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## Basic Fundraising Plan Annotated Outline

### Executive Summary

#### *Overview and Objectives*

- What level of funding does the organization need annually to support the *operating budget* (administrative and some programmatic) for years 1-3 and years 4-6?
- Where will the organization focus fundraising efforts (e.g.: individuals, foundations, corporation, etc)? At what level and over what time period?
- How will the organization raise funds for *programs*?

#### *Summary of Fundraising Recommendations*

An illustrative list includes:

- Build public awareness and a base of support
- Develop modest business appeal
- Develop grant writing strategy
- Communicate regularly with prospects and donors

### The Case Statement

A one-page case statement, which is the rationale for supporting the organization, captures the vision, goals, strategies, who and where you work, impact, and organizational capacity. It tells the listener what you need to accomplish your work and how they can help. The donor needs to see how their concerns and interests – the things they care about – will be advanced by giving something to you.

### Maximizing Strengths, Minimizing Weaknesses

Before the solutions can be identified, it is essential to identify the strengths and challenges that will have an impact on fundraising, including:

- the organization's strengths
- the organization's weaknesses
- external opportunities
- external threats/challenges

To develop a strong program, information should be gathered from board members and staff, as well as from people familiar with the organization's work and the region, but who are not "insiders". Ultimately, this information will drive the type of fundraising and the message parlayed.

## **Identifying Donor Motivations**

There are very specific reasons why individuals and organizations choose to give to your group. Identifying donor motivations is essential to targeting fundraising appeals and asking the right entities for contributions. Identifying motivations can be a continuing task, and each time a new fundraising activity is designed the organization should review generic motivations to be certain that the right prospects and interests are being paired.

## **Identifying and Prioritizing Prospects**

Finding promising prospects is a major component of fundraising – whether for individual donors or foundations. As a first step, it can be helpful to develop a demographic composite of your target audience, and then use this as a way to evaluate potential prospects. The next step is to generate lists of people, groups, businesses, foundations, etc. that have motivations that overlap with your own, including:

- Identify individuals who have participated and benefited from your work
- Seek lists of donors to other environment and socially responsible causes
- Gather lists of wood-, design-, tourism-, and building-related businesses in area
- Compile lists of like-minded organizations, businesses and local community members

Finally, these lists should be reviewed by a small committee including a couple of board/staff members and 3-5 sympathetic and knowledgeable individuals from the region. They will sort the potential prospects by:

- The prospect's fit with the demographic composite
- Their level of interest/commitment in this and/or similar programs
- The prospect's likeliness to give (based on gifts made to other entities)

## **Fundraising Methods**

There are a limited number of fundraising methods, and then an infinite number of variations on these basic ideas, including the following. It is unrealistic to attempt too many of these methods at one time, especially for a small staff, limited board and relatively young and unknown organization.

- *Paper*: letters, brochures, flyers, newsletter clip outs, fundraising envelopes, etc
- *Proposals*: letters of interest, grant proposals, and responses to Requests for Proposals” to foundations, businesses, and government
- *Parties and events*: best viewed as part of a process of donor recruitment, rather than as a stand alone event
- *Personal solicitations*: Most effective means of fundraising, but requires individuals who are willing to make solicitations and good prospect lists
- *Electronic solicitations*: Not a proven method yet
- *Planned giving*: Long-term giving through people's estates planning

Approaches to individuals build loyalty and lead to greater giving in the future, whereas grant support does not create loyalty and will decline as the programs grow older and more mature.

### **Necessary Preparations**

Before embarking on this plan, gather opinion, advice, and attitudes from those who know first hand about the organization. The groundwork for fundraising starts with a high level of public awareness and appreciation for the organization. Development of appropriate materials might be necessary. It is also essential that information on fundraising be stored separately from other revenue. This should be managed on basic fundraising software so you can maintain other information about donors as well. Finally, ensure you have adequate human and financial resources to undertake an effective fundraising program.

### **Who will do the work?**

Having staff allows others to invest their time in higher level, more personal fundraising. Since that is where the most money is, the combination of a director and board doing personal solicitations and a part time staff person administering the program will produce the greatest results. A willing and engaged board is also essential. A fundraising committee, chaired by a board member, can provide a forum for volunteers to get involved. The board should understand, however, that the fundraising committee does not relieve other members of their responsibilities.

### **The Cost of Fundraising**

The Fundraising plan should include a budget with the following line items:

- Human resources (staff and consultants) and their equipment
- Fundraising software and training
- Communications
- Materials production
- Costs to host small, informal meetings

In the beginning, the fundraising costs will be high in comparison to funds raised.

### **Prioritizing the Fundraising Program**

A few guiding principles helps to prioritize fundraising activities, including:

- Most support comes from individuals
- To ask people to give the biggest gift possible, you must solicit them in person
- Building relationships over time increases giving
- Grants are most likely when an organization is young and innovative
- Businesses will be interested only if the organizations mission meshes with their own, they can get publicity for the gift, or their employees would benefit
- Fundraising events require enormous investments of time and money and aren't unusually very reliable for a small organization

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### **Timeline**

It is critical to have a monthly calendar, including fundraising activities, public relations and events. It is useful to note the responsible party.

### **Sustainability**

Organizations often look to earned income streams as a way to ensure financial sustainability. It is not a silver bullet! There are some possibilities for earned income in the future, fundraising does not preclude working towards those, but it is also likely that fundraising will have to continue even when more earned income options exist.

Fundraising can come from individuals, businesses, foundations, and government. The people who do the work are the board, staff, volunteers, and certain consultants. Money that is raised from people is raised by people, in the most personal way possible; the more personal the appeal, the more likely a large gift and the more likely a sustainable source. Money that is raised through written appeals – such as grant proposals, can be raised in writing by staff and/or hired writers.

Fundraising doesn't work when it is half-hearted. It is a significant, accepted component of budget revenue. The organization has to decide how much effort it is willing to invest in this work and what amount of funds. These are decisions for the board to make.