

# facts on fund-raising

B : T H ENDS

The Goldman  
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## After the Prize

Dear Prize Winner,

*Both ENDS presents you with the last of four newsletters to develop your fundraising capacity. As many of you mentioned in the Goldman survey, shaking the money tree when your organisation is small or unseasoned in fundraising, can often cost too much time and involve other taxing expenses. Yet effective fund-raising is a cornerstone of any solid and successful project.*

*So, tailored to touch on the common themes emerging from your survey replies, this series of newsletters will serve as complementary side-reading to the more particular one-on-one support Both ENDS is also providing for recipients.*

## Introduction

Welcome to the fourth and last newsletter on fundraising. In this issue we pick up where we left off in newsletter #3 examining organisational issues which are crucial to the success of any project or campaign. We look at how best to convert SWOT data into effective action, and we offer some simple yet insightful principles on internal organisational pre requisites for a successful implementation of your fundraising strategy, such as the art of delegating, running a healthy financial management system and project management and administration.

Lastly in this issue we have a look at creative, non-donor-based fundraising, something many of you expressed an interest in knowing more about in the surveys. We hope these ideas and examples provide you with an imaginative inspiration, which will help keep your organisation in firm financial health for a long time to come.

## A. Strategies into reality

### Using SWOT Data

In the last issue we introduced the SWOT analysis. However, there's no point carrying out a SWOT analysis if you don't do anything with it. But what should you do, and how do you make sense of information you've gathered?

The main danger of a SWOT session is the illusion of action. SWOT analyses tend to be stronger on description rather than analysis: one ends up with long lists of issues with little or no weightings or priorities, and the results can sometimes end up being a combination of the obvious and the impossible. A SWOT is very often looked upon as a basic analytical structure only, or used as a way of launching a wide-ranging group discussion about an organisation's strategic position. In these cases a SWOT is usually not linked, at least formally, to any subsequent strategic planning application.

As with most such management analysis exercises, a SWOT won't itself give any specific answers. But it is a way to organise information and identify opportunities as a basis for developing strategies and operational plans. As such, it's relatively quick, clear and comprehensible.

The last issue provided some tools to use when seeking to translate your SWOT session into setting up a strategic plan, based on a shared vision and mission, and which specifies the necessary instruments and resources. This strategic plan is also the starting point for a coherent fundraising strategy. However, when setting up a fundraising strategy, the strengths and weaknesses of your internal organisation and management should not be overlooked. Does your organisation have the necessary skills and capacities to implement the planned fundraising activities and to sustain relationships with donors? For example, a good fundraising strategy will be of little help to the organisation if the director has no time to maintain contacts with donors, and has not delegated this responsibility to other staff members with the necessary skills. Other essential prerequisites for successful and sustained fundraising are a healthy project management and administration, including financial administration and bookkeeping.



## ***Box 1: The importance of sustaining relationships with donors***

One of Both ENDS partner organisations received program financing from a Dutch funding agency. Because of a lack of capacity and urgent developments in the field, the organisation failed to report to the donor on how the funds were spent. When several attempts from the donor by phone and e-mail to contact the organisation directly failed, the donor tried to contact the organisations through Northern and local partner organisations that also maintained contacts with this organisation. Yet again, they got no response. In the end, the donor blacklisted the organisation. This list is shared by Dutch funding agencies, some of which have international offices. This means that all Dutch donors and some of the affiliated international donors will keep their doors closed to this organisation.

This case shows how bad organisational management cannot only ruin a good donor relationship; it also ruined future funding opportunities. Not only has this affair left a very big stain on their name amongst donors, but other Northern and local partner organisations have also been informed about the failure to report.

Lessons to be learned from this case:

- Once you have a funding relationship with a donor, it is crucial to invest time in maintaining it. If your organisation lacks the capacity (in terms of time, manpower or skills) to report and communicate adequately, you may want to discuss this with the donor. If a donor is convinced of the importance of your organisation and your work, they may allow you to include an amount of salary hours for reporting in the budget. Sometimes donors even contribute to capacity building activities, such as workshops on bookkeeping and organisational strengthening.
- Having budgeted the time for reporting alone is not enough. You also need a person to 'claim' this time by actually writing the report. If you don't have the time to do this yourself, delegate this task to another staff member who does.
- Make sure that your organisation has a staff member with the necessary skills to delegate these fundraising and reporting responsibilities too.



## ***Delegating: Sharing the Workload***

"I'm too busy to delegate!" Too often this is the excuse people use instead of sharing the responsibilities of strengthening the organisation or working on specific issues with other members. As a result, they become overwhelmed by the amount of work they are doing, and frustrated by the lack of help from other people. Delegating is a skill that is critically important to developing and maintaining strong organisations, and to developing new leadership and a strong membership base. Like many other organising skills, delegating is a process which involves careful planning, assigning responsibilities and follow up. To do it well, we need to change the way we think about asking other people to participate in our organisations. Delegating means sharing the workload, but it also means sharing the fun and satisfaction that comes from accomplishing something.

### **Planning: How group members can participate in planning**

People will be more committed to working on projects which they had some role in developing. Therefore it is important to bring people in at the first stages of an idea. If a group has discussed and agreed upon its goals, the members will be more willing to carry out the necessary work. Once the group's goals have been established, one can make a list of the tasks or projects that need to be done. This list should give a clear definition of what is involved for each job and provide a timeline for carrying out each one. The plans should be as detailed as possible, but don't forget to leave enough room for the creativity and input of the members who will actually do the work.

Another important part of the planning process involves careful consideration of the skills and resources available within the group as well as the interests and motivations of each individual in the group. It can be useful for each member to make a list of their own specific skills and interests, including things they enjoy and issues where they want more experience.

*Delegating is a skill which is critically important to developing and maintaining strong organisations*

## Assigning responsibilities

This is the stage that is usually associated with delegating. If the planning stage has been done well, there should be few problems with finding people willing to take on necessary responsibilities. But there are a few points to keep in mind.

Decide what setting to use. Some jobs can be delegated during regular group meetings, while others are better discussed personally with a specific member especially in case of more complicated or demanding tasks or projects.

Be enthusiastic. Be positive about every task or job that is assigned. Remember that there may be people in the group who enjoy and have time for tasks that other people consider boring. When there are routine tasks to be done, remember to stress how the smallest details contribute to the strength of the organisation or project.

Try to make every task a learning experience. Ask group members if they want to learn specific tasks or jobs. This will help involve new people and will build talents and knowledge in the group. This also avoids group members doing the same thing all the time.

Delegate important tasks, as well as less important ones. People are likely to be willing to do some of the more boring tasks if they also have a chance to contribute to the more important work of the group.

Let the person you ask say no, but don't say it for them. Simply explain the reasons why the task is important and ask for the person's help.

Be clear about your expectations and get a commitment. Explain clearly to group members what needs to happen and by when. Agree on timelines about specific parts of the project.

Remind the group of its goals. If it is hard to find volunteers to do the work, it may be necessary to revisit the goals of the group which all had previously agreed upon and see if people are still committed to doing the work it will take to accomplish them.

## Following up

The role of the "delegator" does not end once the tasks have all been assigned. Careful attention to follow-up is essential to make sure that the assigned work is done well and on time. Proper follow-up can help each member with delegated tasks to feel good about his or her contribution. Some of the things to keep in mind in this final phase are:

Provide training. Some people may need training to do the tasks they have offered to do. Sometimes pairing with another group member who has experience in a certain field can be helpful.

Be accessible. Be sure group members know how to reach you if they have questions or concerns.

Be encouraging. Help motivate others and express your confidence in their abilities to do the assigned task(s). Encourage creativity and be tolerant of risk-taking and mistakes.

Hold members accountable. Remind people that they have a commitment to the group. If they are unable to fulfil their obligation, ask them to suggest a solution which will get the job done. Don't get sloppy. If a task does not get done, find out why as soon as possible.

Praise and congratulate. It is important to make people feel that their input is valuable. The important thing is to make people feel that they contribute to building the group and achieving its goals.

## *Defining necessary skills: fine-tuning your fund-raising strategy with your organisational capacity*

Once you have developed your strategic plan and set out a fundraising strategy, make sure that your plans and objectives correspond with the capacity (in terms of time and skills) available in your organisation. For example, if your organisation decides to raise funds mainly through donor agencies, you may need to make some organisational adjustments in order to convince donors of your financial credibility. This involves skills and capacity in the field of project management and administration, bookkeeping, budgeting reporting to donors and key financial management issues.

There is a lot of valuable information available regarding these issues on the internet. One example of an excellent site containing useful information packs on bookkeeping, budgeting, reporting to donors and key financial management issues is the MANGO (Management Accounting for Non Governmental Organisations) site, which is dedicated to helping NGOs meet all of their financial management needs.

<http://www.mango.org.uk>

For more useful links see the next page.



*Make sure that your plans and objectives correspond with the capacity of the organisation*

**Interesting Links:**

Fundraising and financial sustainability:

<http://www.nonprofitbasics.org/TopicArea.aspx?ID=4>

Staff development and organisational capacity:

<http://www.nonprofitbasics.org/TopicArea.aspx?ID=6>

A little more on things like SWOT and how to use them:

<http://www.change-management-toolbook.com/analysis.htm>

A little more on different ways to get money:

<http://www.zhaba.cz/materials/Money/Money.html>

Generating local resources & quick guide to funding sources might be interesting:

[http://www.rec.org/REC/Programs/NGO\\_Support/PDF/ProjectManagement.pdf](http://www.rec.org/REC/Programs/NGO_Support/PDF/ProjectManagement.pdf)

Managing money:

[http://www.impactalliance.org/ev.php?ID=1022\\_203&ID2=DO\\_TOPIC](http://www.impactalliance.org/ev.php?ID=1022_203&ID2=DO_TOPIC)

And now something different: examples of winning proposals:

[http://www.impactalliance.org/ev.php?ID=2334\\_201&ID2=DO\\_TOPIC](http://www.impactalliance.org/ev.php?ID=2334_201&ID2=DO_TOPIC)

The NGO cafe: NGO Fund-raising strategies

<http://www.qdrc.org/ngo/funding/cafe-strategies.html>

A first rate site covering different stages of personal and organisational development is offered by the Change Management Toolbook. This site offers a broad range of methods and strategies which can be applied:

<http://www.change-management-toolbook.com>

For an introduction to project management specifically focussed on NGOs, visit ENRO's website. ENRO is a German organisation that provides training courses and information materials on development policy with a

## B. Creative Fund-raising

### *A different Approach to Fund-raising*

Raising funds through donors is a time intensive exercise, and makes organisations depended on the changing policies of funding agencies. As a result, many NGOs and CSOs decide to gain self sufficiency by looking at alternative, more reliable strategies to mobilise resources, and at ways to internalise these strategies into the organisation. The four principles below offer guidance on how this can be done.

#### **First Principle: Look elsewhere for support:**

If we see donors as the only people with the money, that's the only place we will ever apply ourselves to getting funds. And yet there are other people and groups of people in the world who do have money. It may just be a matter of opening our eyes to see this, and when looking, doing so creatively. If we only ever see donors as the people with the money, our fundraising skills sets will only ever go as far as how to deal with donors in the traditional sense.

Case example: A *Sustainable African Village* has described how they could not interest foreign donors in supporting them. However discussion and investigation revealed that in the many years of operation, over one thousand foreign visitors had stayed at the village, and all their names and addresses were written in the guest book. Most had enjoyed their stay, and most were fairly wealthy tourists. This list should become a valuable resource. If each visitor donated US\$10 a month, the Village would have its running costs covered.

Other alternative ways to generate income are by doing consultancies, receiving sponsorship, selling materials, publications or services, collecting money from the public directly, or by direct saving on your NGO costs.

#### **Second Principle: Seek to mobilise resources, rather than raise money**

As development organisations we get stuck on the old saying that "money makes the world go around". And whilst this is true in so many cases, in a whole lot of other cases, there are all sorts of other commodities which make the world, or at least our work, go around. And yet, when we think about what we need for our project, we only ever think of money. Consider your organisation: What *things* do you need? What *skills* do you need? What *human resources* do you need? Perhaps there is someone out there, or a business, or another organisation, which would be willing to give you commodities, time and skills rather than money.

Case example: The *Men on the Side of the Road Project* invite the public to donate used work and garden tools. These tools are then repaired and cleaned, and then the work seekers use them to gain employment, since research and experience show that a worker with his own tools is more likely to find work. Excess tools are sold to emerging business people at a small cost.

#### **Third Principle: Make an effort to diversify skills for resource mobilisation**

In looking for resources from sources other than traditional grant makers, we are required to add to our skills set. Maybe this requires learning how to run a business venture, or learning to make public presentations - whatever we need to develop a strategy for resource mobilisation, we are challenged to grow and learn. Resource mobilisation (and fundraising for that matter) is not something we can go to an institute or college and learn - it is more about a personal process of development, a personal experience of learning and growth.

And we also need to *work* to get resources. They don't come without a price. Sometimes we want to get on with the core work, and have someone else pay us to do it. But unfortunately it does not happen like this. It takes work, effort and personal journey of learning the necessary skills.

A conversation with the Director of a well-resourced organisation, revealed that when he started the organisation, out of every five days at work, he would spend at least two full days mobilizing resources. This he did for the first two years. In this time, he was able to build a stable financial base for the organisation, and well-develop his skills.



#### Fourth Principle: Establish an enabling organisational environment for creative resource mobilisation strategies

In a traditional fundraising context, donors may want to see evidence of impact, or perhaps they want to see a strategic plan. Or perhaps they need to see the books audited to their specifications. But in a context of creative resource mobilisation, we need to have organisations, which work as a whole towards resource mobilisation, and create an enabling environment for it. Which means you ought to be thinking along resource mobilisation lines in everything you do as an organisation.

This means inculcating an understanding of resource mobilisation amongst the staff, so that the responsibility for resource mobilisation rests more comfortably on everyone's shoulders. It means that when someone has a great and creative idea, which will generate resources for the organisation, that a staff team is able to implement this with confidence. They know it is embedded in a supportive and enabling environment, and therefore has the potential to be maximised and generate resources for the organisation over the long-term.

You need to look at your organisation with a critical eye, and say "If I had money or resources to donate, would I *really* be willing to give it to this organisation?" The entire organisation needs to be one which when others look at it, it makes them want to give, donate, partner with and support. To expand on this, there are five areas which are worth considering if developing an organisational environment which is enabling of resource mobilisation. Let's briefly look at these:

- 1 **Localised Income Generation:** There is a challenge to find sources of money that come from your own country. This may be from corporations, it may be local family foundations, it could be the government. But it could also be an ordinary person, or many ordinary people. Also consider memberships, or even (if this is possible) charging a small fee to your beneficiaries for the services that are offered. The point here is to find resources, which are close to home.
- 2 **Developing mutually beneficial partnerships:** It is important to be a 'team player'. If you are not working with others from different sectors, you run the risk of not knowing what's happening 'out there'. Your work should be anchored in the broader context of society. It is important to find a good fit - sometimes this takes a while. Try to find one, two or maybe three really good partnerships with other enterprises or organisations.
- 3 **Marketing and the use of the media:** This is the implementation of one-way communication regarding the work you do. Good marketing can go a long way to making an impression out there that you are the best organisation, and one worth investing in.
- 4 **Public Relations:** This means the maintenance of a two-way dialogue with your various constituencies. It can be large and important events and activities which aid this dialogue, but it also translates into very small things such as when you say you will get back to a person, you do. Good public relations take marketing activities, and turn these into partnerships, which are beneficial to the organisation in the long run.
- 5 **Making use of volunteers:** A well-run volunteer effort can go a long way to helping your organisation. You should begin to search out volunteer human resources, which could benefit your organisation on a more strategic level. For example, an inner city school needed to run extra classes in 'civic education' but didn't have the resources to pay for extra teachers. The school's teachers developed the extra curriculum and invited local professionals and civil servants to impart the lessons as volunteers for one hour a week over a six week period. The school was able thus to run the extra classes it needed and successfully got a wider group of people involved with the school. These people will be easier to mobilise for a future contributions either in time or money. Additionally, this strategy has helped to make the school more deeply involved in the wider local community.

*(Based on a paper presented at the Community Information Network for Southern Africa (CINSA) Conference 11-14 August 2003 by Ruth Osborne of Promotions for Non-Profits)*



#### Useful links on financial management of NGOs

Basic Guide to Non-Profit Financial Management:  
An online module that helps to understand basic practices in financial management, and build the basic systems and practices needed for a healthy organisation. This resource is provided by The Management Assistance Program for Nonprofits.

[http://www.managementhelp.org/finance/np\\_fnce/np\\_fnce.htm](http://www.managementhelp.org/finance/np_fnce/np_fnce.htm)

Nonprofit GENIE's List of FAQs on Financial Management:  
Provides basic information on developing and maintaining sound financial systems within nonprofit organisations. The Frequently asked questions are made available by Nonprofit Genie, which provides information and resources for the nonprofit/NGO community.  
[http://search.genie.org/genie/ans\\_result.lasso?cat=Financial+Management](http://search.genie.org/genie/ans_result.lasso?cat=Financial+Management)

International Budget Project's Guide to Budget Work for NGOs:

The guide offers a systematic overview of the different aspects of applied budget work, with an emphasis on the activities and approaches an NGO might want to undertake in the initial years of such work.

[http://search.genie.org/genie/ans\\_result.lasso?cat=Financial+Management](http://search.genie.org/genie/ans_result.lasso?cat=Financial+Management)

Nonprofit Financial Center Online Guides to Nonprofit Financial Management:  
Several online guides to financial management for nonprofits: an audit preparation checklist, budget summary guidelines, sample job descriptions for finance-related positions, and more.

[http://www.nfconline.org/main/info/guides.htm#fin\\_rpt](http://www.nfconline.org/main/info/guides.htm#fin_rpt)

Both ENDS Fact Sheet number V: The budget

<http://www.bothends.org/service/downloads/budget.pdf>

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### About Both ENDS

Both ENDS was set up in 1986 by 15 Dutch environmental organisations. It was given the mission to act as a support centre for environmental organisations in the South and CEE countries to help them locate relevant information and to facilitate their contacts with 'Northern' organisations, policy makers and donors.

Our core activities are: information exchange, advice on developing project proposals, and active brokerage in fundraising. Other activities include support for campaigns, research, lobby & advocacy, identifying development alternatives and capacity building in support of Southern and Eastern and Central European organisations.

Our general support program has been the cornerstone of our work over the years and now encompasses the South and CEE-countries. We support as many NGOs as possible through our service desk.

Both ENDS receives annually some 1000 requests from Africa, Asia, Latin America and Central and Eastern Europe and the former Soviet Union. It concerns requests for information, contacts, assistance in fundraising, and support for their actions or campaigns.

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## Box 2: The success of the Fraser Island Defenders

FIDO has led a 30 year battle to protect the Australian Fraser Island from sand mining and logging which resulted in halting the sand mining and logging activities and adding Fraser Island to the World Heritage List of outstanding natural wonders of the world. FIDO's activities are supported by voluntary resources and by income generating activities such as organizing safaris to Fraser Island and the sale of publications. To maximize results from its income generating activities, the organisation strives to combine these activities with other organisational objectives. Therefore, the safaris also serve to monitor the project area, and to establish valuable personal contacts. In order to attract and keep volunteers, the morale of the workforce is strengthened by adopting the theme 'conservation must be fun'. "We pointed out the funny side of things with cartoons and satire, and emphasized the good times that people can enjoy, whilst supporting the public interest. Our safaris, meetings and outings became very enjoyable and memorable social occasions. Because of that we found that people never hesitated to help us with working bees, with 'eyeball diplomacy', with the communications network, and in a variety of ways".

(From: "Fraser Island, a success story for lobbying based on FIDO's experience. By John Sinclair, president of FIDO).

## Some final remarks...

Finding financial support is one of the most important - and potentially the most difficult - tasks facing an NGO. NGOs today are increasingly focusing on diversification strategies - strategies to diversify their fundraising activities and donor base - as ways to increase their financial sustainability. At the same time, as competition for international and regional grants increases, using effective grant seeking strategies is more important than ever.

Grant seeking is often misunderstood as a simple search for funding. While obtaining financial support is certainly the primary goal of grant seeking, grant seeking is also an extension of the organisation's work and part of the continuing process of building partnerships both within the local community and with donors. The most important factors funders consider in reviewing applications include project purpose, feasibility, community need for the project, applicant accountability, and competence of the organisation. Other important factors include project logic, probable impact, money needed, and community support. Each of these factors can be established only by investing resources and energy over time.

Many of these factors flow from other work an organisation may already be doing - for example, evaluating and revising its mission statement may help a NGO identify areas of need and define a clear project purpose. In other words, an organisation is always in the process of grant seeking - whether it is researching potential funders, establishing contacts with donor organizations, assessing its own progress, evaluating community need, or developing collaborative relationships with other NGOs.

We therefore hope that this series of Facts on Fundraising not only helps in finding funds but also in the strengthening of your organisational capacity which will - at the end of the day - be essential for reaching your goals and fulfilling your mission.

