

# Creating a Fundraising Plan

A fundraising plan lists specific steps you must take to raise the funds you need to serve your clients. You need a fundraising plan

- To help you recognize what you have to work with
- To define what you really need
- To select your market
- To choose your fundraising vehicle
- To organize the steps you need to follow to put the fundraising plan in place
- To demonstrate to the outside world that you are organized

## Step One: Define the Big Picture of your Fundraising Plan

Ask yourself the following questions:

- What are you raising funds for?
- What resources do you have?
- What resources do you need?
- What are your fundraising goals?
- Which fundraising vehicle is the right one to use?
- Which market do you want to target?

You will start to get a clearer picture of which of these factors you already have in place that you can draw from and what you will still need to do before you can go further in implementing a fundraising plan.

## Step Two: Identify your Fundraising Goal

What does your organization need? For what purpose are you raising funds?

Most nonprofits have four primary fundraising needs. These are the fundraising goals. They need funding for:

- Programs
- General Operating Costs
- Capital Campaigns
- Building an Endowment

Identifying your fundraising goal is key! Whatever your goal, you need to apply these questions to that goal:

- Why do we need this?
- What tasks are involved in achieving this goal?
- How much will it cost?

Note-your answers should be focused and time-specific.

### **Step Three: Access the Resources you have**

You may not realize how much information is already available for you to use. **If your organization has done fundraising in the past in any sort of organized way, you may be able to find the following essential items:**

- The donor list
- Histories of how much your donors have given in the past
- Fundraising strategies used in the past-and how effective they were
- Any market studies done by your agency gauging public awareness of your organization
- Public relations materials used in the past
- A list of potential donors
- Volunteers or staff who have participated in past fundraising efforts
- Board members experienced in fundraising

Get all your ducks in a row. Investing some time now to find out what's been done before can save you valuable time and help you to focus your efforts and resources.

### **Step Four: Determine What Resources you Need**

After you have a sense of what resources you already have, you can determine what resources you need. This is more than the funds, of course. This is what you might need to get organized to raise the funds.

**Items and people you need to add to your resource list before beginning your fundraising effort:**

- Update mission statement and goals
- Board members
- A donor list
- A development staff person
- Training for your board in fundraising
- A team of volunteers

- An assessment of public opinion regarding your organization

## **Step Five: Set Your Goals**

This is an area where you'll definitely need to get your board involved. They are, after all, the ones ultimately responsible for the financial stability of the organization. As you think about your fundraising goals, fight the temptation to get stuck in the present moment. Having a vision for the future is one of the best insurance policies for reaching a distant destination.

### **Plan your fundraising goals for**

The present, which may be funding a new program, the acquisition of a new vehicle or technology, or the salary of a special speaker, etc.

The short-term, which may be the next quarter or next year, or until a specific program ends.

The long-term, which may be a five-year plan, a plan for an endowment fund, or new building.

## **Step Six: Choose the Right Vehicle**

*A fundraising vehicle* is any of the campaigns, events, grants, etc. that you will use for your overall fundraising strategy. Once you've decided where you want to go with your fundraising efforts, you must choose the right fundraising vehicle to get you there.

What are the standard fundraising vehicles?

**Annual Campaign:** A yearly fundraising campaign to raise support for operating expenses. May include direct-mail campaigns, telephone solicitation, individual or corporate donations, or special events.

**Major gifts:** May be either a one-time gift or repeated large gifts given to support a particular program, project, or improvement.

**Capital Campaign:** Increases the assets of the organization's holding. This is an extensive fundraising program that calls for high-level gifts, often paid over a number of years.

**Planned gifts:** Add to the endowment of the organization. These gifts are usually made from a donor's estate; they are large and carefully planned.

\*Note-When you hold special events such as black-tie dinners or walk-a-thons, the proceeds can go wherever you need them: the operating fund, the capital campaign, a specific program, a special project, or the endowment fund.

## Step Seven: Identifying Fundraising Markets

The next step is to identify your markets. From where do you want to raise your funds? The best fundraising plans don't focus too heavily on any one area, but mix and match constituencies.

Remember-

One of the biggest downfalls of local fundraisers is not knowing their community. Learn who comprises your target audience, what will attract it to your cause, and whom you may realistically tap for funding.

Before you begin, ask yourself the following questions:

- Can you profile potential donors?
- Do you know who will be interested in helping you meet your goal?
- Can you reach these people?

**Some potential markets include:**

- **Individual donors**-Try to target those who may have been personally touched in some way by your cause.
- **Affinity groups**-Professional associations or special-interest groups can be a good source of short-term programmatic funding.
- **Churches**-Depending on the relationship you can build with sponsoring churches, you may receive specific program support or ongoing operational support.
- **Corporations**-Corporations are usually more interested in funding a specific program-something they can see their name on- than in providing for operational expenses.
- **Foundations**-Foundations are usually interested in helping provide solutions, which means programs, programs, and more programs.
- **Government**-Similar to corporations (but with a lot more red tape) government may be able to provide you with program-related expenses, staff salaries, and perhaps operational support.

Begin with those closest to you- people you see often, vendors you work with regularly, community organizations that you are affiliated with, etc. As your circle widens, so will your market.

## Step Eight: Budgeting Your Fundraising Efforts

You've no doubt heard the phrase "you need money to make money." To meet your goals effectively-raising the funds you need in order to fulfill your mission-you need to walk a fine line that includes careful planning, budgeting, and accounting for the monies you bring in and spend.

When planning out the expenses of your fundraising program, be sure to consider costs in all the following areas (not all will apply to every organization):

- Salaries and Wages
- Pension plan contributions
- Employee benefits
- Payroll taxes
- Supplies
- Telephone
- Posting and Shipping
- Facility rental
- Equipment costs
- Printing of publications
- Travel

So how much money does it actually take to make money? Different types of vehicles require different investments, but it ranges from 10 cents on the dollar raised for major gifts to 50 cents on the dollar raised for special events.

Some nonprofits make it part of their "good stewardship effort" to keep their overhead costs- administration and funding costs- as low as possible. The United Way, for example, prides itself in keeping overhead costs to less than 10 cents on the dollar.

## Step Nine: Drafting the Plan

Now that you know what your basic needs are, you're ready to put it down on paper and up for debate. As you write your fundraising plan, remember to include the following items:

- 1. A clear statement of your mission- What is the reason for your charity's existence? What NEED is it responding to? Who is it helping and why?**
- 2. Your case statement, explaining what you are fundraising for.**
- 3. Your fundraising goal**
- 4. Your selected vehicle**
- 5. Your targeted markets**

Write up the plan, including specific information, such as an overall time frame, the benchmark goals you want to make during that period, resources you will be using, information on campaign leadership, and the budget for the campaign.

### **Step Ten: Implement Your Plan**

Once you have everything planned on paper, it's time to put it in action. Gather together your team and get to work! Good luck!