The Basis Project
Building and sustaining success
Refugee Council | Refugee Action

Fundraising

Section one Developing a fundraising strategy

1.1 What is fundraising?

The term 'fundraising' is used to describe the process of raising resources (funds). These resources can be human, cash and/or any other material resource offered to your organisation as 'in-kind' support. Fundraising is a tool that will help your organisation to create the resources it needs in order to carry out its work and to meet the needs of your community. This means that:

- the fundraising process should start from a clear idea of what resources are needed and why
- what are the needs of the community and
- what plans do you have to address these needs?
- is your organisation planning to continue an existing service, develop an existing service or develop a new service?

Every refugee community organisation (RCO), whatever its size, needs to think about how it funds its activities. Even community groups that are completely run by volunteers will need some resources in order to cover volunteers' expenses, publicity material, rent, telephone calls, stationery, and so on.

There are many ways of raising funds, and the chosen method will depend on how much is needed and for what purpose. This is where a fundraising strategy will help you to plan effectively.

1.2 What is a fundraising strategy?

A fundraising strategy is a step by step plan of action that outlines where your organisation is now and where it wants to be in the next one, two or three years, and how it proposes to fund these plans. Your fundraising strategy should be based on your organisation's business plan. [See **project development toolkit** for information on developing a business plan].

1.2.1 Who is it for?

Your fundraising strategy should be written primarily to help your organisation and it is important that everyone in your organisation easily understands it. It is good practice to repeat what your organisation is there to do, why, when and how much it

will cost. It should then show how you plan to raise the required funds, who is responsible for what, what funding you already have and for how long. Funders may also want to see the fundraising strategy to understand the future plans of your organisation but the strategy is not written just for them.

1.2.2 Who should do it?

Anybody in your organisation, with the right skills, can do your organisation's fundraising activities. For example, you might choose a member of staff, a volunteer or a committee of volunteers. Who you choose depends on your organisation's resources, timescales, the activity to be undertaken and the overall objectives of both your fundraising strategy and your organisation's overall plan.

As a general guide, your fundraising strategy should explain:

√ what your organisation wants to do (aims and objectives)
√ why your organisation wants to do it (the need)
√ who will benefit
√ what will happen if nothing is done (that is, the effect on the community)
√ when your organisation wants to do it (timeframe)
√ how much it will cost (budget)
√ how your organisation plans to raise the money
√ who is responsible for doing what (tasks)
√ what funding is already secured

1.3 What does this mean in real life?

For example, if your organisation's fundraising strategy includes the development of an Information Technology (IT) learning centre, the strategy should include:

- how this project fits into the overall aims and objectives of your organisation
- some information about the project itself (for example, what section of the community you are targeting, how many and where?)
- how the idea of the project came about (did it develop out of an existing project?)
- how much money you need to raise and how you plan to raise it

Perhaps you could divide the project into different components to identify the type of funding that might be available. You might also think about organising a community event to raise money for cheap second-hand tables and chairs.

1.4 Can you adjust your fundraising strategy?

Yes, you can. Do not forget that a fundraising strategy is a working document and can be adjusted as you go along to include new ideas. You might also have to adjust it due to any changes that might affect your organisation or the timing of a particular project. Your organisation should aim to update its strategy every year (incorporating new developments and achievements) and produce a revised strategy every two or three years. The fundraising strategy should be informed by your overall business plan.

Before you can properly start developing your strategy, it is advisable to sit down with those involved in developing it to consider, as a group, any factors that might affect your organisation's fundraising opportunities. There are many ways that you can do this, but two very popular methods are the SWOT analysis and the PEST analysis (see below).

1.4.1 Looking at where your organisation is now

To help you assess your current fundraising position and to plan for possible future changes, you can do a SWOT analysis.

SWOT = Strengths, **Weaknesses**, **Opportunities** and **Threats** that affect a particular activity, or even the organisation as a whole. This is a useful tool for thinking about how you might respond to weaknesses or threats, or work to build on strengths and opportunities. For example, a threat could be that the local authority withdraws its grant to you and an opportunity could be setting up a partnership with a local English language college.

1.4.2 SWOT analysis

An example of a SWOT analysis for a small organisation:
[taken from the 5th *edition* , *The Complete Fundraising Handbook*, Directory of Social Change. (www.dsc.org.uk/Publications/@2613)]

	Positive	Negative
Internal factors	Strengths • Established team • Experienced management • Good relations with local authority • Good reputation	Weaknesses • Limited contact with funders • Existing grants running out • No evaluation undertaken
External factors	Opportunities • Public interest in your issue • New company in the area	Threats • Change in the benefit regulations • Another local agency is expanding aggressively

1.4.3 PEST analysis

To help your organisation explore external factors in more detail, it is very useful to do a PEST analysis. **PEST = Political**, **Economic**, **Social**, and **Technological**.

This will help your organisation to look at changes in society that might affect its fundraising potential and also its more general work. Look at the following examples to help you understand further:

- Political: What would the impact be on your organisation if new legislation was introduced to ensure that all RCOs supported economic migrants as well as refugees and asylum seekers?
- Economic: How would increased spending on volunteering projects impact on your organisation?
- Social: How would a positive shift in public attitudes to asylum issues affect your organisation?
- Technological: How will your organisation keep up with the advances in computer software?

Your organisation may not be able to do much to influence any of these external factors however it is good practice to consider these possibilities.

An example of a PEST analysis is:
[taken from the *5th edition* ,*The Complete Fundraising Handbook*, Directory of Social Change (www.dsc.org.uk/Publications/@2613)]

Political	• How will new government strategies or initiatives affect voluntary organisations? For example, Local Area Agreement (LAA), ChangeUp and so on.
Economic	• What effect will the next budget have on fundraising? • How will increased public spending impact on voluntary organisations?
Social	• What will be the results of the continuing fragmentation of the family?
Technological	• How will new technological innovations impact you and your service users?

An organisation will probably develop a fundraising strategy for each project that it runs, and this can be pulled together into a fundraising strategy for the whole organisation. This ensures that there are no gaps where activities are not funded, and also illustrates how each activity fits into the general direction of the organisation as a whole.

Consider the following tips when putting together a fundraising strategy:

Tips	Why and how to:
Involve Everybody	• Developing a fundraising strategy should involve your management committee, staff, volunteers and members/clients so that they all understand how their individual work contributes to the overall aim of your organisation. • Also, knowing who pays their salary or expenses can make

	people feel more accountable for the work they do and helps in understanding the importance of evaluating and monitoring their work. • You should also involve all staff in planning for continuation funding for their post, as they will have useful insight about what changes or additions need to be made to their duties. • You could send out a draft you are comfortable with and hold a meeting to get feedback on it. Alternatively, you could create a system which allows people to feedback anonymously.
Define the need	• Your fundraising strategy is based on your assessment of the needs of your client group and this determines the future plans for your organisation. • Are your clients' needs the same as before or have they changed? How much money does your organisation have at present and how much more is required to meet the needs of your clients? • Try using questionnaires for your users, staff and volunteers. Conduct structured interviews to get comprehensive feedback and try to use community statistics. • Look at who else provides similar services in your area and if there are other similar organisations, think about how your organisation could work with them or how your service meets a particular need that theirs does not. • Always demonstrate what is unique about what you are providing. This may be specific to your cultural heritage/religion/language/location/the financial constraints users have that may prevent them from using other services. • Research your user group and demonstrate the need for your specific services. See **Section 5** for more information.
Identify funding sources	• Make a list of all your past and present sources of funding, including funding organisations and individual donors, so that you can identify potential sources of funding for the future. • It may be possible to raise money from an existing funder – you could explore this option with a funder. • If you are reapplying for the same funding, take inflation into account. • You should check the funder's criteria prior to making requests as some funders will not fund 'core costs' (or will only fund a small percentage of these costs). For example, staff who are not connected directly to a project, and/or building or governance costs. • Diversify your funding – it is better to receive funding from several funding sources rather than just one or two. Otherwise you will become too heavily reliant on one funder, and you may suffer if this funding comes to an end. • In your fundraising strategy outline which funders you are going to target for which projects. Consider targeting your efforts on one to three funders over the next one to three years. Of course, the number of funders that voluntary and community organisations (VCOs) may consider approaching will vary from one to another depending on the size of the organisation and its capacity to handle the workload.

	• Also look at other fundraising activities that you have done in the past – were they successful and; did the activities raise enough money considering the cash you had to spend to set them up? • You could carry out a stakeholder analysis – this means listing all the groups and people who are interested in your work. This may include local authorities, second generation refugees who have done well and wish to give back to their community, and members of your organisation who have a real interest in supporting your work. This may help you to identify new sources of funding for the future. Consider all potential sources of funding!
Be cost-conscious	• Always think about how much the actual process of raising money will cost – staff time, refreshments, stationery, material, venues and so on. Costs will depend on the nature of the fundraising activity. A mail out? A fundraising day? Whatever it is, there is always a cost involved. • Costs should be proportionate to what is raised through the activity, so balance the time and money that you spend against the amount you hope to raise. Do not spend £100 hiring a venue for a fundraising concert, and £75 on refreshments if you only expect ticket sales to raise £220.
Learn from your experiences	• Look back at your organisation's past experiences of fundraising and those of other organisations so that you can minimise the risk involved in fundraising by adapting methods that have worked in the past. • Of course it is good to try out new techniques - as long as you do not invest all of your time, resources and hopes into something that you are trying out for the first time.

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Refugee Action, The Old Fire Station, 150 Waterloo Road, London SE1 8SB, UK
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