



## **Assessing Organizational Readiness for Fundraising From Non-Grant Sources**

While many organizations have a history of successful fundraising from grant sources, they often seek to diversify their funding sources to increase their long-term sustainability. There are many important assets, skills, and resources that impact success in raising money from non-grant sources. Many of these can be developed and strengthened over time. But there are several organizational factors that must be in place from the outset.

Organizations are smart to conduct an internal “gut check” and honestly assess their organizational readiness before embarking on non-grant fundraising strategies. Too many organizations spin their wheels, waste time, and wonder why they aren’t achieving success because they fail to ask themselves the hard questions up front – *before they start*.

In order to embark upon a diversified fundraising plan and successfully raise money from non-grant sources of revenue, organizations should be able to honestly answer “yes” to each of the following questions.

- Do we have a viable mission and organization, including demonstrated success, strong support from constituents, and a compelling need for our work?
- Do we have the staff and Board “bandwidth” (time, resources, capacity, and interest) to implement new fundraising strategies?
- Are our Board members and staff open to at least a few new fundraising strategies such as event/campaign sponsorships, online appeals, house parties, or fee for service/contract work?
- Is our organizational leadership unanimously and completely committed to raising money from non-grant sources, both in principle and in practice?
- Do we have Board members who will be actively involved/engaged with staff in executing fundraising strategies?
- Are our organization’s leaders willing to leverage their personal and professional relationships for fundraising?
- Are we willing to elevate fundraising to at least the same level of importance as our organizational programs and activities?
- Do our senior staff and Board members believe we are ready to begin?

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## How to Build a Fundraising and Development Plan

It is not as simple a process of moving from Step 1 through Step 5 to create, implement and sustain a fundraising and development plan. In fact, even the best thought out plans might fail due to lack of discipline or resources to carry it out, and fundraising plans must be realistic and appropriate for the specific organization and a good match with prospect lists. In our experience working with a wide array of small to mid-sized non-profit advocacy organizations, however, we have identified a series of steps that are essential for success. They are described in this document and are a helpful guide for organizations brand new to fundraising as well as organizations that are looking to more effectively carry out their current fundraising plans.

Fundraising for advocacy organizations and coalitions is different than fundraising for organizations that provide direct services. You are “selling” your advocacy goals rather than a direct service for a population in need. In addition, most advocacy organizations have small staff size and do not have dedicated development staff. They are often challenged by the fact that their members or partner organizations cannot support their fundraising. Most significant, many of these organizations have been solely grant reliant for their funding and do not have a history of fundraising from individuals, corporations, or other organizations.

The good news is that advocacy goals provide excellent “message hooks” to engage potential donors. The key is to integrate fundraising with advocacy and to leverage the advocacy work you do in order to create fundraising opportunities.

Because most advocacy organizations and coalitions have a strong history of foundation grant funding, this document focuses primarily on fundraising from non-grant sources.

### **Remember -- the two most essential elements for successful fundraising are:**

- A realistic and detailed plan; and
- Discipline to execute the plan – which requires a commitment of time and attention.

### Steps in the process

The sequential steps required to develop a fundraising plan are as follows. They are described in more detail below.

- (1) Analyze your current funding sources and set a monetary fundraising goal;
- (2) Identify each of the sources of donors you will pursue (individuals, foundations, organizations/corporations, and/or government) – remember that the most sustainable organizations are those with diversified funding sources;
- (3) For each source, identify the strategies you will utilize;
- (4) For each strategy, identify a goal amount to raise;
- (5) Develop specific prospect lists for each source of donors; and
- (6) Make sure that your goal amounts for each source of donors is a realistic fit with your prospect lists.

#### Detailed explanation of each of the steps

##### ***Step 1: Analyze your current funding sources and set a monetary fundraising goal***

Begin by looking at your current and recent sources of funding. For each, are they likely to renew their support next year? What about the year after that? This should begin to give you a sense of the gaps in current funding you will face on the near horizon.

How much money does it currently take to operate your organization? What must you have in order to achieve your goals?

Based on your answers to these questions, determine the monetary amount you must raise from new sources. This is your fundraising goal.

##### ***Identify each of the sources of donors you will pursue:***

Beyond foundation grant funding, there are several potential sources of donors that can be considered:

- Member/partner contributions;
- Organizations and corporations outside of your current partners;
- Individuals;
- Government funding;
- Fee-for-service – this is payment you receive for providing a specific service such as educational workshops, development of materials, etc.

Consider all of the possible sources and what seems feasible based on your organizational culture, relationships, advocacy activities that might provide fundraising opportunities, and your organizational goals.

While grant funding may seem like the “best bang for the buck” because you can secure a sizeable donation from a single entity, it generally takes a great deal of time and effort to conduct prospect research and write applications (many of which are not funded). In addition, be cautious about mission-creep and grant-chasing – foundation grants typically fund projects rather than advocacy campaigns. And they are time-limited and restricted to specific activities. While some foundation grants will be a good fit for your goals – and foundation grants are always a smart strategy to pursue -- don’t stretch yourself to take on new projects that aren’t a good fit with your big-picture goals for the sake of getting a grant. It’s generally not a wise investment, particularly if it stretches you away from your core mission.

It is important to have an adequate supply of unrestricted dollars, i.e. money in your budget that can go wherever it is needed such as staffing, overhead, and any or all of your advocacy activities.

While building a base of individual donors is typically a “slow grow”, it is one of the most sustainable sources of funding over time. If you can find a way to begin to build a base of individual donors, it is time well invested. Consider house parties or “dialing for dollars” events where you can solicit significant donations (\$50 or more) from a good number of individuals in one event. These activities can then give you a group of individuals who can be cultivated for additional donations down the road.

## ***Step 2: For each source, identify strategies to be utilized***

There are many options you can pursue, and for each source of donors you need to identify the specific strategies you will utilize. Here are some of the various options that can be effective in advocacy organizations, with a reasonable investment of time.

- Advocacy fundraising events that include sponsorship opportunities – note that we aren’t talking about golf tournaments or annual dinners that cost a lot of money and time to execute. Rather, we are referring to advocacy events such as a lobby day, a community meeting, a visibility event, advocacy day, etc. and building in opportunities for companies, organizations, or individuals to sponsor the event.
- Coalition dues or donations -- this can be required or voluntary and can be a set amount, a suggested amount, or an amount configured based on a sliding scale.
- Campaign appeals – these are fundraising appeals to companies, organizations, coalition partners, and/or individuals to donate towards a specific policy campaign.
- Online appeals
- House parties

- One-on-one asks conducted by staff or Board members
- Board member contributions (“give or get”)
- Dialing for dollar events where staff, partners, volunteers, and/or Board members “work the phones” for an evening soliciting their personal contacts to make a donation.

***Step 3: For each strategy, identify a goal amount***

The key to success in this step is to be as detailed as possible. For example, rather than arbitrarily setting a goal to raise \$25,000 in sponsorships, it is more effective to break down what seems feasible for the number of sponsors and at what level. This is based upon your prospect list. A goal for sponsorships might look something like this:

- 5 sponsors @ \$1,000 = \$5,000
- 2 sponsors @ \$5,000 = \$10,000
- 1 sponsor @ \$10,000 = \$10,000
- Total goal: \$25,000

While some of this is guess-work, it should be informed by your history of donors, your prospect lists, and common sense. Err on the side of under-estimating rather than over-estimating – it is always better to exceed your goal than to fall short!

***Step 4: Develop prospect lists for each source of donors***

It is essential that you take time to create prospect lists for each source of donors that are as specific as possible. Name names! If possible, involve your coalition partners, volunteers, and/or Board members in helping to create these prospect lists.

While it is definitely time involved conducting the research necessary to develop detailed prospect lists, this is perhaps THE most important aspect of fundraising planning. Fundraising success – or failure – will depend on the quality of your prospect research. And it will be less time involved to execute your fundraising strategies if you have already developed your list of who you will approach. Think broadly and creatively, and include both those with whom you are already engaged as well as those you don’t yet know but have some connection to your issue or to someone in your organization.

***Step 5: Revisit goals to make sure they fit the prospect lists***

Once the prospect lists are created, look back at your goal amounts for each source of donor and strategy – are these goals realistic given the number and quality of prospects? If it seems like a reach, it probably is – go back and scale back to more realistic numbers.

## Big-picture recommendations

It is important to remember that people, organizations, and corporations don't give you money because you *have* needs. They give you money because you *meet* needs. It is very important to convey to potential donors your ability to be successful. Your track record of policy advocacy success is one of your greatest selling points!

If it is possible to convene a Fundraising Committee to assist you in your fundraising work, it is a smart strategy. This could include volunteers or Board members, particularly those who have access to or connections with prospective donors. It is not essential for success, but it can certainly reduce the burden on staff if it is possible.

Fundraising takes time and attention – and it is not easy work. BUT you have something incredibly valuable and attractive to sell to prospective donors – important policy advocacy goals and an opportunity for them to contribute to permanent change. Don't underestimate the opportunity you are offering – remember that you are giving a donor (whether organization, corporation, or individual) a chance to do something good. People give because someone asked and because it makes them feel good. People give because they want to give!

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## Potential Organizational/Corporate Donors Prospect Research

	Have lots of money	Have some money	Have connections to those with money
<i>Key partners (they know you, love you and work with you often)</i>			
<i>While not key partners, you frequently work with them or collaborate with them</i>			
<i>They appreciate what you do because it benefits them</i>			
<i>They may not be aware of you (yet) but they win if you win (and you can articulate it)</i>			
<i>They support similar issues to those you work on</i>			

<i>They serve the same people you serve</i>			
<i>They care about the community/communities in which you work</i>			
<i>They care about the people you serve</i>			
<i>Your Board member(s) are important to them</i>			
<i>They know and love the people you have helped</i>			
<i>Other:</i>			

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## **A Smart Time Management Approach to Donor Cultivation**

Those of us who are involved in fundraising for our organizations understand the importance of individual, personalized outreach and relationship-building. Cultivation is essential – whether it's geared towards maintaining current donors, courting prospective donors, or connecting with those who have access to donors and good ideas about how to raise more money for our mission. Yet, there's no two ways about it – it takes time to do that kind of cultivation. And many fundraisers struggle to find time to do it. Some even end up so overwhelmed that they never do it at all.

So how do you make it happen? One of the most important things is to start with a manageable list size that is prioritized as those most important for you, your organization, and your fundraising activities. The chart below provides you with a simple framework for identifying the 50 most important individuals in your world when it comes to fundraising and development and how often you should be connecting with these individuals. Can't make the time to manage 50? No problem – start with a smaller number that seems manageable.

Fill in the chart with up to ten names in each category, plus their contact information (emails, mailing addresses, and telephone numbers). Then map out a plan for communicating with these 50 most important individuals in your world --via email, snail mail, phone, and in person. Look for opportunities to tell them about your work and your accomplishments, solicit their input and suggestions around particular challenges or new areas of work, and get to know them better. Invite them to your events, ask them to join you for a cup of coffee, send them news clips.

The outreach and cultivation activities do not need to be fancy and they do not need to take a tremendous amount of time – they just need to be intentional, proactive, and frequent. Use the Donor Cultivation Tracking Spreadsheet to maintain a database of your contacts with these individuals.

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<b><i>Current “major” donors</i></b> (Connect at least quarterly contact)	<b><i>Prospective “major” donors (top tier LIKELY prospects!)</i></b> (Connect at least quarterly contact)	<b><i>Those who could introduce you to prospective “major” donors</i></b> (Connect at least quarterly)	<b><i>Individuals who are smart, connected, and influential</i></b> (Connect at least once every 6 months)	<b><i>Individuals who are knowledgeable about fundraising, giving trends, and philanthropy</i></b> (Connect at least once every 6 months)

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