

Develop a Fundraising Strategy

What is a Fundraising Strategy?

A fundraising strategy is a plan of how you are going to raise the money you need to deliver your services. Before organisations get to the point of applying for grants or other forms of income it can be helpful to work out how and where you are going to raise this money from. This information sheet gives some of the reasons for having a fundraising strategy and highlights a number of areas organisations might wish to consider when developing a strategy.

Why have a fundraising strategy?

A strategy allows an organisation to set a structure and goals for funding the organisation or project. By having a strategy, you are showing everyone you work with that you have:

- considered and established priorities;
- considered the most effective way to use your resources;
- have a plan for the future;
- have an action plan for raising money and delivering projects.

Essentially a fundraising strategy should give your organisation a clear idea of how you are going to reach your funding goals. It will match sources of income with projected expenditure.

What should you have in place to develop your strategy?

1. **Who:** One of the first things to consider is who will do your fundraising. Fundraising is often a team effort, working with managers as well as the people delivering your project (since they will often be closest to the users). More than one perspective is also useful when putting together funding applications. Furthermore, often a team of people might be involved in other methods to raise funds – for example, fundraising events or donations. Sometimes organisations might not have the resources to devote to fundraising and external help can be sought to help with fundraising bids.
2. **Vision and Mission:** Ensure that you either have, or can put together, a mission statement which is based on your vision that explains what your organisation stands for. Consider the projects you would like to run (or have been running)¹. You will need to consider your organisation as a whole (including vision and mission), rather than individual projects and how they fit together.
3. **Budgeting:** The next steps are to work out how much is needed for your organisation (all projects, plus running costs) – ie budgeting². When developing the budgeting for your organisation, consider capital items (equipment or property, if bought), direct projects costs (the costs that you will incur to make a particular project happen), and indirect costs (the costs of running your organisation, such as rent, heating and lighting). Knowing how much you will need to run your organisation is the key to knowing how much you will need to raise. Often fundraising is not a direct cost of a project, but rather an indirect cost. This is much more difficult to fund, so look for areas that will increase your unrestricted funding base (ie funds that are given to you for the organisation in general – perhaps through donations, selling, events etc).
4. **SWOT on Fundraising:** It might be useful to look at your current fundraising strategies and look at the strengths, weaknesses, opportunities and threats relating to your current methods of fundraising. This requires you to have a good understanding of what funding opportunities might exist in your external environment (eg funding to achieve local authority priorities, strategies and

¹ See project management worksheet for more information on project design and implementation

² See project management worksheet for more information on budgeting



funding streams, and commissioning and procurement opportunities), as well as threats which could be other organisations (if they are competitors) unless they become partners, as well as looking internally at your resources, skills and experience³

5. **Planning your Fundraising Strategy:** Once you have devised an organisational budget and considered where your strengths are in relation to fundraising, this is when the planning of your fundraising strategy starts. Some considerations:

- What are your current projects (if any)?
- Who are they funded by?
- How much have you received?
- What does the funding cover?
- When will this funding end?
- Do you want to continue with this project/line of work?

It is useful to put this information in a table with a timeline that you can see visually. This helps with planning how to get funds to continue the project. Some questions to consider when planning your fundraising:

- How long will it take to raise the funds required?
- Is the project(s) feasible? That is; is the project and its costs too ambitious?

The main problem with most fundraising campaign targets is how to raise what is often a huge sum of money. The answer is “bit by bit”. For example, a target of £60,000 can be broken down as follows:

- £5,000 per month or
- 6 events raising £10,000 each or
- 1,000 people giving £5 per week
- 2 funder applications raising £10,000 each

Having broken the sum required down to small sums you might find it more straightforward to decide upon a particular strategy or method of raising these funds and by referring back to your SWOT analysis, where your strengths lie in fundraising.

How to implement the strategy

It is worth spending time on identifying potential sources of funding as early as possible during the project's development. It's also worth looking at how you can reduce your reliance upon a particular fund or include other funding sources in your efforts. Grant giving sources include charitable trusts, European programmes, local statutory grants, central government grants, Comic Relief and Big Lottery grants. Sponsorship might also be available from local or national companies. Alternatively, you might have some way of selling your services, which will bring in unrestricted funds or donations from individuals. Other sources of income could include contracts to deliver public services. Often the best type of income (although this might be small) is unrestricted income, since you will then be able to use this for anything your organisation will do to undertake its charitable aims.

Refer back to your fundraising plan, SWOT analysis and who you have identified to do the work, as well as any fundraising targets you have decided. Consider all the options you have to raise money and make decisions on which projects will best raise money from various options. It is useful to put together all the above information in a table – projects, how much each project costs, funding target, who is going to undertake the fundraising, what is the best method to raise funds, and how long they will need.

At this point, your organisation is ready to begin fundraising. It is important to document any developments – for example funding bids, feedback from funding bids, especially if responses indicate opportunities in the future, any methods that worked particularly well, those that did not work well and why. All this information will build up your organisation's knowledge and capacity to raise funds.

One last thing to note: at the root of every fundraising strategy is the quality of projects that your organisation delivers that meet an **identified local need**. Fundraising is only the tip of the iceberg!

³ For guidance, see [strategy planning worksheet: SWOT analysis](#).

