

# INFORMATION SHEET 4.2



## DEVELOPING A FUNDRAISING STRATEGY

When thinking about fundraising, it's vital to think long-term. Don't be put off by the term 'strategy' - this is simply the plan that will get you from where you are now to where you want to be. Successful fundraising starts with a fundraising strategy which should serve to identify what resources will be required in order to reach a fundraising goal.

A fundraising strategy should be integrated into your organisation's business plans and other strategic plans. Having a clear funding strategy will enhance your chances of raising money because it will provide you with a framework of plans and actions to follow.

A fundraising strategy is a plan that sets out:

- what your organisation is set up to do and its main areas of work, plus an outline of where you are now in terms of funding
- what your funding needs and priorities are over a specified period of time - so over the next 12 months or three years, for example
- costings for the above
- how you intend to raise that money and who will be responsible for raising it
- what you will do at the end of that period

### ORGANISATIONAL PLANNING:

Your strategy needs a number of planning stages:

- Long term: strategic planning - your overall purpose and aims.
- Medium term: business planning - resources needed to achieve aims.
- Short term: operational planning - detailed breakdown of specific pieces of work to fundraise for.

### Strategic planning

This involves thinking through and spelling out what your organisation's broad purpose and overall aims and values are. So, why you exist and what you want to achieve. You can express this in a short statement, often called your 'mission statement.'

Try to keep this statement fairly short, here is an example from an estate based housing advice project:  
'Our mission is to provide high quality advice

and representation on housing matters to all tenants on the Beaver Estate. In carrying out this mission, we will ensure that the highest standards of advice are maintained and that equal opportunities apply throughout the service.'

Your statement can be followed by a list of strategic aims, that is, a list of key work priorities for the future. These will be both short and long term. The following are strategic aims for the above organisation:

- To provide free and effective housing advice, information and representation to all tenants and residents in the area.
- To provide an opportunity for local residents to become volunteer advisers, through the provision of regular training and support.
- To monitor all enquiries as a basis for negotiating with the landlord for better housing policies and practices.

There are two reasons to think about your fundraising strategy at this level:

1. It helps to remind you what your reasons for being are.
2. It is a useful and concise way of explaining who you are and what you do to prospective funders. Everything your organisation does should relate to your strategic aims.

Continued...

# INFORMATION SHEET 4.2



## DEVELOPING A FUNDRAISING STRATEGY

### BUSINESS PLANNING

Your plan spells out in more detail how the aims you have identified will be carried out and how much it will cost. This plan will include a budget, with a forecast of income and expenditure. As well as setting out how your strategy will be put into practice, it should also demonstrate that:

- Your plans are realistic
- Your group is capable of managing money and projects
- You have policies and procedures in place relevant to the work that you are doing and that they are followed and kept up to date (VODA can advise your organisation on policies and procedures)
- You can monitor and evaluate your work to make sure that you are meeting your aims

Funders can sometimes ask to see a business plan before making any commitments to fund, especially if you are asking for a large amount of money.

Business plans usually cover the coming two or three years, although they need to be adjusted when needed, as they are living documents.

### OPERATIONAL PLANNING

This is the level at which you set out in even more detail the specific objectives, targets and tasks that you will carry out in order to meet your aims. It is more immediate and more short term. You need to think how each objective or target can be achieved: what activities will be needed to achieve them, what resources will be required, and how the progress of each will be measured. You will need to decide on priorities and timescales.

An example of detailed operational planning for the Beaver Housing Advice Project might be:

To meet our second aim - providing opportunities for local residents to become volunteer advisers - we have agreed the following list of objectives that we want to achieve in the next 12 months:

- Two recruitment drives at six monthly intervals. These will be achieved via door to door leafleting, giving talks to local groups and holding two open days.
- Setting up a written selection of policies and procedures and a volunteer contract.
- Agree an expenses policy for volunteers.
- Provide training in interview skills, equal opportunities, housing rights and basic welfare benefits. This will be provided both at the start and on an ongoing basis.
- Provide regular support and supervision to volunteer advisers.
- Appraisal of the scheme after the first six months and then again after 12 months. From the appraisal we will recommend any changes needed.

Think about each objective separately and work out what resources you need to find and then draw up your budget. You will need to consider what sort of money you need - is it capital or revenue? One-off or ongoing? A large or small amount?

It is often easier to think in terms of projects. Many funders prefer to give money for specific, time-limited pieces of work. Go through your agreed list of prioritised objectives and see if you can package them up into one whole or a number of distinct projects.

Continued...

# INFORMATION SHEET 4.2



## DEVELOPING A FUNDRAISING STRATEGY

### EXIT STRATEGIES

If you are applying for money for a fixed term, such as one to three years, then you need to show what will happen at the end of that time (i.e. will the project continue or finish?) This is called your exit strategy, and funders might ask you for one. You might choose one of the following:

- Having proved the need and success of your project, you will find new funding for it.
- It is a one-off piece of work and will end when the funding comes to an end.

Whatever the strategy you go for, it will need to be planned early on in the life of the project, especially if you want to find ongoing funding for it.

### RAISING MONEY

Now that you have worked out what you want money for, how much and for how long, the next step is to decide who will do it and then source likely funders.

### WHO WILL BE RESPONSIBLE?

Consider the skills of individual members of your organisation and give people jobs to do. Ideally you need people who can:

- Write well and persuade people of the value of your organisation and its work.
- Prepare budgets
- Speak to funders without getting flustered.
- Organise events.

The best option is often to form a fundraising sub-group where members can support and learn from each other, make sure things get done on time and keep everyone in the group up to date with progress and results. If you do not have people with the skills or experience, contact VODA for advice and support.

### FINDING FUNDERS

**Screening:** this is a process of identifying funding targets. Sustainable organisations should ideally have a diverse range of funding sources that can come from a range of categories, for example:

- Individual giving
- Trusts and foundations
- Corporate support
- Local / National Government
- Lottery funding
- Income generation

At this stage, you should just be identifying the broad categories that may be applicable to your organisation. You should also consider potential strategic changes that might have an impact on your planning.

### SHORTLISTING

Once you have compiled a list of appropriate funders, it is now time to do some more in-depth research. It is vital that you ensure that your organisation meets the basic eligibility criteria of the funder. This can normally be found from visiting websites, by email or over the phone. If you are unsure if you are eligible or not, don't be shy about asking! **This is a task that can be done for you free of charge by contacting VODA's Funding Adviser.**

When compiling your shortlist, you might like to consider:

- Region: does the funder fund in this geographical area?
- Diversity: have you considered applying to a range of different funders, for different amounts? Have you considered match funding?
- Conditions: Is this the right sort of money? It is vital to ensure that you do not become funder-led instead of mission driven.

# INFORMATION SHEET 4.2



## DEVELOPING A FUNDRAISING STRATEGY

### BUILDING RELATIONSHIPS WITH FUNDERS

Developing a relationship with your funders is important, as you may well want to go back to them for more money in the future. To maintain a good relationship:

- Always acknowledge any communication from them swiftly.
- Have one or two (at most) named contact people in your group who the funders can deal with so that they get to know people and names and make sure those people know your project inside out.
- Keep them regularly updated about progress in the piece of work that they have supported. Send them annual reports, examined accounts, press releases, photos etc.
- Invite them to visit your project, or to special events like your AGM or open days.
- Remember to acknowledge their support on documents relating to the project. By doing this you are making them feel involved and giving them a sense of ownership of your project.
- Keep yourselves informed of any changes in their funding policies or staff and trustees.

It is very easy to spend large amounts of time and energy raising money and then forget to say 'thank you' and keep in touch with those people who have given you funding or support.

### REVIEW YOUR PLANS

You should review your fundraising strategy from time to time as it is a 'living document'. Keep copies of all the applications you've made and when you made them, together with a record of whether they've been successful

or not and why, so you can monitor your progress. This assessment will inform your future fundraising strategies.

Finally, be imaginative, stay informed and stick to your agreed strategy and you will find that fundraising isn't just a matter of good luck.

### RELATED DOCUMENTS

- 4.1 Fundraising - before you start
- 4.2 Developing a fundraising strategy
- 4.3 Preparing a project plan
- 4.4 Evidencing need and defining outcomes
- 4.5 Effective grant applications
- 4.6 VODA processing grants on your behalf
- 4.7 DIY Fundraising
- 4.8 Raffles, lotteries and tombolas
- 4.9 House-to-House and Street Collections

For more information and funding advice, contact VODA's Development Team on 0191 643 2636 or email [development@voda.org.uk](mailto:development@voda.org.uk).

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