



Developing a Fundraising Strategy

What is a fundraising strategy?

A fundraising strategy is a plan that sets out the funding needs for an organisation, or project for a period of time, usually up to three years, and also identifies the actions, timescales and resources required to meet this need. The strategy does not necessarily have to be about new work or developing the organisation – it may simply be a plan to keep going as you are, to build up reserves or reduce the risk of over-reliance on a particular source of income.

The plan should be developed with the involvement of the management committee, staff and volunteers to ensure that it provides an effective tool for the whole organisation. It should be clear and concise and be adaptable to take into account new trends in funding. A fundraising plan need not be a long or complicated document. A two to four page summary is much more likely to be useful than a lengthy document.

Why develop a fundraising strategy?

It is commonly recognised that better planning helps to avoid wasted time and resources. The development of a fundraising strategy is essential to carefully plan how groups will raise the sums of money you need and helps to:

- provide clarity about the group's aims and priorities
- ensure better targeting of potential funding sources
- generate a more diverse mix of funding to improve sustainability
- provide a timetable for when you need to raise the money by
- clarify the skills and resources required to undertake the fundraising
- maintain reliable records of funding applications and their results

Sustainable funding is vital to ensure the ongoing viability of an organisation. Being sustainable requires effective planning and robust financial management, as well as

accessing a wider range of alternative funding sources. A fundraising strategy creates a clear and practical overview of how you are going to reach your funding goals for the management committee, staff and volunteers.

By looking at your funding requirements over a period of about 3 years will help you to plan who you are going to approach and when. It will help your group stay focused, and make sure you don't leave fundraising until it's too late! It will also demonstrate to funders that you have considered the organisation's longer-term sustainability.

You should aim to maximise your income sources but also focus your energy on the most productive ones. You need to be wary of spreading yourself too thinly, or spending too much time and resources chasing less viable sources.

Targeting your efforts

It's very easy to rush off in different directions trying to raise money without having a clear idea of what you need the money for. It is important to go back to your organisation's aims and objectives, the services you provide and the case for support.

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

- What you want your fundraising to achieve (your goal), and
- How you will manage the fundraising work you do.

Your efforts should be targeted to meet your needs and consistent with your capacity to raise the money and ability to spend it appropriately. Look at your strengths and weaknesses – what limits your fundraising effort? Do you have robust financial systems in place? What local fundraising trends are you aware of? Do you have a contingency plan for your work if you do not manage to raise the right level of funds?

A fundraising strategy should be a very practical document which you refer to regularly to check your progress. It should cover:

- What you are fundraising for
- The different types of fundraising activities you will undertake
- The organisations you can approach for grants
- Priorities for your fundraising
- Timetable and specific targets, including application deadlines
- Who will be responsible for which task, who will monitor and evaluate progress
- A realistic cash-flow forecast

Deciding Who Should Fundraise

Not many organisations are able to dedicate a post or a vast majority of one person's time to fundraising, therefore the task tends to be carried out by various staff members. There are numerous aspects to fundraising which essentially means the skills of different individuals may be harnessed for the many aspects involved. You will need a staff team that possesses strong written and verbal communication skills for preparing budgets, writing grant applications, speaking to funders and organising events.

Many organisations form a fundraising group to provide support to staff members carrying out the tasks outlined in the fundraising strategy, and to monitor and review it. Support for fundraisers may be obtained via your local Council for Voluntary Service or local authority; alternatively, fundraising work may be outsourced to a fundraising consultant or professional fundraiser.

Writing the fundraising strategy

The length and detail of a fundraising strategy will depend on the size of your organisation, your ambitions and the amount of money you need to raise. As a general guide you should include the following headings:

Current funding position:

Start with an overview of where your current and recent income comes from, the security of that funding and your relationship with existing funders. This analysis enables you to judge whether you are over-reliant on one or more sources of funding and trends in your organisation's income and expenditure. You should also look at your organisation's funding history and previous attempts at securing funding from alternative sources - why were they unsuccessful and why did you decide to move away from particular sources of funding?

Future plans:

Consider your organisation's plans and the impact they will have on the amount of money you need to raise. Whether you need funding to develop new projects, maintain your existing work or boost your reserves, consider each element separately and work out the realistic costs for each, calculating any anticipated shortfall in income. You will need to decide what the most likely sources of future funding are for the kind of activities you want to carry out and the balance between your core running costs and one-off projects.

Resources:

Assess the resources you have as an organisation that can be put into fundraising (time, IT, money, skills and contacts) and who will be responsible for drafting the fundraising strategy and implementing the final plan. You may find that this process highlights certain weaknesses in your organisation, for example a lack of fundraising skills or expertise, specific training needs, a conflict of priorities or you have been over ambitious in your thinking.

Funding options appraisal:

List all the possible sources of income for your organisation. This could include local authority, charitable trusts, Lottery funding, membership fees, general fundraising events, fees etc. Your research should aim to identify the guidelines and the application deadlines for each source of funding, the chances of success and whether they are appropriate for your organisation. You should also look at the retention of existing funding sources. Remember that it is far easier to keep existing supporters of your work than to find new funding sources.

Action Plan:

The options appraisal will enable you to work out a plan for approaching identified funders for the year ahead. The resources that you allocate to each element of fundraising will depend on what skills and expertise you have already. You may already have existing volunteers or staff with fundraising experience, a funding sub-committee or decide that you need to recruit a fundraising professional. The action plan should list fundraising activities alongside the person or people who carry them out, the budget set aside for the activity, where the money is coming from and a target for the amount each activity will raise.

Review and monitoring:

Once you have a final fundraising strategy agreed by your management committee it is important to regularly review and update it. You will gain experience as you see the outcomes of different fundraising activities and applications and be able to review why they were a success or not. This will help you assess how realistic your targets are, whether you need to try different approaches in the future or improve fundraising application technique.

You need to keep a written record of who you asked for what, when and what their response was. You should keep copies of every letter that you send but you might also want to do a summary on one sheet. If you find that you haven't achieved what you

hoped, don't think that you have failed in some way. Review your position, as realistically as possible, and start thinking ahead again.

Developing relationships with funders

Developing your relationship with current funders is often overlooked, but in fact they are probably the best bets for future funding! They are, however, much more likely to support you again if you put time and energy into building a relationship with them.

What this means will depend on your circumstances and the type of funder, but at the very least you should:

- Say thank you and acknowledge their payment
- Respond promptly to any questions or requests for information
- Check with them whether they want their support publicly acknowledged and if so, the best way to do this
- Send them your annual report and accounts for each year they fund you and keep them informed of your progress

In addition, you may want to invite them to visit or perhaps ask them to help launch a particular event. You should consult them before you apply again and try to involve them in your future planning.

Not all of these approaches will be appropriate – think about your relationship with each funder individually.