

# Voluntary and Community Action

## Developing a Sustainable Fundraising Strategy

Funding Information Sheet No.1

October 2008

The purpose of this information sheet is to provide small voluntary organisations and community groups with simple and practical approaches to develop an effective sustainable fundraising strategy.

### Funding Information Sheets

The Funding Advice Service has produced a series of Funding Information Sheets on:

- the different types of grants available
- good practice when applying for funding
- sustainable fundraising



### What is a Fundraising Strategy?

A fundraising strategy is a document that sets out all points along the route, the funding and support needed, and the timetable to get from where a group is now to where it wants to be in the future. It sets out a group's future funding needs and the activities they will carry out in order to meet those needs.

A fundraising strategy is a simple plan that usually contains answers to the following questions:

- what are the aims of your organisation?
- what are your objectives?
- how much money is needed?
- where will you get it from?
- when do you need it?
- who will do what?

### Why do we Need a Strategy?

Your organisation may manage from one year to the next and may not see any reason for things to change in the near future. Or you may be newly formed. You might have a close relationship with a few major funders or be completely new to the concept of fundraising. So, why should you spend valuable time in developing a strategy?

Most of us are happier with the often mistaken belief that things will just continue as they always have, but in an increasingly competitive environment this isn't always the case. Though you can be lucky, there is more chance if you are prepared. For greater fundraising success, strategic planning is necessary. Can you draw up a plan without considering options and making choices at the outset? Whether we like it or not, we are being sucked into strategic thinking.

Some funders may require you to send your fundraising strategy with applications. So it is a good idea to prepare one now rather than at the last minute when you need to send out a funds application to meet a funder's deadline.

### Sustainable Thinking

Identifying and maintaining a durable and wide range of funding streams is vital for any organisation to achieving sustainability. Looking into and securing a diverse range of funding opportunities will enable voluntary organisations and community groups to spread their dependency across a range of funding sources so that they have continuous sources of income coming in to the organisation.





**GRAHAM COLLINS,  
PROJECTS OFFICER AT  
NCVO'S SUSTAINABLE  
FUNDING PROJECT,  
SAYS**

**"SUSTAINABILITY IS  
ABOUT DIVERSIFYING  
INCOME STREAMS AND  
TAPPING INTO AS  
MANY OPPORTUNITIES  
AS POSSIBLE. WE  
BELIEVE THAT YOU CAN  
DIVERSIFY – FROM  
TRADITIONAL  
FUNDRAISING AT ONE  
END OF THE SPECTRUM  
TO TRADING GOODS  
AND SERVICES AT THE  
OTHER"**



For voluntary organisations and community groups this does not necessarily mean that groups have to think about a 'product'; many small groups underestimate the 'saleability' of their expertise – most organisations know their client groups extremely well, and/or have specialised in specific ways of working – this could be the starting point in thinking how to best utilise your specialised knowledge/expertise to generate income for your group. For example, the Telephone Helplines Association now generates over 70 per cent of its income from training. Operating outside the voluntary and community sector could be another way of increasing the organisation's income and expertise.

Since fundraising is vital to any voluntary organisation or community group's existence, we have to think of it as being an important element of the forward plan. Planning for the future is not just for finance officers or senior management. It should also involve management committees, trustees, key staff, volunteers and any other stakeholders (if appropriate) who should have plenty to contribute to all strategic planning. The aim is to develop a predictable and growing income structure that will enable your organisation to face the future with more confidence.

So where do we begin? The first step is to look at the present, the place where the organisation is now. This can be analysed by looking at the strengths, weakness, opportunities and challenges of the organisation. For example the resources the organisation has at present in terms of finances, staff, volunteers, trustees and

management committee and their skills, roles and responsibilities. Changes to external factors such as political, legal, economic, social and technology need to be taken into consideration. They might effect changes in relevant legislation, socio-economic trends and the advancement of technology could impact on your fundraising strategy. These fact-finding assessments of internal and external circumstances will help shape your future. What past accomplishments and current strengths can you identify as the foundation on which to build your future?

### **Long Term (Strategic Planning)**

Long term Strategic planning is thinking through:

- what a group was set up to do
- main areas of work
- what your organisation's broad purpose and overall aims and values are - why you exist and what you want to achieve.

This is sometimes expressed in a short statement called 'mission statement'. Mission statements vary greatly in size but the most effective may only be a few sentences long.

Mission statements can be followed by a list of 'strategic' aims, that is, a list of key work priorities for the future, both short and long-term ones. Thinking about the fundraising strategy at this stage helps to remind you what your reasons for being are. It is also a useful way of explaining who you are and what you do to prospective funders. Everything your organisation does should relate to your strategic aims.

### Medium Term (Business Planning)

Following on from the strategic plan, medium term business planning shows in detail how the aims will be carried out and the resources needed to achieve them. It is putting your organisation's vision and goals for the next 2-3 years on paper. It summarises the activities, skills and resources needed to achieve you aims and consists of:

- the development plans
- the activities that you are going to carry out to be where you want to be in the next few years
- new projects/programmes of work that are clearly linked to the aims and objectives and identified needs of your beneficiaries
- how the services will be managed, staffed and marketed
- the funding needs and priorities over the coming period
- a budget showing a forecast of expenditures, any projected income and the target to be raised.

It will also set out how your strategy will be put into practice and show the funders that plans are realistic, prove that your group is capable of managing the money, and that monitoring and evaluating procedures are in place to ensure you are meeting your aims, monitoring success and managing setbacks.

Funders often ask to see a business plan before making any commitments to fund, especially if you are asking for a large amount of money. This process in itself is valuable as it makes you think realistically, giving you an

opportunity to consult everyone in your organisation, so that they understand and agree with the business plan. Only then is your organisation more likely to achieve its aims. Even though business plans usually cover the coming two or three years, they may need to be adjusted each year.

### Short Term (Operational Planning)

This is the level at which you outline details of the specific objectives, targets and tasks that you will carry out in order to meet your aims in the immediate and short-term. Consider:

- how each objective or target can be achieved
- how the group intends to raise the money – through fundraising, earned income, donations, more effective use of current resources, restructuring
- possible funders/suitable sources of funding and timescale for approaching those sources (including any deadlines funders may have).

There should be a clear breakdown of tasks involved, assigned to named people with dates for completion. The progress of each task should also be measured by putting monitoring and evaluation procedures in place – setting criteria to measure success and failures and to evaluate fundraising and strategic plans.

Planning your fundraising strategy can be a daunting prospect but if you work through each of the steps with your Mission Statement in mind, you will have a strong framework from which to work. This will help identify your direction and therefore potential funding streams.



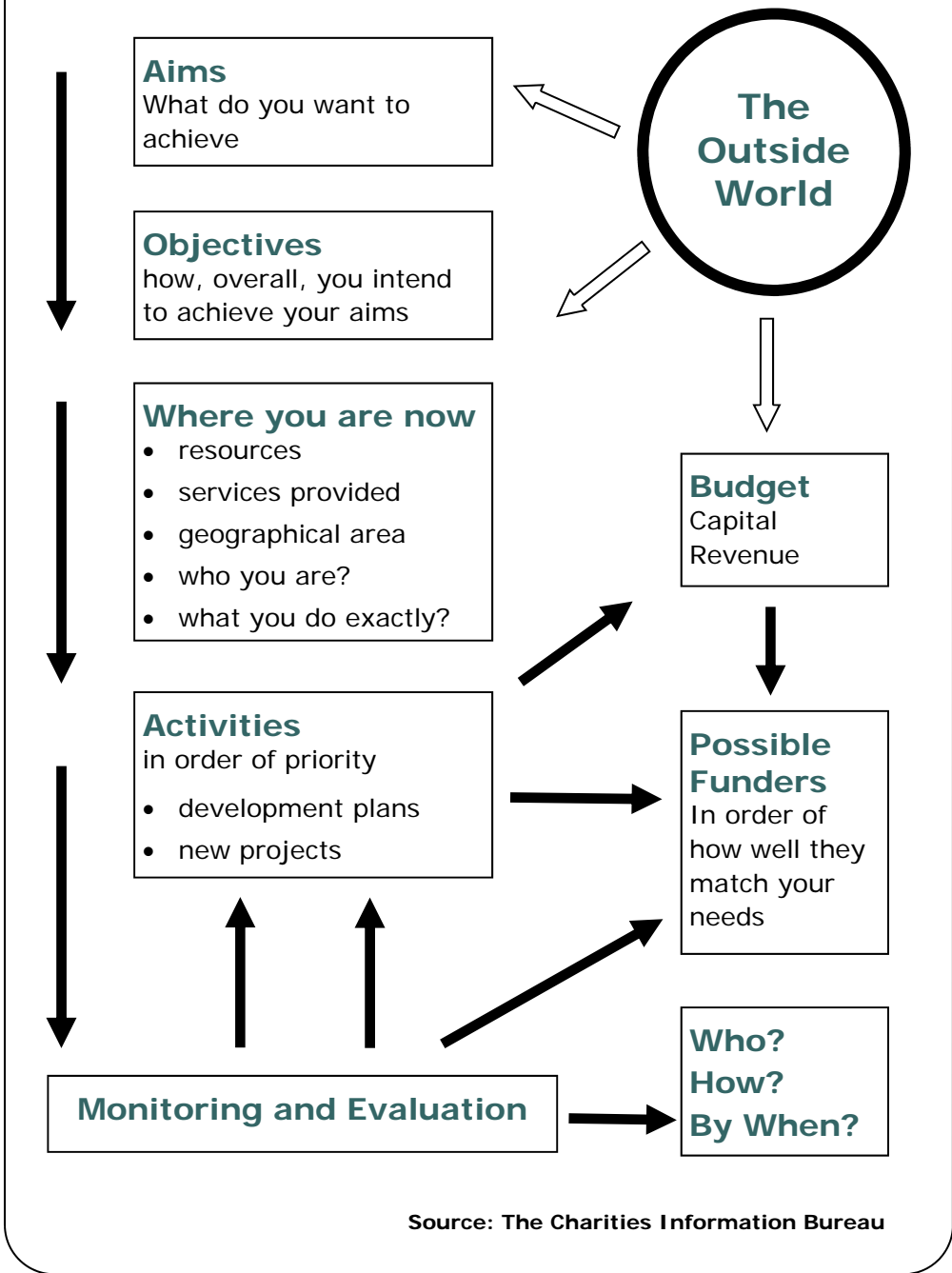
#### EVALUATION:

**IS USING INFORMATION FROM MONITORING AND ELSEWHERE TO JUDGE THE PERFORMANCE OF AN ORGANISATION OR PROJECT**

#### MONITORING:

**IS THE COLLECTING AND RECORDING INFORMATION IN A ROUTINE AND SYSTEMATIC WAY TO CHECK PROGRESS AGAINST PLANS AND ENABLE EVALUATION**

### Building a Fundraising Strategy



#### Voluntary and Community Action

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#### How can our Funding Advice Service help?

We can help you discover which grant making trusts, foundations or funders are the most appropriate for your organisation to approach for funding, help you to fill out the application form or provide help and support with any funding related issues.

Please give us a call on 01525 850559 to arrange a meeting so we can guide you through the maze of funding opportunities available.