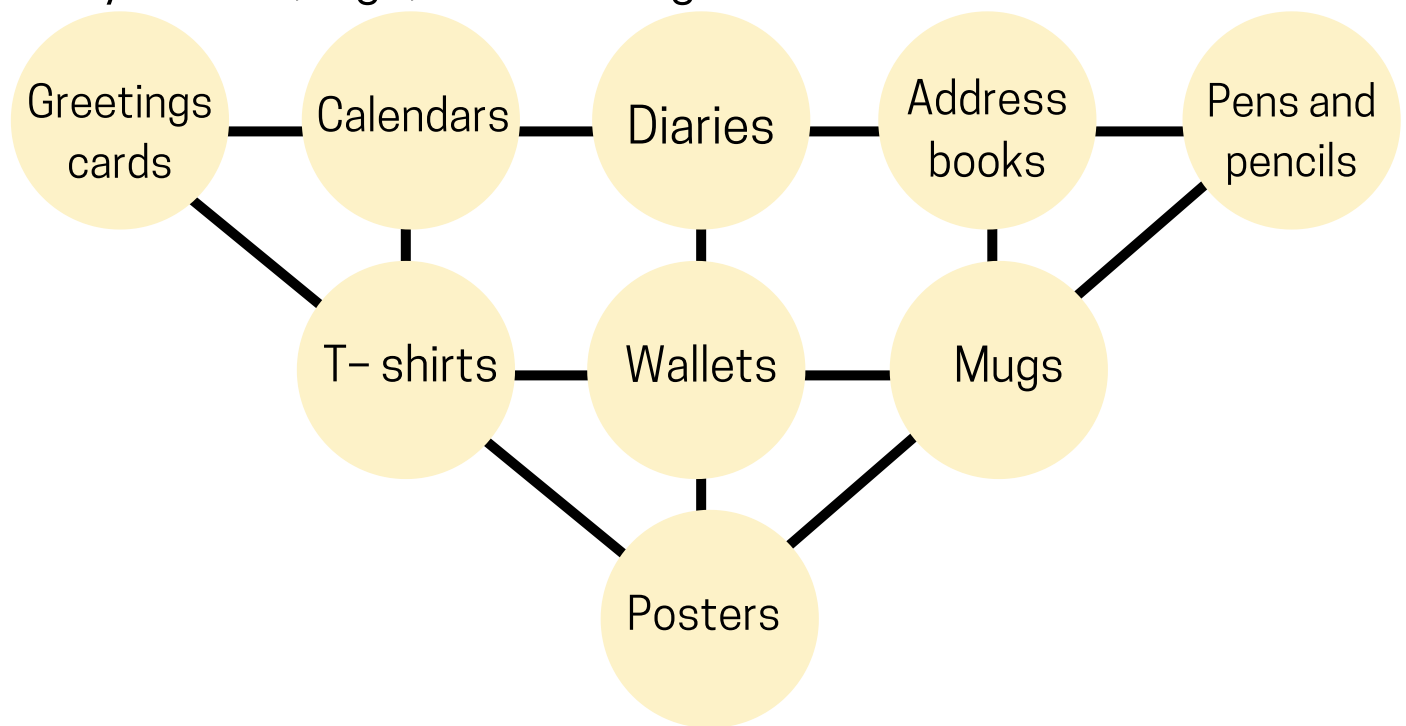
- o Links to own society
- o Control over the use of resources
- o Variety of resources (thus reducing vulnerability)
- o Ability to design own programs
- o Commitment to sustainability.

## ▪ Negative factors

- o Danger of distorting the mission
- o Amount of work required
- o The likely return on effort
- o Distaste for certain partners (e.g. business or government)
- o Difficulty of getting support for your particular cause
- o Lack of skills or experience in resource mobilization.

## Selling promotional materials:

Promotional items that can be sold to raise money with the charity's name, logo, and message:



## The Good Mailing Guide

1. Use emotion in your writing.
2. Include stories about individuals.
3. Ask for money, directly.
4. Use simple language, avoid jargon.
5. Make all written material visually attractive.
6. Portray your beneficiaries as 'doers' rather than as 'victims' not as helpless, but needing your help.
7. Catch the reader's attention immediately, perhaps with a snappy headline.
8. Use someone specific as the signatory – this could be someone well known, your director or chairman, or a frontline worker.
9. Get the timing right.
10. Make the reader give.
11. Appeal to the reader's conscience.
12. Read what you are sending before sending it.



## Advertising for support

Advertisement in a newspaper can be a powerful way of promoting your cause or raising money – but it can be expensive. Advertising can take the form of:

- Press advertising,
- Advertising in magazines and journals,
- Inserts: a leaflet inserted in a magazine and circulated with it to its readers,
- Posters,
- Handbills.

## Working with people:

### → Working with volunteers

Types of work that volunteers can do: being a member of the committee, administrative tasks, raising money, etc.

### → Working with patrons and celebrities

Associating your organization with a well-known personality could lift you from obscurity into the limelight. Celebrities can help in many ways. Their presence at any function will draw others. Because celebrities can bring you great benefits, you should treat them professionally and politely and try to make sure that their contribution is meaningful for you and satisfying for them.

## Methods of fundraising

The following are some of the time-tested methods by which the NGOs world over raise funds for their projects. They are as follows:

1. Individual donors
2. Fundraising events
3. Corporate donor
4. Trusts, foundation, and other grant-making agencies
5. Overseas non-resident communities
6. Tourists and visitors
7. Government sources

