



Effective Fundraising for Voluntary and Community Groups

Whatever their size, voluntary and community groups need to raise funds in order to do the work they were set up to do. The amounts needed will vary greatly from group to group, but the principles behind effective fundraising remain the same. In the short term, resources must be found simply to ensure day-to-day survival, but in the medium term, most groups have plans for expansion and development. In the long term, groups should aim to become as financially sustainable as possible by building a wide base of supporters and reducing their dependency on any one source of funding.

Many people see fundraising as a constant headache with little chance of success. It must be remembered that there is money 'out there' and that with a persistent and consistent strategy, your organisation can access necessary funds. Fundraising is a time-consuming process, but time and other resources invested now will pay off in the long run.

1. Plan

Before you think about raising funds, you need to be clear what your group is about and what it is trying to achieve. Everyone in your organisation must understand the organisation's purpose or 'mission'. Unless you can clearly explain what your ultimate aims are and why these are important, it will be very difficult to persuade others to provide you with funds. A fundraising strategy needs to fit in with the overall plan for the group.

2. Share the Workload Amongst Suitable People

It is very important that responsibility for fundraising is not left to one person, as this can lead to burnout. Whilst it may be useful to have one contact person for funding applications and the like, it is very important that the workload is shared. Fundraising teams – consisting of committee members and/or other volunteers and/or paid staff – can bring dynamism and direction to the process, and can help to identify a larger pool of potential donors.

Effective fundraisers are 'people people' with the following attributes:

- Commitment to the cause

- Ability to feel comfortable asking for money
- Ability to make contacts
- Persuasiveness
- Persistence
- Truthfulness
- Confidence
- Patience
- Tact
- Imagination and creativity
- Opportunism
- Organisational skills
- Ability to be realistic about what is achievable
- Ability to deal with rejection

3. Choose Appropriate Sources

There are an infinite number of ways to raise funds but you must choose sources and activities that are appropriate for your group. When deciding which methods to use it is important that you are realistic about the resources, particularly people, at your disposal. Also remember that new groups usually need to be able to prove that they have some support at a local level or among the general public before they can hope to gain national, international or corporate support. In the first instance, therefore, it is recommended that you concentrate on fundraising within your local community, both from individuals and local government.

You must then identify your most likely sources of financial support; sections 3a – 3f below will help you to draw up a list of possibilities for your group. It is vitally important that you tailor your request for money to the person or body that you are approaching. If applying through a formal grant scheme, for example, read the small print beforehand:

- Is your proposed activity included or excluded?
- Are you asking for the right amount of money?
- Will you meet the deadline for applications?
- Does your group have the capacity to use the funding should you be successful?
- What are the reporting requirements?

3a. Statutory Sources

These usually, though not always, consist of formal grant schemes from central government departments, semi-state bodies, local authorities, health agencies, partnerships, etc. Grant schemes are normally advertised in the national and voluntary sector press. There is no specific National Lottery fund to which applications can be made; money is given out through various government departments and agencies. More information about the different types of statutory sources can be found in the Irish fundraising handbook (see resources). Good practice for the relationship between voluntary sector fundraisers and statutory funders is outlined in the White paper on "Supporting Voluntary Activity", a government paper published in 2000, which discusses how the two sectors can best work together. Aside from grants, other forms of support from the statutory sector include secondments of public sector staff, the use of FÁS-supported trainees and service agreements.

3b. Trusts and foundations

These are independent grant-making bodies of all ages and sizes. They are all different, each having its own criteria and guidelines for the dispersal of grants. They must therefore be researched for suitability and applied to one by one. See the Irish fundraising handbook for more information.

3c. Corporate Giving

Whilst there is no obligation on companies to donate money to charity, many recognise that it makes good business sense to do so. Companies that give range from large multinational firms to small local businesses. Whatever their size, they will often only contribute to projects in the geographical areas where they operate. As corporate funding usually requires the giving of substantial publicity to the company, groups must be clear if they are happy to be publicly associated with the company. Corporate giving can include:

- Once-off donations
- Formal grant schemes or award schemes
- Sponsorship of events, publicity materials, etc
- Partnerships/joint promotions
- Discounts
- In-kind donations of equipment, rooms, expertise
- Secondments, board memberships and other types of employer-supported volunteering

3d. International Sources

These can include cross-border, European Union and other international programmes. They invariably require an international and/or exchange dimension and groups must make sure they are in a position to take on such activities before considering them.

3f. Other Sources

Other possible sources include:

- Partnerships with membership bodies such as trade unions, professional associations, churches, Rotary/Lions clubs, scouting groups etc
- Charging users for services, for example, training, publications, hire of equipment , etc
- Social finance opportunities (the provision of loans for projects that will have a social impact)
- To ensure any donations made to your organisations are as tax effective as possible, keep updated on the issue of tax effective giving (www.irishtaxreform.ie)

Fundraising is an evolving area and, because of the changing nature of the environment in which groups operate and fierce competition for funds, groups must continue to be open to new ways of finding resources.

4. Make Your Case

It is very important to understand your donor's viewpoint before you can persuade them to part with their money. The donor can give to many different causes, so why should they give to you rather than anyone else? When making your case, you must:

- Explain what the need is in clear, simple, human terms and supply evidence
- Explain how your group can meet that need
- Explain exactly what you are looking for from the potential supporter

Donors need to be sure that their contributions will make a difference. Be as focused as possible, asking for funds to support a particular aspect of your work. Make sure that you tie your request in with the needs of the potential donor, for example:

- If applying for a statutory grant, explain how your proposed activities are in line with government policy
- If approaching a business, illustrate how your work ties in with the company's corporate social responsibility aims
- If appealing to the public for donations, indicate exactly how their euros will be spent

The more personal you can make your approach, the better. Also, the more professional you are, the better. This does not mean spending a disproportionate amount of resources on glossy materials. In fact, this is likely to backfire, as people do not like voluntary and community organisations to have high administrative overheads. It does mean, however, having well thought-out and well presented proposals which are delivered on time with the correct background information.

5. Say How Much You Need

Donors do not know how much is appropriate to give; you must tell them. But before you do this, you must know yourself exactly what is required. It is therefore essential to budget properly. You must draw up a plan of what you intend to do and work out what the costs will be. Offer value for money, but be realistic and think of all costs: people, space, equipment, materials, as well as hidden costs such as VAT, employer's PRSI, insurance, and the cost of the fundraising effort itself. Ask yourself if you really need to raise money or if you can get what you need in any other ways, for example:

- Borrowing or sharing equipment, facilities, etc
- Donated goods such as office furniture and equipment
- In-kind expertise, pro-bono work and other ways of volunteering

It is important to explain exactly how any money raised will be spent. You must make it as easy as possible for people to give. This is particularly true when raising funds from the general public. Think, for example, of freepost and freephone facilities. Also make sure you are aware of, and notify donors of any tax savings that can be made when giving.

Once you have raised funds, you have a responsibility to ensure that the money is spent wisely on the intended activities and inform donors of this. You must account properly for money using book keeping and financial management systems that are appropriate to the size and nature of your organisation.

6. Build Long Term Relationships

It should by now be obvious that there are no easy shortcuts when raising funds. Informing people about the need your organisation is trying to address and persuading them to give is a big effort. Once you have a donor, you must do everything in your power to try to keep them ... for life!

Your aim is the building of lasting relationships to ensure long term support. You can do this by:

- Keeping excellent records, as no piece of generosity must be forgotten

- Reporting back on the way the money was spent and the difference it made
- Saying thank you (many donors report that they are never thanked for their contribution!)
- If your donor wants anonymity, granting it
- Conversely, if your donor wants publicity, ensuring you honour this; for example, through the proper use of logos
- Keeping people informed of your activities on an ongoing basis (adding them to your newsletter mailing list, inviting them to events, accepting offers to speak to their organisation, socialising with them, etc)

Fundraising and public relations are closely related. Donors want to give money to credible organisations that they have heard of in a positive light. Time must be spent, on an ongoing basis, on creating and nurturing relationships with potential and current supporters to make them understand what you are trying to achieve. For example, rather than seeing politicians as a lobby point for funding, treat them as people who need to be kept informed about what you do.

7. Monitor and Evaluate

Your fundraising strategy must be kept under constant review. Keep excellent records and monitor the relative success of each activity. Compare inputs of time, energy and resources to the results gained and calculate what was most efficient and effective. Remember that this is likely to change over time; what was successful five years ago may no longer be so now. Finally, aim for a good mix of funding sources as having all your eggs in one basket is a high risk approach. Good luck!

Publications

Asking properly: the art of creative fundraising
George Smith, *White Lion Press (1997)**

Avoiding the wastepaper basket: a practical guide for applying to grant-making trusts.
Tim Cook, *London Voluntary Service Council (1998)**

Complete membership handbook: a guide to managing friends, members and supporters schemes
Liz Hill & Brian Whitehead, *Directory of Social Change in association with Arts Professional (2004)**

Effective fundraising: an informal guide to getting grants and donations
Luke Fitzherbert, *Directory of Social Change (2004)**

EU funding made easy: a guide to funding for NGOs
European Citizen Action Service (2003)

Friends for life
Ken Burnett, *White Lion Press (1997)**

Irish fundraising handbook 2003-2004
CAFE Publications/Clann Credo (2003)

Raising money for good causes
Jane Sutherland & Mike Eastwood, *Directory of Social Change in association with North Kent CVS (1998)**

Relationship fundraising: a donor-based approach to the business of raising money
Ken Burnett, *Jossey-Bass (2002)**

Successful fundraising *Bibliotek Books (2001)**

Supporting voluntary activity: a white paper on a framework for supporting voluntary activity and for developing the relationship between the state and the community and voluntary sector
Government of Ireland (2000)

The complete fundraising handbook **Nina Botting & Michael Norton**, *Directory of Social Change (2001)**

Writing better fundraising applications **Michael Norton & Mike Eastwood**, *Directory of Social Change (2002)**

* available from the Directory of Social Change – see Useful organisations

Useful Organisations

Business in the Community Ireland
32 Lower O'Connell Street, Dublin 1
Tel: 01 874 7232 www.bitc.ie

Carmichael Centre for Voluntary Groups
North Brunswick Street, Dublin 7
Tel: 01 873 5285 www.carmichaelcentre.ie

CREATE (formerly CAFÉ)
10/11 Earl Street South, Dublin 8
Tel: 01 473 6600 cafe@connect.ie

Directory of Social Change
24 Stephenson Way, London, NW1 2DP, UK
Tel: 0044 207 209 5151
www.dsc.org.uk

European Citizen Action Service
53 Rue de la Concorde, B-1050, Brussels, Belgium
Tel: 0032 2 548 0490 www.ecas.org

FÁS Training and Employment Authority
27-33 Upper Baggot Street, Dublin 4
Tel: 01 607 6500 www.fas.ie

Irish Charities Tax Reform Group
Irish Social Finances Centre, 10 Grattan Crescent, Inchicore, Dublin 8
www.charitytaxreform.ie

Volunteering Ireland
Coleraine House, Coleraine Street, Dublin 7
Tel: 01 872 2622 www.volunteeringireland.com

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