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# *How to Plan Your Fundraising Strategy:* Keep Your Organization Financially on Track with a Year-Round Plan

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Just as a bee makes honey to survive through the winter, so must every nonprofit raise money to accomplish its goals and to prosper. But nonprofits have an advantage over bees — we can (and must) raise money all year! This is often a hard truth for the board of a small nonprofit to internalize and act upon, but it is essential for an organization's survival. The organization that puts all its energy into issues but neglects to stock the financial honeycomb will surely starve in short order. And to ensure that our nonprofits make honey at every possible opportunity, every group needs to formulate an annual fundraising plan (see sample on page 31).

## GETTING STARTED

When formulating a fundraising plan, it is important to get input from board, staff, and volunteers. Hold a special meeting of your organization to brainstorm and gather input. It is very important to get your board and staff involved in this process from the beginning so that they will take ownership. Some organizations delegate this function to a fundraising committee, 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 don't do fundraising, the board needs to consider whether those unwilling members' contributions are so important as to merit exemption from this important board obligation. Morale will be high if everyone pitches in, but if some don't, morale could suffer.

## SETTING GOALS

There are two approaches to establishing an overall income goal for your fundraising plan. The first involves putting together an expense budget and using the total expense figure (plus a small additional amount to serve as a modest surplus) as your fundraising target. The second is to look at last year's income, analyze this figure to see if it includes any special income that might not be repeatable

(such as a special bequest), then increase this figure by a modest amount to allow for reasonable increases in most of your fundraising categories. You can do an even better job here if you look at income over the past several years.

As you compare numbers from one year to the next, you will see definite patterns emerge that will give you a good idea of how much of an increase it is feasible to project for the upcoming year. Later, once you have laid out the specific strategies and monetary goals for each fundraising activity, you may adjust this figure slightly. In the meantime, this figure-analyzing process will give you an overall number to shoot for.

## CONSIDER YOUR ASSETS

Assets are not always monetary. In putting together your fundraising plan, you should consider any special fundraising assets that your board, staff, or volunteers have to offer. For example, perhaps someone on your board owns a whitewater rafting company, a restaurant, or a beautiful country home. Think about how you can use these special assets in your fundraising plan. Here's an example of how you would incorporate one of these assets into your plan:

**Strategy:** Hold a party at the riverside home of John Smith, board member

**Action:** Select a date and time; plan the event; compile invitation list; prepare and mail out invitations; hold event; do follow-up

**Who:** John Smith, with help from board and staff

**When:** November

Other examples of the kinds of fundraising assets to look for include:

- People with special talents (writers, artists, singers, etc.)
- People with access to good mailing lists that 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.

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A good way to go about taking an inventory of these assets is to set aside some time at the initial brainstorming session specifically for this purpose. Get one board member who understands this concept to list a few assets she or he might be willing to contribute, then brainstorm or do a “round robin,” asking each board member to list her or his own contributions.

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

## A FEW KEY STRATEGIES

But we are getting ahead of ourselves. Remember that you want to select a few fundraising strategies, not dozens! So sort through the ideas generated at your meeting, look over your list of fundraising assets and your annual program plan, and begin to select those fundraising strategies that will maximize your efforts, best accomplish your goals, and most complement your program.

Incorporate these fundraising strategies into your annual plan. If your organization is new, it is probably best to concentrate your efforts on building a base of individual members; finding a few key donors (businesses, individuals, foundations) who will make major gifts, organizing one event that will generate funds, involve the community, and perhaps provide media exposure for your group; and exploring local and state funding sources, such as the local chamber of commerce, the local United Way, area churches, or state and regional agencies.

As your organization grows, you can expand your strategies to include a major donor program, a series of special appeals, a workplace giving strategy, and other

more demanding activities.

The key here is to break down your fundraising plan into bite-sized strategies that are attainable and realistic and then to detail the monetary subgoals, action steps, responsible person or persons, and timetable for each (don’t forget your budget). For example, here’s what one fundraising strategy for building membership might look like:

**Strategy:** Recruit new members through the mail.

**Goals:** Recruit 50 new members; raise \$1,250.

**Action:** Research landowners in watershed and compile a mailing list of 500 names; mail out a letter explaining benefits of the project and asking them to join; thank those who respond.

**Who:** Staff and volunteers

**When:** January (research); February (prepare mailing); March 1 (mail)

## INCREASING YOUR REVENUES

To increase your income, think about new activities you might undertake or new activities you might add to existing categories to generate additional income. For example:

- Is this the year to initiate a major donor program?
- If you’re already doing an end-of-the-year appeal, should you add another appeal in the spring to take advantage of a program activity you will be carrying out then?
- Are there new foundations or corporations to which you can go this year to solicit grants?

Think also about asking your members to upgrade their gifts. Many organizations continue to ask their members for the same amount year after year. Once people have become “habitual” givers (a term used for someone who has given to an organization two or more years in a row), you should occasionally ask them to increase their gift to a higher giving level.

## IDENTIFY YOUR PROSPECTS

In order to make your fundraising plan as realistic as possible, make a list of your fundraising 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 (we 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 uncannily accurate. Our own system is to give foundations that have given before a 75–80% rating; those that are new and where we have no contact receive a 10–20% rating. 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 particular funding source. For example, your foundation forecast chart might look like this:

### Sample Foundation Forecast

FOUNDATION	AMOUNT	PROJECT	%CHANCE	FORECAST
ABC Fund	\$10,000	Lawsuit	50%	\$ 5,000
River Foundation	\$ 4,000	Membership drive	25%	\$ 1,000
Watershed Trust	\$15,000	General Operations	50%	\$ 7,500
Greene Family Fund	\$25,000	Training Program	10%	\$ 2,500
<b>Total Forecast</b>				<b>\$16,000</b>

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

## TIMING IS IMPORTANT: MAKE A FUNDRAISING CALENDAR

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

1. Scheduling at least one major income-producing activity per quarter (or better yet, per month) will ensure that you will have a steady stream of income rather than having funds arrive in big bursts or all at once at the end of the year.
2. By spacing out the fundraising work, you will do a better job in each activity and be more likely to accomplish the goals your group sets.
3. The organization will establish a “fundraising culture,” which regards raising money as an ongoing, day-to-day part of activities. This puts you at an obvious advantage over groups with a “crisis mentality,” who put fundraising off until there is no money, leaving themselves in the worst possible position to do effective fundraising.

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

For example, if you are planning a river festival or river trip, the spring or summer will probably be the best times of year; the best time to mail out a request to join is probably between January and March, or September and November; if you are looking for foundation support, you should start early in the year (or even at the end of the preceding year)

because the whole process, from initial research to approved grant, can often take nine months; and putting together a good raffle should probably start in April or May to take advantage of the summer months for selling the tickets.

## 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 it is approved, you must implement the fundraising plan. The secret here lies in having one person coordinate and follow up on the various action steps. Usually the leader of the group, but sometimes the head of the fundraising committee, is the lead contact.

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

The fundraising plan should be a dynamic and ever-changing document, not one set in stone. It can be modified as results come in. However, it should be taken very seriously and referred to regularly to check progress and make sure that what needs to happen occurs in a timely fashion. With issue-oriented groups, most of the energy is usually focused on accomplishing project-oriented results, 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, in conjunction with the budget, is a tool that the board and staff can use to monitor results and predict, and work to 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 toward 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 a small job that will fulfill a particular goal, you are less likely to burn out your star fundraisers. Remember, volunteer help won’t just appear automatically. As part of your plan, ask your staff and board to take responsibility for recruiting others to help.

## SAMPLE FUNDRAISING PLAN — ABC River Organization

STRATEGY	GOAL(S)	ACTION STEPS	WHO	WHEN	HOW MUCH
1. New Member Acquisition	500 new members \$9,000	1. Do 2 direct mail campaigns to 10,000 prospects each (300) 2. Each board members recruits 1 member/month (120) 3. Participants in raft trips become members (50) 4. Buyers of books of raffle tickets become members (30)	Staff & consultant BD Staff Staff	May & Sept Monthly Summer Fall	\$7,000 no cost no cost no cost
2. Renewals	100 out of 154 (65%) \$2,000	1. Call last year's unrenewed members, asking them to renew 2. Do 3 mailings to current members, spaced 1 month apart 3. Call unrenewed members, asking them to renew	Staff/Vols Staff Staff/Vols	January Jan–March May	\$50 \$400 \$50
3. Special Appeals	\$2,000	1. Prepare a special appeal to all members on lawsuit 2. Prepare a follow-up request in six weeks	Staff Staff	Mid Oct Early Dec	\$400 \$100
4. Special Events	\$10,000	Hold a raffle which will generate money, educate the public, and recruit members	BD Committee	June–Oct	\$2,500
5. Major Donors	\$5,000 30 Donors: 20 @ \$100 8 @ \$250 2 @ \$500	1. Research names of potential major donors (120 names) 2. Create a special donor club with special benefits 3. Schedule personal visits with as many of these as possible to ask for money 4. Where visits not possible, call or write a personal letter	Staff/BD Staff Staff/BD Staff/BD	Ongoing	\$500
6. Businesses	\$2,000	1. Talk with local businesses and ask them to sign on as "Friends" with a gift of \$100 2. Send proposals out to selected corporations	Staff/Vols BD Committee	Jun–Jul May	\$100 \$100
7. Foundations	\$25,000 -0- (funds will come in next year)	1. Research & prepare a list of foundation prospects 2. Prepare & mail out proposals 3. Follow up	Intern Staff Staff	Jan Feb April	no cost \$100 no cost
8. Workplace Giving	-0- (funds will come in next year)	Apply for admission to state environmental federation or local Combined Fed Campaign	Staff or BD member	Fall	no cost
9. Planned Giving		Put an ad about bequests in every other issue of newsletter	Staff	Ongoing	no cost
<b>TOTAL INCOME</b>	<b>\$55,000</b>			<b>TOTAL EXPENSES</b>	<b>\$11,300</b>

Key: BD = Board Members      Vols = Volunteers

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