

Developing a Fundraising Strategy: Principles and Processes

What is a Fundraising Strategy?

A plan which sets out:

- The mission and goals of your organisation and its main areas of work.
- An analysis of funding needs and priorities over the next three to five years with relevant costings.
- Clear, realistic fundraising objectives.
- A plan of action for how you intend to raise the money.
- A plan for how the strategy will evolve at the end of the three or five years funding.

Who should be involved?

The board of trustees of your organisation and your chief executive should be involved in developing a fundraising strategy. If you have time you could consider including key people in a Fundraising Committee, where members can support and learn from each other.

Strategic plan

Your fundraising strategy should set out the organisation's broad purpose and overall aims and values. You need to have a mission statement stating why you exist and what you want to achieve, and a list of 'strategic' aims

which set out your overall work priorities for the future.

This is a useful and concise way of explaining who you are and what you do, which can be communicated with funders consistently.

Business plan

This section states clearly how you plan to carry out activities to achieve the strategic aims you have identified, i.e. what projects and at what cost. It should include a budget with income and expenditure.

Your plan should:

- Be realistic and achievable.
- Show your capacity to deliver the stated project and manage the money involved.
- Show your monitoring and evaluation procedures.

The plan should cover the coming two or three years, but may need to be adjusted each year.

Operational plan

This is where you discuss the specific objectives, tasks and targets you plan to carry out to meet your aims. This will relate to the



short term. You need to think about how each objective can be achieved; what activities will need to be put in place to address them; what resources will be required and how they will be measured. Think of all the activities you can realistically put in place, and the resources you will need.

Types of funding

Analyse and prioritise the type of funding you require. For instance, do you require capital (for goods and equipment) or revenue (running costs e.g. electricity, rent, communications) funding? One-off or on-going funding? Do you need money for current projects or for new projects?

Your fundraising strategy is likely to be packaged into projects, which makes it easier to approach funders.

Exit strategy

This sets out what will happen at the end of the three or five year term in which you are seeking funding. This could be, for example:

- Building capacity for another organisation (or advocating for a statutory body) to take over the work.
- When and how you will endeavour to find diverse and sustainable funding for the project/organisation.
- Gradually winding down the project.

You need to integrate your exit strategy early in the project especially if your plan is to find on-going funding for it.

Sources of Funding

Once you know what you want money for, how much and for how long, you need to think about the potential sources funding. You should set out what research will be done to find the best sources; who and which funders you will approach; and what other methods will be employed to raise funds (trading or loans, for instance).

How will you fundraise?

In this section you need to analyse the most appropriate methods to use for fundraising, for example: writing proposals; holding events; speaking to funders.

You need to analyse the skills of individual members of your team and if possible assign people tasks within your fundraising committee (if you have one). Core skills include: writing and presentation skills; preparing budgets; donor liaison; organising events.

Building relationships with Funders

Develop a plan for how you will liaise with, and report to, donors. Write a section in your strategy which states who, when and how donors will receive reports and updates on the projects they have funded. Make sure you also mention how you will stay informed about changes within their organisation.

Finally....

You should make sure you co-ordinate activities well within your team, give regular feedback on any successes you have had and give team members the chance to discuss any issues together. Review the strategy regularly and encourage new ideas and methods. Encourage commitment and motivation, and build confidence and skills in your team.

If you would like to improve your fundraising skills, talk to Voscur about attending a fundraising session, or ask for one-to-one advice from our Funding Advice Worker. Contact Sabrina Lee on 0117 909 9949, email: sabrina@voscur.org

Do's and Don'ts of Effective Fundraising

Fundraising – the bane of the voluntary, community and social enterprise sector! But it needn't be a chore if you follow these do's and don'ts of effective fundraising.

You do want to do this...!

Understand the funder

Make sure you get as much information as possible about the funder you want to approach. Know who the donor is, what are its areas of interest and what it wants to achieve. What kind of help can it give you (financial, capacity building or in-kind support)? Finally, know their requirements and only apply if you can fulfil them. Look them up on the web, and in directories such as the Directory of Grant Making Trusts, to see what their priorities are, which projects they have previously funded and how much money they have awarded. If you can't find the information anywhere, then ask the funder. The donor will be more impressed if you can share your knowledge of their work and how it fits in to yours.

Understand and involve your beneficiary groups

Make sure you understand the issue you want to address and the need for your project in your area. Gather evidence of the need from beneficiaries; collect local statistics and information from previous project reports and other organisations doing similar work. Gather quotes from people in the area: beneficiaries, stakeholders (e.g. social workers, nurses, police etc.). Understand how your project will contribute towards alleviating the need and include evidence that your project approach will work.

Understand the issue you aim to address and gather the evidence

Have a good understanding of your beneficiary groups, the range of different people that make up

your target group. Have an idea of how many people you can realistically work with. Funders are very interested in how your beneficiary groups are involved in the design of the project, so make sure you document any consultation sessions and include this in your proposal to the funder. Also make sure you include how you will engage your beneficiaries in managing, monitoring and evaluating your project.

Understand your organisation and plan your project well

You should be very clear about what you are, who you are, why are you doing the work that you do and what you want to achieve. You should have a clear understanding of how your project will address the need. How the activities will achieve your outcomes or results, and how these will finally lead to your overall aim. Be ready to report the evidence that your project is the best way of achieving the outcomes and that you have the capacity to deliver the outputs and outcomes you have stated. The project should reflect good research and understanding of the need and how you will address it.

ALWAYS REMEMBER that your project and its outcomes should be SMART (Specific, Measurable, Achievable, Realistic and Time-bound).

Turn the page to find out what not to do...

You don't want to do that..!

Act before you think

Don't be tempted to rush and send proposals off to lots of different funders without doing your homework first. You are far more likely to have success in fundraising if you approach trusts with a good understanding of why your project meets their outcomes and criteria.

Take money that's below the cost of doing the work

Always calculate the full costs of doing the project, using a Full Cost Recovery approach (see page 28 of the September Voscur newsletter for information on Full Cost Recovery). Understanding the full costs of doing any piece of work will ensure that you don't accept funding that will leave you without all the necessary resources to carry out the project. It is unsustainable and risky to agree to do work at below costs, and could threaten your organisation.

Put all your eggs in one basket

Look to diversify your funding as much as possible. Don't rely on funding from one source. If they decide to withdraw the funding for whatever reason, your organisation could be in a funding crisis. Your fundraising activities should include a diverse range of grants, funding from trusts and foundations, statutory bodies, individuals and corporations. You should also look at the possibility of raising money through trading goods and services.

Miss deadlines

Organise yourself well. Plan to develop proposals with the deadline in mind. Do not expect trusts and foundations to waive or extend deadlines for you. Always have your proposal, supporting materials and other documents you have been asked to prepare ready two or three days before the deadline so you have time to check everything through. Develop a checklist of documents you need and check your proposal with it before you submit to the funder.

Forget to report to, or thank donors

Always remember to keep donors involved in your projects. Thank them for their support, whether it is an individual who has given you £50 or a trust that has given you a £5,000 grant. If you can, provide them with regular news on the project; any interesting success stories; quotes from beneficiaries and photos. Remember donors are people and they appreciate human-interest stories. Always provide relevant financial, project progress and evaluation reports to the funder on time. Make sure you report on all the areas that they have requested. Organisations are much more likely to get repeat funding if they have managed grants well and reported appropriately.

BOOK ONTO A FUNDERFINDER SESSION AT VOSCUR

Are you a Voscur member? Looking for funds? Funderfinder sessions are run every Friday morning by Voscur's Funding Advice Worker, Sabrina Lee. The sessions are one hour long and Sabrina will take you through how to use Funderfinder and offer advice.

If you're not free on Fridays then you can come in and teach yourself using the FunderFinder Training programme.

To book a session, please contact Emma Rice on 0117 909 9949 or email: emma@voscur.org