



## ELEMENTS OF A FUNDRAISING PLAN by Richard Male

**INTRODUCTION:** The purpose of the fundraising plan is to have a planning document that clearly spells out the overall fundraising picture of the organization. In most plans, the agency takes a historical look at the past three years and seeks to project probable funding sources three years into the future.

In the introduction to the fundraising plan, the agency articulates the overall goals for the plan (such as we want to diversify our funding strategy, want to increase our controllable income, want to form strategic partnerships, want to broaden out from over reliance on government funding) listing the key elements within this document.

**BACKGROUND:** In this section we cover the historical background and impact of the organization. The key sections should include:

- History and historical impact (accomplishments) of the agency
- Mission statement
- Current Programs with one sentence description of each program

**CASE STATEMENT:** The case statement is a clear, concise, compelling one page statement spelling out the reasons a donor would want to make a contribution or grant to your organization. Within the context of the plan, this statement should pull together some of the above information and should reflect the passion of the organization

**DEMOGRAPHIC INFORMATION - EXTERNAL ANALYSIS:** This section should encompass the external environment that is creating a need for the organization. In this section include:

- Economic and social indicators - for example poverty, educational, housing, health care; cultural and digital divide issues, etc
- Political climate - What are the political factors that are working either for or against the organization?

**SWOT ANALYSIS:** A SWOT (Strengths, Weaknesses, Opportunities Threats) assessment provides a quick overview of the organizational dynamics, identifies strengths and opportunities from which to build, identifies weaknesses and potential threats, and helps to determine if the threats identified are real and controllable or uncontrollable. If the threats are uncontrollable, such as the general economy or the weather, understand them, but do not spend much time acting on what is out of your control.

The Strengths and Weaknesses are INTERNAL to the organization and the Opportunities and Threats are EXTERNAL. Try to do the SWOT with a combined group of the staff and some key

board members. After you list the SWOT on a flip chart be sure to analyze what it means for the organization.

We will look at the LIFE CYCLE of your organization and see if you are playing to your strengths and opportunities. It is also important to realize that at different times in the life cycle of organizations different leadership and management skills are necessary and it is important to match these issues with the stage that your organization is in.

**ORGANIZATIONAL DEVELOPMENT/DYNAMICS:** In this section the agency wants to analyze the strengths and weaknesses of the board of directors, especially as it pertains to its capabilities to raise funds. Is the board an active or passive body of people? Are there people who are positioned to open up funding doors? Does the board have a history of raising funds? Is it motivated to raise funds? Is there strong leadership on the board? What about the president of the board, is she/he a strong leader? If you would have to pick an animal or insect to describe the board what comes to mind and why?

In this section discuss the role of the CEO/Executive Director plays in the fundraising process. Is the Executive Director the founder? Is she/he a charismatic or a passive leader? Does she/he have a strong influence on the board of directors? Does she/he have good contacts in the corporate, foundation, religious, and governmental communities? Can these contacts be used to open doors to raise new money?

What can do done to increase board and staff involvement in the fund development process? Is there a need for retreat or board training? Do new board members need to be recruited who bring in new skills, and contacts?

**FUNDING HISTORY:** Give a historical sense of where the money has come from to support the organization. Try to break down this analysis by funding sources and years? What percentage of money historically has come from government funding, private foundations, corporations, donors (individuals), earned income, religious, planned giving (if any), special events, United Way, etc. Have these percentages been increasing or decreasing during the past three years? You may want to break down the revenue by program areas since much of the public and foundation funding will be restricted to specific programs.

**FUNDING OPPORTUNITIES:** This is where the agency looks at funding opportunities initially for the next 12 months and into the future. Most agencies break down their funding needs into four areas:

- Programs and projects
- Administrative
- Equipment
- Capital (if you are raising money for building, expansion, or major renovations)

For each one of the areas it is important to establish **funding goals** (dollar amounts needed) for each of the areas and to write a one-page summary sheet of each of the above funding goals that include:

- Description of the funding need
- Goals and objectives of the funding need
- Impact to the community AND to the organization
- Dollar amount needed

This section is one of the longest sections in the plan because most agencies have multiple programs that need funding. In addition administrative, equipment needs and perhaps capital campaign requirements are detailed.

**THE FUNDING STRATEGY:** This is where the agency analyzes the primary funding sources identified by our research and includes the strategic approaches to them. Be aware that researching potential funding sources is an ongoing task that requires regular contact with the people in the community; reading the newspapers daily, regular follow-up with the funders to assure that confidence in the organization is strong and future funding opportunities are known.

### **Role of Public Relations and Marketing**

Remember that much of fund raising is relationship driven so the more visible the organization is in the community through board and staff contacts the greater the possibility of receiving money. Also make sure you integrate **marketing materials** (brochures, newsletters, e-mail letters, etc.) with a consistent brand image that is woven together with effective **public relations** efforts such as:

- Regular letters to the editor from board members and Executive Director
- Radio talk show interviews
- Public service announcements and press releases
- Periodic meetings with newspaper editorial boards
- Media coverage on all major news and special events
- Television interviews on public service shows
- Keying into national news stories with the local angle
- Trade publications such as the Intermountain Jewish News and national publications related to your specific programs and issues

In the Funding Strategy section take each individual funding category and write a few paragraphs about what the funding strategy is for each category. Such as:

- **CORPORATIONS** - Corporations in our community are funding non-profit organizations that will give them visibility and an opportunity to get in front of people to assist in their marketing efforts. Do the following to identify new companies: inventory our board, volunteers and community contacts and use these people as door openers, identify the top 50 companies in our community and read about them in business publications, internet research, newspapers; identify the appropriate person to set up the appointment. You are determining whether the “image” of the company fits into the mission and credibility of our organization. After this is done, we want to approach: Wells Fargo Bank, AT&T, Nordstrom’s, JC Penney Company, etc. For each company we want to list who will make the approach, what is our strategy, and what we are going to ask the company for?
- **FOUNDATIONS** - In the same way as above the agency needs to research the new funding sources starting with community foundations, family foundations, and philanthropic trusts. Start off in the local community, and then broaden the search to statewide and national foundations. Use all research materials available and develop the strategic approach - target a range of 8-12 new foundations during the next year

- **GOVERNMENT-** If you have already received government funding, stay on top of existing government programs and remember that much of the public funds are being decided on the state and local level. Make sure you are pro-active on the strategic approaches for public funding and you know your mayors, representatives, and senators.
- **RELIGIOUS COMMUNITY-** If your program areas fit into the religious communities' agenda such as human services, homelessness, advocacy and social change, environmental justice, etc., develop a strategic approach to each church or temple, Use your volunteers and staff who are members of the religious institutions to make the introductions. Remember, even if you are not approaching the religious institutions for money, they are GREAT places to meet people.
- **DONORS** - Ninety percent of all philanthropic dollars come from individuals. What is our strategy for developing and/or expanding our numbers and quality of donors? Are we going to use a direct mail strategy to reach new donors? Can we identify new donors through our planned special events? What is our approach? Can we conduct 'parlor meetings' for mid-level donors? How can we "trade-up" our existing donors?
- **SPECIAL EVENTS** - Do we already have special events? Are we planning new ones? What are the goals of the special event - i.e. it is public relations, making money, to increase our mailing list? How can we obtain corporate underwriting/sponsorships to assure the event is profitable? What is our follow-up strategy after the event? What are the revenue projections? What are the costs? What are the anticipated profits? How can we leverage these events to raise new money?
- **EARNED INCOME** - Do we have an earned-income strategy for the organization? Are there any services that we can market to our constituency or the community that can generate revenue? Can we market any services to corporations that they will underwrite or contract with our agency to provide? Are there products that we can market to our members that can save them money? If any of the above looks feasible, form a committee of people (including a few successful entrepreneurs) and strategize ideas and develop a business plan.
- **MEMBERSHIP** - Does the agency have any provisions for a membership? If not, do we want to consider developing a membership category? What is our marketing and public relations strategy for maintaining our existing membership and increasing our membership by 10% during the next year?
- **BOARD OF DIRECTORS** - What is the financial commitment of our board of directors? Do we have 100% of our board making financial pledges? Will each board member agree to host one 'parlor meeting' next year? Will each board member give us 10 names and sign a holiday appeal letter? Will the board members make the necessary introductions to their corporate friends?

**IMPLEMENTING/MANAGING THE RESOURCE DEVELOPMENT PLAN:** This is the key element of any plan. The successful completion of this relates to the ability of the organization to effectively and efficiently EXECUTE the plan. The four principal resources essential to the successful implementation of a resource development plan are:

- **STRONG VOLUNTEER LEADERSHIP-** Do we have a strong leadership team? Will the President of the board exert leadership and motivate the rest of the members? Are the roles and responsibilities clear? Do we have a strong development committee? Can we recruit non-board members to this committee who bring wealth, contacts, and access? Have we formed a business partnership committee that approaches corporations?
- **STRONG DEVELOPMENT STAFF -** The staff is essential to assisting and supporting the volunteer leadership to accomplish their goals as well as cultivating and soliciting key donors directly. Do we have a development director or is the executive director doing all of the work? Do we have a contract grant writer, special events coordinator or a development consultant and coach? What is our staff patterns to research, identify, and manage the fundraising process and board leadership?
- **ADEQUATE FINANCIAL RESOURCES -** Do we have the necessary resources allocated to manage and implement our fundraising goals? Have we identified the 'low-hanging fruit' to bring in resources early so we can grow our development capacity?
- **SUFFICIENT TIME-** It takes time and resources to raise money. Sometimes the 'lead-time' necessary for certain funding sources can be extremely long. Raising money from national foundations could take 12-24 months. Planning an efficient special event could take 12 months. Wills and bequests could take a decade before we realize any revenue. All enough lead time to raise funds and keep a close watch on your cash flow.

**RESOURCE DEVELOPMENT CALENDAR:** **Strategic** fundraising will not happen overnight. It will take a considerable amount of time, energy, passion, luck, and resources to effectively diversify the fundraising strategy. You should develop a three year funding calendar broken down on a quarterly basis which details when you will be concentrating on each funding category (foundations, special events, individuals, board, corporate, etc). On a yearly basis, develop a 12-month operational plan and calendar that details the specific dollar goals, strategies, and tactics for each funding category.

**TRACKING OF THE FUNDRAISING STRATEGY:** The implementation of the above elements of a fundraising plan takes an organizational commitment. Strategies and key leadership come from selected board members and the executive director. My suggestion is to form a board committee to review this document and at the monthly board meetings have the head of the fundraising committee report back to the board on the progress made, changes, etc. For each one of the above funding sources, it is important to develop **tracking sheets** to make sure that the results are analyzed and the appropriate changes are implemented. For each funding category the following may be desirable:

- Specific strategy with timelines for accomplishments and for what each particular person is responsible

- For each specific funding sources (Proctor and Gamble, Wells Fargo Bank, First Presbyterian Church) input on the computer data base or write on a 3"X5" card: funding source, address, phone number, contact person, date contact made, results of the contact, follow-up
- Take the information and develop a 12 month fund raising calendar with the funding sources on the left hand of the chart and the months on top and list when organization is planning and conducting the special event, when the direct mail will be "dropped" when are we approaching key corporations, when is the RFP due, etc.
- Then for each one of the funding categories, such as FOUNDATIONS - break down for each specific funding sources when during the year, the approaches will be made to the Denver Foundations, Kellogg Foundation, Shusterman, and Weaver Foundations etc.