

information sheet 3.1

Developing a Funding Strategy

A fundraising strategy is a plan that sets out:

- What your organisation was set up to do and its main areas of work.
- What your funding needs and priorities are over the coming period of time, say over one to three, or one to five years.
- Costings for the above.
- How you intend to raise that money.
- What you will do at the end of the three or five years.

Organisational planning

Your strategy needs a number of planning stages:

- Long-term: strategic planning - your overall purpose and aims.
- Medium-term: business planning - resources needed to achieve aims.
- Short-term: operational planning - detailed breakdown of specific pieces of work to fundraise for.

Strategic planning

This means thinking through and spelling out what your organisation's broad purpose and overall aims and values are; that is, why you exist and what you want to achieve. You can express this in a short statement, often called your 'mission statement'.

Try to keep your statement fairly short like this one for an estate based housing advice project:

"Our mission is to provide high quality advice and representation on housing matters to all tenants on the Beaver Estate. In carrying out this mission we will ensure that the highest standards of advice are maintained and that equal opportunities apply throughout the service."

Your statement can be followed by a list of 'strategic' aims, that is, a list of key work priorities for the future. These will be both short and long-term ones. For example, the following is a set of strategic aims for the Beaver Housing Advice Project:

- To provide free and effective housing advice, information and representation to all tenants and residents on the estate.
- To provide an opportunity for local residents to become volunteer advisers, through the provision of regular training and support.
- To monitor all enquiries as a basis for negotiating with the landlord for better housing policies and practices.
- To make links and co-operate with other relevant advice providers in the borough.

The reason to think about your fundraising strategy at this level is twofold. Firstly, it helps to remind you what your reasons for being are.

Secondly, it is a useful and concise way of explaining who you are and what you do to prospective funders. Everything your organisation does should relate to your strategic aims.

Business planning

This follows from the strategic plan and spells out in more detail how the aims you have identified will be carried out and how much it will cost. This plan will include a budget, with a forecast of income and expenditure. As well as setting out how your strategy will be put into practice, it should also demonstrate to funders that:

- Your plans are realistic
- Your group is capable of managing money and projects
- You have **policies and procedures** in place relevant to the work you are doing and that they are followed and kept up to date. (Ask VODA's Development Team for more information about what policies your organisation may need)
- You can monitor and evaluate your work to make sure that you are meeting your aims
- Funders often ask to see a business plan before making any commitments to fund, especially if you are asking for a large amount of money

Business plans usually cover the coming two or three years, although they may need to be adjusted each year as they are 'living documents'.

Operational Planning

This is the level at which you set out in even more detail the specific objectives, targets and tasks that you will carry out in order to meet your aims. It is more immediate and short-term. You need to think how each objective or target can be achieved; what activities will be needed to achieve them; what resources will be required; and how the progress of each will be measured.

You will need to decide on priorities and timescales.

An example of detailed operational planning for the Beaver Housing Advice Project might be:

"To meet our second aim (providing opportunities for local residents to become volunteer advisers) we have agreed the following list of objectives that we want to achieve in the next 12 months:

- Two recruitment drives at six monthly intervals. These will be achieved via door-to-door leafleting, giving talks to local groups, and holding two 'open days'.
- Setting up a written selection policy and procedure and a volunteer contract.
- Agree an expenses policy for volunteers (e.g. travel, childcare).
- Provide training in interview skills, equal opportunities, housing rights, and basic welfare benefits. This will be provided both at the start and on an ongoing basis.

- Provide regular support and supervision to volunteer advisers. The centre's organiser and her deputy will provide this.
- Appraisal of the scheme after the first six months and then again after 12 months. From the appraisal we will recommend any changes needed."

Think about each objective separately and work out what resources you need to find and then draw up your budget.

Work out what sort of money you need - is it capital or revenue? One-off or ongoing? A large or small amount?

It is often easier to think in terms of projects. Many funders prefer to give money for specific, time limited pieces of work. So, go through your agreed list of prioritised objectives and see if you can package them up into one whole or a number of distinct projects.

Exit Strategies

If you are applying for money for a fixed term, say one to three years, then you need to show what will happen at the end of that time (i.e. will the project continue or finish?) This is called your exit strategy, and funders might well ask you for one.

You could opt for one of the following strategies:

- Having proved the need and success of the project you will find new funding for it.
- It is a one-off piece of work and will end when the funding ends.

Whatever strategy you go for, it will need to be planned early on in the life of the project, especially if you want to find ongoing funding for it.

Raising money

Now that you have worked out what you want money for, how much and for how long, the next step is to find likely funders.

How will you fundraise? Think about the skills of individual members of your organisation and give people jobs to do. You need people who can:

- Write well and persuade people of the value of your organisation and its work
- Prepare budgets
- Speak to funders without getting flustered!
- Organise events

The best option is to form a fundraising group where members can support and learn from each other, make sure that things get done on time and keep everyone in the group up to date with progress and results.

If you do not have people with the skills or experience in your organisation then VODA's Development Team can give you advice and support.

Building relationships with funders

Developing a relationship with your funders is important, as you may well want to go back to them for more money in the future.

Always acknowledge any communication from them swiftly.

Have one or (at most) two named contact people in your group who funders can deal with so that they get to know people and names.

Keep them regularly updated about progress in the piece of work they have supported. Send them annual reports, audited accounts, press releases, photos etc.

Invite them to visit your project, or to special events like your Annual General Meeting or open days.

Remember to acknowledge their support on documents relating to the project. By doing this you are making them feel involved and giving them a sense of ownership of your project.

Keep yourselves informed of any changes in their funding policies or staff and trustees.

It is very easy to spend large amounts of time and energy raising money and then forget to say 'thank you' and keep in touch with those people who have given you funding or support.

Review your plans

You should review your fundraising strategy from time to time as it is a 'living document'. Keep copies of all the applications you've made, together with a record of whether they've been successful or not and why so you can monitor progress. This assessment will inform your future fundraising strategies. Ask yourselves:

- Do we need to revise our plans?
- Do we need to do more research into possible funders?
- Do we need help or training in devising better budgets or writing better applications?

Be imaginative, stay informed and stick to your agreed strategy and you will find that fundraising isn't just a matter of good luck.

If you copy this information sheet, please acknowledge North Tyneside VODA and make sure you have the latest version

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