

## **GETTING STARTED WITH FUNDRAISING BEST PRACTICES**

© Dynamic Solution Associates LLC 2004-2013

Fundraising is a process that is the responsibility of everyone involved in an organization. Staff, board members, constituents **and** anyone who is connected to them. One of the most important principles of fundraising is to make sure to use all the contacts they have to further the mission of the organization. This means that friends, family, business associates, etc. need to be asked to donate money, time and resources to the organization.

Asking for money is a natural process people do it all the time in business. If board members are not comfortable asking for money, they need to be trained or asked to leave the board. Peer pressure from board members who understand their responsibility works well in many of these situations.

### **Funding Sources**

Organizations need to have a diversity of funding sources to ensure that they do not become too dependent on any one source. There are always horror stories of organizations that have been funded by one source for years and suddenly something changes (the economy, political party in power, priorities of funders, etc) and they lose a significant portion of their funding.

Fundraising is a process that takes time and resources! You will not be able to send out proposals and wait for money to come it. **You must actively manage the process.** This includes, calling funders when you are rejected, when there is no word from them or when they have requested follow-up materials. (Like starting a business, you are likely to spend much time up front to get this process kick-started with the big results being viable in 3-5 years.)

The first step in the fundraising process is to figure out what your organization needs financially to maintain staff and programs. Using the budget your organization has developed, you need to develop a fundraising plan. The plan will include where the income to offset expenses is coming from. Common sources are

- Grants from private foundations
- Grants from public and government sources
- Contributions from Individuals
- Program Revenue
- Earned Income (interest)

### **Grants**

## Research

Research appropriate funding sources for your organization. There are many resources available for free

- Associated Grantmakers (MA & NH grantmakers)  
[www.agmconnect.org/gmwebsites.html](http://www.agmconnect.org/gmwebsites.html)
- Guidestar [www.guidestar.org](http://www.guidestar.org)
- Foundation Directory Online <http://fconline.fdncenter.org/> this is a fee site
- Issue specific sites can be searched on any search engine and there are some sites that list funders for specific issues (Human rights [www.hrfunders.org](http://www.hrfunders.org))
- Government Grants [www.grants.gov](http://www.grants.gov)

In addition all tax forms from nonprofits are public records and most are available online through [www.guidestar.org](http://www.guidestar.org).

## Communication

### With other organizations

Talking to organizations that do similar work to yours is always helpful. Look at their websites, request their marketing materials and/or call and ask them who their funders are and what their experience raising money is. Most people are happy to talk and can save you time through their suggestions.

### With funders

Talking to funders is paramount to raising money. Funders are people and some (not all) are approachable. The more they know about your organization, the good work you are doing and who you are, the harder it will become to turn you down. Meet with the funders you can. Talk to potential funders and let them know what you are doing and if it is worth it to apply to them. They do not want to waste your time or theirs so they will let you know how good a chance you have of being funded.

## Establishing Relationships

Any connections your organization has with funders should be exploited. That means whoever has a connection to a funder needs to get your organization in front of them. This is especially important for board members to understand. If a funder will have lunch with you, make sure you do. Relationships can be the key to getting and maintaining funding. Organizations that have active boards that go out into the community and advocate on their behalf usually are the most successful in terms of fundraising.

## Write a strong proposal

Make sure your proposal responds to the specific guidelines of the funder. Follow the funders guidelines carefully. Have someone else inside and outside of your organization read the proposal. Make sure that the language is not too technical and that the language that you regularly use and understand is understandable to a funder who may not have as much experience (or none) working directly in your issue.

There are standard questions that funders will ask and that are on most states common proposal formats

1. Brief summary of organization's history, goals, and key achievements.
2. Overview of organization's structure and programs, including board, staff, and volunteer involvement.
3. Describe your organization's constituents for the organization overall, or, for a specific project. For example, total number and breakdown by age, gender, race/ethnicity, income levels, disabilities, geography, language spoken, or other criteria relevant to your organization or project.
4. Describe the community or regional need(s) and/or challenges that this effort will address. What is the level and nature of involvement of the community-at-large?
5. Description of the specific request that includes goals and objectives. (If it's a project request, provide a profile of the project)
6. Specific activities and timetable for meeting your stated objectives.
7. Future plan for sustaining this effort and strategy for building your funding base.
8. Who are your staff and volunteers and what are their qualifications?
9. If applicable, identify organizations that you collaborate with to address the issue(s) in this proposal
10. Define your criteria for success for the organization, project, or capital campaign. State how you will measure your success in the short-term and in the long-term. What tool(s) will be used to evaluate your program or organization? What is your strategy for implementing the evaluation process?

You should have a standard document that is succinct and answers all of these questions. This document should be used as a "base" for many of the program specific grants that you send out.

## Follow Up

Always set aside some time for grant follow-up. Unless specifically asked not to by funders, contact them by phone to inquire about the status of the request. It is important that these calls come from your organization's leadership -- either the executive director or board president. It is

helpful to keep a record of their responses on file with the grant proposal.

When calling, have the following at easy reference:

- What kind of request (proposal or letter or interest?)
- Amount of request
- Date of request
- Funder's guidelines
- Your mission
- Key points about why the program is needed
- Key program elements and/or outcomes

### **When you receive a grant**

Write a personalized thank-you letter to the funder with whom you dealt and/or the person who notified you of the grant, mentioning the amount of the grant. If anyone on your board has a connection to the funder have them write a letter as well. (If not, have your board president do it.)

Keep the funder abreast of what is going on in your organization, remember you are building a long term relationship and this may not be the only time this funder funds you. Put them on your mailing list to get newsletters (they may be interested in how you are presenting your organization to the public or how you are trying to diversify your funding sources), but don't put them on your direct mail fundraising appeal list unless they ask you to. Also let them know when you are having a fundraising event. Many funders have policies against funding these events; if you're serious about wanting them to attend, write a personal note on their invitation and offer a complimentary ticket or two

Meet all deadlines including,

- Signing any grant acceptance form and returning it to the funder in a timely manner
- Cash the check as soon as you receive it.
- Get reports on grants to funders in on time or ahead of time

### **Individuals**

The importance of fundraising from individuals should not be underestimated. While foundations are very important funding sources they are only one piece of a healthy diversified funding base. In 2013, according to Giving USA, 72% of charitable gifts came from individuals and only 15% of charitable gifts came from foundations.

Individual donors can be the lifeblood of an organization.

Build a donor base-start as soon as possible when you start your organization. Collect names at every event you speak at, place you table, person you get a business card from. When starting an organization the people who are going to be most supportive financially are friends and family. Build outward and upward from there.

Connect to your donors. Tell them the reality of what is going on in your programs, why you need money and what you are doing with their money. Mix your appeals in with heartwarming success stories from your organization. Do not downplay the need for money. Write to them talk to them, thank them. But do not overwhelm them.

Maintain your database. Do not waste money sending to outdated addresses. Pay to have a service approved by the post office update you list once a year. Personalize as many requests for funds as you and your board can. Thank people for contributions on time.

Be creative. Continually work on coming up with new ideas on how to maintain donors and grow the amounts they are giving.

### **Corporations**

Corporate money is about connections. Many departments of organizations (Fidelity for example) have pots of charitable money that they are allocated each year. Find your connections to this money and make sure they are consistently being asked.