

# Cardiff Third Sector Council

Your local county voluntary council



## 7. Finding and getting money

### 7.1 Developing a fundraising strategy

#### **Overview**

This information sheet aims to provide an overview of what you need to think about and do in order to devise a fundraising strategy to raise money for your voluntary organisation.

#### **What's the place of fundraising in your organisation?**

Most voluntary organisations could not exist without fundraising in some form. Some groups find that fundraising dominates their activities, whilst on the other hand, some projects who have the luxury of a three year guaranteed grant support, leave it until the last three or four months to find continuation funding. Getting the balance between providing your services and fundraising is crucial and it is important to ensure that your organisation has a fundraising strategy and that it has a high priority in your long-term planning, in the regular work of your executive committee, and in your day-to-day activities.

Getting the balance right starts with taking responsibility for what you are trying to do, and understanding why and how. Who is responsible? Responsibility for effective fundraising rests ultimately with the members of your Board of trustees, management of executive committee.

You may employ staff or delegate individual volunteers to carry out the work of fundraising. But it is the committee's duty to ensure that your organisation has the resources it needs to carry out its aims and objectives. This is a legal responsibility for individuals running a charity or limited company, but the obligation applies to all committee members in voluntary and community organisations.

#### **Know your organisation**

The only way to be responsible (and to be in control) is to know what is going on. So before you begin planning your fundraising, your committee members should take the time to discuss, and answer, some basic questions:

- Are we all familiar with the organisation's aims and objectives (particularly those in the constitution)?
- Where do we get our money from now?
- Why do we need to raise money?

- What would happen to the work we do if the organisation ceased to exist?
- What is special and different about our work?
- Are there any sources of money or types of fundraising which are not allowed by our rules (e.g. lotteries and bingo) or by the Charity Commission?
- Is our fundraising in fact trading, and are we allowed to trade?
- Do we keep proper accounts and safeguard our money, particularly for cash and the income from special appeals?
- Do we have a long-term plan which our fundraising fits into?

## **Preparing for fundraising**

The '**strategic plan**' is no more than jargon for 'what you want to do over the next few years, and the resources needed to achieve it'. It's rather too easy to rush around trying to raise money without having a clear idea of what you need it for. Of course you always need money, but where does your organisation want to be in three years time? What new activities would you like to undertake or avoid? The idea of writing a 'strategic plan' if you are struggling simply to survive to the end of the year may seem daunting. But standing back from the day-to-day crises to take a fresh look at the challenges and opportunities of your work could just be what you need.

## **Targeting your efforts**

For your efforts to be effective, you need to be clear about:

- what you want your fundraising to achieve, and
- how you will manage the fundraising work you do.

Fundraising is not just about getting money from anywhere to do anything. Your efforts should be targeted to meet your needs and consistent with your capacity to raise the money and ability to spend it effectively. You should use different tactics and select different targets depending not just on how much money you think you need, but also on where your needs are greatest, how you want your organisation to develop, the time you have for the job, the skills of your staff and volunteers, and how you see your organisation surviving in the long term.

## **Time to start planning**

A wide range of different approaches is available - from government bodies and charitable trusts to public appeals and jumble sales (these are covered in more detail in other Information Sheets in this series). But you may want to pursue two or three objectives (say funding for your 'core' activities, and for a new building), and to consider several different types of fundraising for each. It is easy to see how thorough and detailed planning will improve your grip on this complex challenge.

In fact, a systematic approach to planning, taking in an overview of all your needs as well as the detail of what you need to do in practice, will give you a better chance of success whatever funds you are trying to raise.

## **Writing a 'fundraising plan'**

Bringing in money really starts with preparing a fundraising plan. Unlike the strategic plan, the fundraising plan must be a ruthlessly practical document which you refer to week to week and use to check your progress. It should cover:

- What you are fundraising for.
- The different types of fundraising you will undertake.
- The organisations you can approach for grants.
- Priorities for your fundraising work.
- A timetable and targets, including application deadlines.
- Who will be responsible for what - and who is responsible for making the plan work.

## **Good organisation and good practice**

Once you have a plan, you need to gear up your organisation to start tackling your chosen fundraising activities. You will need to consider issues such as:

- Research on sources of funding and fundraising tactics.
- Gathering information to help you make your case for grants.
- Making sure you can meet the costs of the fundraising activities.
- Planning the project you are fundraising for
- Budgeting to establish exactly how much you need to raise.
- Setting fundraising targets.
- Creating opportunities for volunteers to be involved.
- Networking to share information with other similar organisations.
- Setting up procedures for treating donors properly.

## **Making an impact**

Whatever the source of funding, you should assume that the pressure is on you to produce the best possible case to persuade funders or donors to part with their money.

How you present your organisation depends on the type of funding you are trying to raise.

Here is some generic advice:

## **The business plan and grant applications**

It can be unwelcome news for some, but a 'business plan' or 'development plan' is

often a critical part of a grant application, even if it is not asked for. However, it need not be a difficult job. Today, any substantial grant application (from a few thousand pounds upwards) would normally be accompanied by a document which describes:

- How you know there is a need for it.
- How you will spend the money.
- What impact it will have on your organisation.
- What difference will it have on those you are seeking to help (outcomes).
- How you will budget your income and expenditure during the period of funding (and preferably afterwards too).
- A timetable with target dates.
- How you will monitor the impact of the funding.

## **A good public image**

It goes without saying that your chances improve when funders and donors have a positive image of your organisation, but the reverse is even more important. A charity which no one has heard of can easily (rightly or wrongly) be seen as one which is not achieving a great deal.

## **Going for grants**

Although it's not true for all funders, you should normally take with a pinch of salt any advice which suggests that your lack of resources and skills to produce impressive grant applications will not harm your chances. The quality and presentation of your bid *does* matter because in practice it is very difficult to distinguish between its content and the way you present your case. A few simple tactics can significantly improve your chances of success; this subject is dealt with in more depth in other Information Sheets in this series. Try to get help with applications if you feel it's needed.

## **What if you are successful?**

Many fundraising efforts, particularly project planning and preparing grant applications, take place in a vacuum of hope, aspiration and even adventure, far removed from the daily grind.

So it's not surprising that people often fail to consider what they will have to do if their fundraising efforts are successful. This is why it is crucial that you:

- Tell the truth in your grant applications.
- Evaluate carefully the impact of grant-funded projects on your own organisation.
- Build monitoring arrangements into your grant applications.

## Further information

Both WCVA and local county voluntary councils periodically run courses on finding and getting money. These courses enable organisations to review their income streams and consider other methods of funding. If you are a national or regional organisation contact WCVA. Local organisations should contact their county voluntary council.

## Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

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