

Raising Your First Funds

A WaterNet Fundraising Supplement by Pat Munoz & Liz Raisbeck, River Network

As a bee makes honey to survive through the winter, every nonprofit must raise money to accomplish its goals and survive. People have an advantage over bees -- we can raise money all year! This is often a hard truth for the board of a small nonprofit to internalize and act on, but it is absolutely essential to the survival of an organization. The organization that puts all its energy into issues at the neglect of the financial garden will surely starve in short order. So, now that you and your board have accepted this hard fact of life, here are a few ideas on how to go about raising those monies targeted in your budget.

Getting Started

In starting up a new organization, you have a wonderful advantage.



People get excited about things that are new, and the first year is a great time to generate that excitement. To get the juices flowing, hold a special meeting

of your staff and board to brainstorm about fundraising.

What kinds of fundraising successes have people been involved with in the past? Are there board or staff members with foundation or corporate contacts that they would be willing to use? What do people think would work well for the new organization?

It is very important to get your board and staff involved in this process from the beginning so that they will take ownership of the fundraising. Some organizations delegate this function to a Fundraising Commit-

tee, but with small organizations, it is better to involve the entire board. Without board and volunteer involvement in fundraising, most organizations wither and die.

Fundraising **must** be a shared responsibility. If you have board members who say that they just do not do fundraising, the board needs to consider whether their contribution is so important as to merit exemption from this important obligation. Morale will be high if everyone pitches in, but if some don't, morale could suffer.

Setting Goals

To set an overall goal for your first fundraising plan, take the total expense figure you have come up with for your expense budget and add a small additional amount (5-10%) to provide a cushion in case you go over on the expense side. This will give you an amount to shoot for. If once you have laid out your fundraising strategies, the income target you have chosen appears too high, you will probably want to re-adjust the expenses side of the bud-

get down to an amount which is more in line with what you can reasonably expect to raise.

Consider your assets

In putting together your first fundraising plan, you should consider any special assets that your board, staff or volunteers have to offer. For example, perhaps someone on your board owns a whitewater rafting company, or a restaurant, or a beautiful country home. Think about how you can use these special assets in your fundraising plan.

Other examples of the kinds of fundraising assets which you should look for include: people with special talents (writers, artists, singers, etc.) who might be willing to do workshops/benefits, people with access to good mailing lists which you might use in member recruiting, business owners who might donate items for a raffle or premium, a strong corps of volunteers willing to sell tickets for a raffle, etc.

A good way to go about taking an inventory of these assets is to set

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aside some time at the initial brainstorming session mentioned above specifically for this purpose. Get one board member who understands this concept to list a few assets s/he might be willing to contribute, then brainstorm or do a "round robin," asking each board member to list his/her own possible contributions.

Here's an example of how you would incorporate one of these fundraising assets into your plan:

associations. By connecting with them, you will be achieving your project goal of increasing stakeholders, plus you will be raising money at the same time.

If you are planning an annual meeting to inform the community about your organization, consider incorporating a fundraising event, such as a live or silent auction, a dinner, a raffle, or a concert, into that program activity.

3. the organization will establish a "fundraising culture" which regards raising money as an ongoing, day-to-day part of activities rather than a "crisis mentality" which puts fundraising off until there is no money and the organization is in the worst possible position to do effective fundraising

Moreover, certain fundraising activities just naturally lend themselves better to certain times of year. Es-

establishing an annual calendar for fundraising will allow you to carry out these activities at the optimal time of year and obtain the best possible results for your efforts.

Strategy	Goal(s)	Action Steps	Who	When
Hold a party at the home of a board member	Recruit 20 new members; Raise \$1,000	Select date and time; plan the event; compile invitation list; prepare and mail out invitation; hold event; do follow up	Board committee with help from staff	Sept, 1998

Integrate fundraising with other activities

Your fundraising plan should fit together hand in glove with your annual action plan. Develop a fundraising plan that maximizes your project goals.

For instance, if one of your projects is to develop a river greenway that will not only improve the quality of life in your town but will also attract tourism and make your river healthier, be sure to include within your fundraising plan a strategy to recruit business memberships. The business community will very much appreciate the benefits your organization's project will have for the town.

Also, consider reaching out to civic

For almost any program activity you plan, you should be able to come up with a fundraising activity to complement it.

Timing is important: make a fundraising calendar

In creating a fundraising plan, it is important to spread activities out over the entire year for a number of reasons:

1. scheduling at least one major income producing activity per quarter will insure that you will have income coming in steadily rather than in big bursts, or all at once at the end of the year;
2. by spacing out the work, you will be better able to do a good job on each activity and accomplish the goals your group sets;

For example, if you are planning a river festival or river trip, the spring or summer will probably be the best time. The best time to mail out a request to join is probably in January-March, or September-November. If you are looking for foundation support, you should start early in the year because the whole process, from initial research to approved grant, can often take 9 months. Putting together a good raffle should probably start in April or May, and take advantage of the summer months for selling the tickets.

A few key strategies

But we are getting ahead of ourselves. Remember that the first year, you want to select only a few

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fundraising strategies, not dozens!

So sort through the ideas generated at your meeting and pick out the three to five that appear to have the biggest payoff for your efforts, best accomplish your goals and most complement your program. (Special events are time-consuming and not big money makers, although they can be worth the time if they educate and excite key members of the community about your program and generate new members.) Develop these strategies into a plan.

The key here is to break down your overall goal into bite-sized

sub-goals that are attainable and realistic. To do this, detail the strategies selected, the monetary sub-goals, action steps, responsible person or persons, and timetable for each, (don't forget to estimate what it will cost, and add those costs into your budget).

In the first year, you should probably limit yourself to three or four key strategies, although the more diversified your fundraising plan is over the long run, the better off you will be.

The first few years, it is best to concentrate your efforts on building a base of individual members for your organization, on finding a few key donors

(businesses, individuals, foundations) who will make major gifts, on planning and organizing one event that will generate funds, involve the community and perhaps provide media exposure for your group, and on exploring local and state funding sources for your organization, such as the local chamber of commerce, the local United Way, area churches, or state and regional agencies.

Below is a sample fundraising plan for a new organization that will allow it to raise \$25,000, generate new members, and inform the community about its project. Your plan will be different, but should incorporate the same basic strategies.

Strategy	Goal(s)	Action Steps	Who	When
Recruit individual members	Raise \$5,000; recruit 200 members	Hold two public meetings in key communities; publicize meetings widely; explain threats to community and how your project will help; describe action plan; ask for their help.	Staff, with help from volunteers	May
Recruit business members	Raise \$5,000; recruit 25 business members	Compile a list of 100 businesses in the watershed; plan a campaign; prepare a case statement; solicit gifts of \$100 to \$1,000; follow up.	Board committee	late summer
Solicit foundations	Raise \$5,000	Research local and regional foundations; prepare and mail out a proposal to the 5 best prospects; follow up with a visit or phone call.	Board committee	Jan.-June
Hold a raffle	Raise \$5,000	Solicit prizes; prepare raffle tickets; sell tickets; award prizes (save ticket stubs for mailing list).	Board committee	Mar.-Oct.
Solicit local/state/and regional gov't organizations	Raise \$5,000	Research local/state/regional organizations that provide funding for projects similar to yours; prepare and mail out proposals; follow up with visits or a phone call.	Board committee	Summer/fall

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Identify your prospects

In order to make your fundraising plan as realistic as possible, it is important that you list your funding prospects. If you are planning to recruit new members, list the prospective mailing lists you will use and the number of individuals on each list. If you have targeted a certain amount of money from corporations, list those corporations and how much you plan to request from each. If you are budgeting foundation income, list each foundation you think might fund your organization.

To be even more precise in your forecasting, make a chart showing the names of each funding prospect, followed by the amount you think you can request and a rating (I use a percentage) to indicate your best estimate of what your chances are of getting a gift.

Next, multiply the amount requested by the rating. It may take a little time to develop your skill at rating your prospects, but with practice your forecasts will become uncanonically accurate.

My own system is to give foundations which have given before a 75-80% rating, those which are new but where I have a good contact a 50% rating, and new foundations which seem to be good targets but where I have no contact a 10-20% rating.

This procedure takes time and effort, but provides a real reality check for your fundraising planning!

If you have done your estimates well, the resulting figures will give you the total amount of money you can expect to receive from that par-

ticular funding source. For example, your foundation forecast chart might look like this:

With issue-oriented groups, most of the energy is usually focused on accomplishing project-oriented results,

Foundation	Amount	Project	% Chance	Forecast
ABC Fund	\$10,000	Lawsuit	50%	\$ 5,000
River Foundation	\$ 4,000	Member Drive	25%	\$ 1,000
Watershed Trust	\$15,000	General Optns	50%	\$ 7,500
Black Family Fund	\$25,000	Training Program	10%	\$ 2,500
Total Forecast				\$16,000

Approval and implementation

After you have refined and polished your plan, take it back to your board or committee for approval. Remember, their buy-in is crucial. Once they approve it, you must implement it. The secret here, as in your action plan, lies in having one person, usually the leader of the group, but sometimes the head of the fundraising committee, coordinate and follow up on the actionsteps.

One nice thing about fundraising--the results are tangible and easy to measure. If the treasurer of your board reports each month on the income and expenses of the organization, this information will provide a direct measure of how well people are carrying out their parts of the fundraising plan.

Revising your fundraising plan

Your fundraising plan should be a dynamic and ever-changing document, not one set in stone. It can be modified as results come in, added to, etc. However, it should be taken very seriously and referred to regularly to check progress and make sure that what needs to happen is actually occurring in a timely fashion.

and this is as it should be. But this cannot be done at the expense of the fundraising activities, or the organization will suddenly find itself without any fuel to power its engines. The fundraising plan is a tool that the board and staff can use, along with the budget, to monitor results and anticipate and hopefully avert crises before they happen.

Recruiting Volunteers to Help

There is an old saying that making things happen is 10% work and 90% attitude. The staff and board will need to cultivate the right attitude towards fundraising in order to recruit others to help deliver the goods.

If you market your fundraising program as achievable, simple, and actually fun, you will find it easy to gather those "many hands that make light work." Furthermore, if lots of people are recruited to do fundraising jobs, you are less likely to burn out your star fund-raisers. Remember, volunteer help won't just appear. As part of your plan, ask your staff and board to take responsibility for recruiting others to help.