

How to raise funds

Whatever their size, all community groups need to raise funds in order to do their work. The amounts will vary between groups, but the principles behind effective fund-raising remain the same. In the short term, resources must be found simply to ensure day-to-day survival, but in the longer term, groups should aim to become as financially sustainable as possible by building a wide base of supporters and reducing their dependency on any one source of funding. Many people see fundraising as a constant headache with little chance of success. It must be remembered that there is money out there and that with a persistent and consistent strategy, your organisation can access necessary funds. Fundraising is a time-consuming process, but time and other resources invested now will pay off in the long run.

1. Plan

Before you think about raising funds, you need to be clear what your group is about and what it is trying to achieve. Everyone in your organisation must understand the organisation's mission. Unless you can clearly explain what your ultimate aims are and why these are important, it will be very difficult to persuade others to provide you with funds. A fundraising strategy needs to fit in with the overall plan for the group.

2. Share the workload

It is very important that responsibility for fundraising is not left to one person, as this can lead to burnout. Whilst it may be useful to have one contact person for funding applications and the like, it is very important that the workload is shared. Fundraising teams can bring dynamism and direction to the process, and can help to identify a larger pool of potential donors.

3. Choose appropriate sources



There are an infinite number of ways to raise funds but you must choose sources and activities that are appropriate for your group. When deciding which methods to use it is important that you are realistic about the resources, particularly people, at your disposal. Also remember that new groups usually need to be able to prove that they have some support at a local level or among the general public before they can hope to gain national, international or corporate support. In the first instance, therefore, it is best to concentrate on fundraising within your local community, both from individuals and local government. For a listing of funding sources visit crisishub.org.au/resources/finding-funds/

4. Make your case

It is very important to understand your donor's viewpoint before you can persuade them to part with their money. The donor can give to many different causes, so why should they give to you rather than anyone else? When making your case, you must:

- Explain what the need is in clear, simple, human terms and supply evidence;
- Explain how your group can meet that need;
- Explain exactly what you are looking for from the potential supporter.

Donors need to be sure that their contributions will make a difference. Be as focused as possible, asking for funds to support a particular aspect of your work. Make sure that you tie your request in with the needs of the potential donor, for example:

- If applying for a local government grant, explain how your proposed activities are in line with government policy. Look at their websites.
- If approaching a business, illustrate how your work ties in with the company's corporate social responsibility aims.
- If appealing to the public for support, indicate exactly how their money will be spent.

The more personal you can make your approach, the better. Also, the more professional you are, the better. This does not mean spending a disproportionate amount of resources on glossy materials. In fact, this is likely to backfire, as people do not like community organisations to have high administrative overheads. It does mean, however, having well thought-out and well presented proposals.

5. Say how much you need

Donors do not know how much is appropriate to give; you must tell them. But before you do this, you must know yourself exactly what is required. It is therefore essential to budget properly. You must draw up a plan of what you intend to do and work out what the costs will be. Offer value for money, but be realistic and think of all costs: people, space, equipment, materials, as well as hidden costs such as insurance.

Once you have raised funds, you have a responsibility to ensure that the money is spent wisely on the intended activities and inform donors of this. You must account properly for money using book keeping and financial management systems that are appropriate to the size and nature of your organisation.

6. Build long-term relationships

Informing people about the need your organisation is trying to address and persuading them to give is a big effort. Once you have a donor, you must do everything possible to try to keep them ... for life!

Your aim is the building of lasting relationships to ensure long term support. You can do this by:

- Keeping excellent records, as no piece of generosity must be forgotten.
- Reporting back on the way the money was spent and the difference it made.
- Saying thank you (many donors report that they are never thanked for their contribution!).
- If your donor wants publicity, ensuring you honour this; for example, through the proper use of logos or a press release. Conversely, honour requests for privacy.



- Keeping people informed of your activities on an ongoing basis (adding them to your newsletter mailing list, inviting them to events, etc).

Time must be spent, on an ongoing basis, on creating and nurturing relationships with potential and current supporters to make them understand what you are trying to achieve.

7. Monitor and evaluate

Your fundraising strategy must be kept under constant review. Keep excellent records and monitor the relative success of each activity. Compare inputs of time, energy and resources to the results gained and calculate what was most efficient and effective. Remember that this is likely to change over time; what was successful five years ago may no longer be so now. Finally, aim for a good mix of funding sources as having all your eggs in one basket is a high risk approach. Good luck!

Finally, the Our Community website has a lot of valuable information about fundraising. Go to www.ourcommunity.com.au/funding/funding_main.jsp

SOURCE: This is an abbreviated version of a fundraising guide released by the Carmichael Centre for Voluntary Groups, a resource centre for community and volunteer organisations.