

**RESOURCE MOBILISATION**  
**AND**  
**FUNDRAISING**  
**FOR DPOs**

## 1. INTRODUCTION

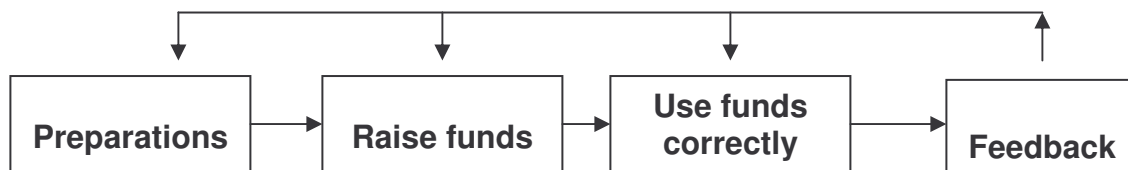
It is of utmost importance that an organisation has sufficient funds and other resources to match the requirement of fulfilling its mission. It is of equal importance that all these resources are used in the best possible way, i.e. directed towards activities that will help the organisation to meet its objectives.

Many DPOs and other organisations feel that they have insufficient resources and hence they need to mobilise more. Some organisations – including DPOs - realise that do not utilise their available resources in an effective or efficient manner. They may lack clear objectives, have unskilled staff, lack efficient systems for the work they are supposed to be doing, have an unclear division of roles, etc. Before you decide to try to raise more funds it is proposed that you review your current utilisation of resources, both in terms of effectiveness and efficiency. If you feel that you have shortcomings that need to be addressed you should start working on them. For this you may need extra resources from an external source.

There are a number of ways of raising funds. It can be done by

- applying for grants from the government,
- a foreign donor,
- a corporation or a charity trust,
- establishing good relationships with individual sponsors who support your organisation's mission and objectives,
- income-generating activities such as selling product or services to the community
- membership fee,
- etc.

There are four equally important phases in fundraising.



Let us have a brief look at what they represent.

### *Preparations*

The first step in any fundraising effort is to identify and prioritise your own needs. These needs have to be closely linked to your organisation's mission and strategic objectives. Using those as a point of departure, you need to determine what

activities your organisation should embark on, how and when they should be done, who shall be involved in the various activities and what type and amount of resources would be required to complete these activities. This is what we call “an integrated plan”. It is of great importance that your organisation is crystal clear over what it wants to do before you start your fundraising efforts.

Once you have determined your needs you should ask yourselves how you could raise the funds that you require. What can you generate yourselves and what do you need to raise from an external source? Who would be able and willing to contribute with resources? A thorough donor analysis would be helpful in this regard.

The third step would be to develop a strategy for how and when you will approach the donor. What do we need to know about the donor and what do they need to know from us? Who is the best person to contact, etc.?

When you have completed these steps of preparations you will be ready to start your fundraising campaign.

### *Raise funds*

You should now approach the donor(s) in the ways that you have outlined in your fundraising strategy. It could be done in a number of different ways such as e-mail contacts, telephone conversations, face-to-face meetings, presentation of a project proposal, etc. – or a combination of these.

It is of great importance that you manage to establish a good and trusting relationship with your donor. It must be based on clarity on what you can expect from one another. What are you expected to achieve through your project and who is expected to benefit? How much money do you need and for what? When will you need the money and how do you account for it? You need to create a “win-win” situation in which your target groups can benefit and the donors can feel comfortable that they are assisted in implementing programmes in sectors that they have prioritised. An LFA based project plan will certainly help in this regard.

### *Use the funds correctly*

Trust is a key concept in all donor relationships. Hence, it is vital that you use the funds for activities that they are meant to be used for. The donor has given your organisation the funds for a particular purpose and for specific activities and you must ensure that you honour your commitment to them. It is vital that you keep strict account of all funds given by the donor and that you work in a transparent and open manner.

## *Feedback*

Another important part of the building of trust is to provide timely and sufficient feedback the donor. What progress has been made? How has the money been used? What problems have been encountered and what have you done to resolve them? Etc. You need to agree with the donor on how the feedback – normally some type of progress report – should be given, and make sure that you honour that agreement. In addition to such reports, there may be other opportunities to provide the donor with feedback, in meetings, workshops, over the phone, etc.

## 2. PLANNING A FUNDRAISING STRATEGY

A fundraising strategy is important for any organisation wishing to gain support for its activities. A strategy helps the organisation to:

- focus on a target to work towards
- identify the resources available to pursue that target.

One of the aims of a strategy is to look at the work being done within the organisation in the context of its other activities and national and local priorities. Organisations may wish to designate a member of staff who will be responsible for coordinating fundraising activity and provide a focus for it. However, it should be remembered that everyone in the organisation has a role to play in obtaining funds, e.g. by passing on fundraising information or support possibilities. Good internal communication helps to build up information on potential sources of funding and previous bids that have been submitted. It also provides more opportunities for networking and developing personal contacts with funding sources such as businesses and charitable trusts.

### *Mission statement*

It is important for organisations to have a mission statement agreed by the management board. The mission statement is useful when approaching potential funders as it summarises the nature of the organisation and purpose of its work. It indicates the remit of the organisation and its activities and conveys a clear message about its aims and field of expertise. If the organisation has charitable aims, the mission statement also provides an indication of how the organisation addresses the needs of its target population.

### *Planning the strategy*

The following points are recommended for devising a fundraising strategy. They can apply to the overall strategy of an organisation and to specific projects or equipment for which funding may be needed.

An ideal starting point for any fundraising activity is to look at the organisation. Key elements about the organisation that should be considered are:

- aims and objectives
- current policies
- the legal or charitable status of the organisation
- income and assets
- staffing structure
- strengths and weaknesses
- beneficiaries of the work of the organisation
- evidence of success in achieving aims

- evidence that a need has been identified within its target population (use statistics, research, past experiences and demands made on the organisation)

The activity for which funding is required can then be identified. Funding can be sought for start up costs, specific projects, salaries, equipment and, more rarely, core running costs.

*A fundraising strategy for specific projects*

The need for a particular project and its potential impact should be considered in relation to other organisations in the field that may be doing similar work. This is to avoid unnecessary replication of services or activities. It may also be useful to note whether this particular type of activity has been done previously, either by this organisation or another, and the outcome. Consider local and national priorities when selecting specific projects so that they are seen to be responding to a need. The organisation may also look at its existing resources and staff to assess whether a particular project is manageable with the current staff expertise, premises and equipment, or whether funding will be needed to cover these elements.

As a checklist, it may be useful to answer the following questions when devising a strategy:

- What are the objectives of the organisation and/or of the project proposed for funding?
- How will the objectives be achieved?
- Who are the beneficiaries?
- What evidence is there to support the ideas of the organisation?
- Is there a proven need for the proposed activity?
- How does the activity relate to local and national priorities?
- Have the organisation's ideas been tried before and by whom? What was the outcome?
- Are there other organisations currently doing the same work?
- How will the project fit into the other work of the organisation?
- Does the organisation have the resources to carry out the project (e.g. expertise, people, premises)?
- Who would consider sponsoring such a project?
- Who would we be able to accept funds from?
- How do we approach this donor?
- How would we sustain good relationships with this donor?

### 3. THE DONORS

There are a number of different types of donors that could be approached in your fundraising campaign. It is important that your organisation decides who you would like to collaborate with and with whom you don't. All donors and donor organisations have their own agendas and priorities and it is important that you collaborate with donors that respect your mission and priorities, and not demand that you to work against those in order to access the funds that you are seeking. Moreover, you should only work with donors whose values and ethics are acceptable to your own organisation's values.

Donor support could be given from various sources and in different forms. The most common ones are:

- Grants from a private donor, NGOs, bilateral donor organisations and multilateral donor agencies.
- Government contracts
- Individual donations.
- Membership fees.
- Commercial sponsorship.

#### *What donors want*

Donors face many challenges in finding appropriate recipients. They have to account for every cent they spend, and every cent they disburse. They need to be convinced that organisations they fund are well governed, have clearly defined goals, are achieving their objectives, are continually evaluating their own performance and are capable of reporting on time and in the required format.

In other words, donors can only fund organisations that are sustainable and are working in the sectors that the donors have prioritised as important to themselves, organisations whose leadership they can trust and are demonstrably making a difference. It is important to remember that donor programme managers also have to report on their achievements to the people and organisations that provide their resources.

It takes time to build trust and that the relationship between donors and recipients often boils down to a relationship between people. On the other hand, it does not take long to lose trust if one of the parties (donor or recipient) dishonours the agreements they have entered into.

The idea that DPOs are recipients of charity has been dying a not-so-quiet death. The emphasis has been shifting to the idea of donors and DPOs as development partners, in which there is a two-way exchange taking place. Some of the most important things that DPOs have to offer are efficient management of resources,

effective implementation and tangible results that can be measured and reported on.

Before approaching a donor organisation the DPOs could ask themselves the following questions:

- What change in the target group's situation will we be able to make?
- How will we make it?
- How will we measure it?
- How will we report it?

If you were in the donor's shoes, how would you go about convincing your governing body to commit resources to this organisation and its programmes?

### *Getting to know the donor*

DPO managers need to find out which donors fund the kind of programmes they are running. Desk research using directories, the Internet and even newspapers are some of the ways of gathering this information. Another way of learning more about the various donors is to speak to other DPOs or NGOs doing similar work. DPOs could also make an effort to network with the donor community.

DPOs need to dig relatively deep to find out what a particular donor's funding policy and strategy are. For example, what criteria they use, what their application procedures are, what information they require, whether they accept unsolicited proposals, what their funding cycles are, whether they require applications by certain deadlines.

Many donors only fund registered non-profit organisations and require the recipient organisation to have a history of sound governance and financial management. They usually require audited financial statements as evidence. Some do not fund religious or political organisations. Many donors have this information available on request, on their website, in a brochure or accompanying a standard application form.

There are other ways of improving your organisation's chances of raising funds, especially if your organisation has limited resources or a short history. You could consider partnering with other, stronger DPOs or with relevant government agencies or departments. Multi-stakeholder forums are increasingly common. They are a useful source of information about donors and what they are funding. They are also a useful means of learning about good practice, finding out what is already being done and what is working.

### *The 80:20 principle*

When you develop your fundraising strategy you want to avoid being too dependent on one donor. Hence, you should try to broaden the foundation for your funding.

At the same time, it is important to spend much time and energy to cultivate good relationships with your “best” donors, i.e. the ones that can help you with biggest contributions and commit themselves to a fair amount of sustainability. In this regard, the 80:20 principle can be a good point of departure for your efforts. Spend much time and energy on the 20% of your donors that can provide 80% of the funds required. If you do not focus in this manner there is a great risk that you spend too much time and energy on developing relationships that actually will not benefit your organisation very much.

### *How to approach a donor*

- Contact the donor to ensure that your project falls within their funding areas and establish whether a letter of introduction or a proposal regarding your project will be considered.
- Respect the fact that some donors do not accept unsolicited applications. If they don't want your proposal, don't send it.
- Generally, donors prefer to receive a letter of introduction. Based on the content of the letter of introduction, you could be asked to submit a more detailed proposal.
- Do your homework and gather as much information on the donor as possible. Source the person responsible and get the correct contact details.
- Establish the potential donor's funding cycle and time your approach accordingly.
- Design your application specifically to suit each donor. Make the effort to ensure that you follow their guidelines clearly.
- Distinguish between local and foreign donors. Local donors have local knowledge; so don't provide information that they already have. By the same token, foreign grant makers may want or need more contextual information on societal needs, backed by quantified statistics relating to the geographical area in which your project is operating.
- Establish a relationship with the potential donor from the very beginning.
- Remember that grant makers want to make an impact with the money that they donate.
- Tell them why your project is unique, what you are achieving and how their contribution will make a difference to individuals, communities, society, government policies, development, and economy.

#### **4. COMMON PROBLEMS ENCOUNTERED IN FUND RAISING**

- A project budget is too high and potential partners will not consider sponsoring the project.
- The requesting organisations do not clearly communicate their organisational capacity, structure and good reputation (with references and endorsements) when applying for funding.
- Getting to know a new funder means building a trusting relationship, in doing so ensure transparency and excellent communications that include a detailed knowledge of the funder and the funding organisation
- Poor knowledge of the funders' previous activities and budget restrictions can often reflect negatively on the requesting organisation.

All these problems are possible to avoid if you prepare yourselves before you approach a potential donor. Use the LFA for problem analysis and project design. Make a SWOT analysis of your organisation. Make sure that you have documented your mission, strategic objectives, your capacity, your recent success stories, etc.

## 5. FUND RAISING PROJECT ELEMENTS

1. Identify specific need for funds within your organisation. Understand clearly your requirements and ensure that your project is strongly aligned to your organisation's overall mission, objectives and strategy.
2. Research thoroughly using the Internet to visit the sites of potential funders and research other organisations that may be already successfully doing what you have planned. Contact these organisations and ask for help, telling them your own plans and requesting that they share their experiences, best case studies and learning with you.
3. Develop a short list of potential funders for your project. While doing this identify partners that you will need in order to complete your project (trainers, DPOs in the regions, teachers, government officials etc and ask them to endorse your project by writing a letter.)
4. Using the logical framework approach (LFA) to project planning, write a brief and clear description of your project, what you need, what your approach will be, a budget, and a business case for investment. In other words state clearly the social, educational, cultural, human rights, policy, advocacy, capacity building and economic impact the project will have. State the number of people that will benefit. Present the profile of the individuals and communities that will benefit, and other important and relevant information on the project and beneficiaries.

If you plan to approach corporate funding partners consider return on investment monetary values as part of the business case. These could include,

- the opportunity to expose the corporate brand to a valuable audience, state the number of individuals that will see the brand and the different ways in which the brand can be exposed.
  - Consider including a media expert and media campaign as part of your project plan or invite the corporate funder to take responsibility for media exposure using their own expertise (careful of unsuitable corporate branding and include necessary restrictions in your documentation clearly)
  - Other brand opportunities such as banners, posters etc.
  - Direct marketing opportunities for the corporate' specific target audience
  - Other marketing opportunities where they exist
  - Sales opportunities
  - Complimentary partnerships i.e. corporate and government
  - Tax breaks
5. Identify the funders that might be interested in the activities by checking their annual expenditure / areas of interest and previous projects on their

website or call and ask them for information by sending them an email. In your email ask who is the correct contact, in what format is it best to send them information and what telephone number is the right one to follow up that information has been received.

6. Always send written information with a request to meet in order to present the information face to face.
7. Identify and clearly state the reporting and evaluation plans for the project and include milestones in short duration to create a good relationship with the funder through ongoing communications.

## 6. FUNDRAISING EVENT CHECKLIST

In addition to seeking funds from a donor you can organise a fundraising event, involving the public, companies, religious bodies, sports clubs, etc.

When you intend to organise such a fundraising event you need to make sure that you;

- are clear on the purpose of this event. Is it to inform, to persuade or to ensure that action is taken by the target audience?
- are clear on the target group's role and possibilities,
- are relatively brief,
- make efforts to conduct the event on your home turf,
- create a "win-win" situation in which both you and the target audience feel that collaboration would be beneficial.

Below is a list of all the questions you need to ask yourself when you are organising any such event:

### *Planning*

- Is the date suitable or does it clash with any major or national event in your area?
- Who can help?
- Do you need a committee?
- How much do you expect to make?
- Is it worth doing - will you bring in three times as much as you spend?
- When do you need to raise the money by - can you organise an event in time?

### *Marketing*

- Who are you trying to attract?
- Do you need any flyers or posters? How many? Who will design and print them?
- Where will you put them?
- Do you need to send a press release to local papers or local radio?
- Do you need to print invites?

### *Venue information*

- Is the venue available on the date and at the time required?
- Is it big enough?
- Does it have disabled access?
- Is a deposit required?
- Are there enough seats/tables etc?
- Do they provide catering facilities? How much, what choice, and is there a vegetarian option?
- Is there a cloakroom?
- What toilet facilities do they have and do they have disabled access?

### *Equipment*

- Do you need a TV, video, CD player, microphone?
- How much will it cost to hire equipment?
- Do you need to put down a deposit? Can you get it for free?

### *Licence/permission*

- Do you need an entertainment licence?
- Do you need to tell local police or the council?

### *Volunteers*

- Do you have enough people to help?
- Do they know what to do? Do you need to brief them again?
- Don't forget to thank them after the event

### *Finance*

- Do you have somewhere safe to keep the money?
- If you are collecting money, do you have someone to witness you counting it?

### *Health and safety*

- Have you completed a risk assessment?
- Do you have a wet weather contingency plan?
- Do you have adequate insurance?

## 7. COMMUNICATION WITH THE DONOR

Fund raising can only be successful if a fund raising project goes hand in hand with a full-blown communications strategy. Some points to consider in these communications strategies are;

- Learn more about potential funders by finding the organisation on the Internet and reading up about them. Find out what it is they have funded in the past and make mention of this in your proposal to show your interest in their previous work.
- Call the organisation and ask for the correct persons name to whom funding proposals are sent, if you can speak to this person and ask them in what format they would prefer to receive information. Meaning fax / email or via the post. Also ask them if they have a preferred template and if they do ask them to send this to you in order to complete as part of your application.
- Once you have completed your application for funding and your proposal send it to the correct contact person.
- Telephone again to check and see if the documentation was received.
- Contact the funder a week or two later to request a meeting to present the idea. If agreed – good. Prepare a presentation format of the written document and practice the presentation prior to the meeting with your colleagues.
- If not, include the contact person into a regular organisational newsletter that makes mention of the request for funding outstanding and awaiting decision.
- If not, also enquire about any other contacts in the organisation that might be interested in reading the funding request.
- Don't give up. It can take funding organisations up to two years to make a positive decision regarding your request. Don't become impatient or irritated with funders, find out what the time frame is and diarise to call them at the appropriate follow-up time and date.

### *Guidelines for writing a letter of introduction / concept paper*

It is often a good idea to write a letter to a potential new funder introducing yourself prior to sending a proposal and requesting that the funder indicate if they are interested in the sector you are working in, the project that you have planned and the work is aligned to their own objectives.

This approach may assist you in cutting down on your research and is a good idea to send out once a year to all potential funders both corporate and social development to communicate with them about your successes, plans and requirements for the future.

Should you wish to write a letter;

- Use an official letterhead, containing the name and logo of your organisation and the relevant project
- Keep it short and informative
- Briefly outline the core objective of your organisation
- State your area of focus and the duration of the project
- State whether your organisation is a registered public benefit organisation or non-profit organisation and whether you qualify for income tax exemption (provide relevant registration numbers.)
- Be specific. Briefly describe the project that you are seeking funding for and what the expected outcome will be as well as a description of the beneficiaries of the project.
- Provide an approximate total annual organisational budget, noting the amount requested from the potential donor
- Provide the name/s and contact details of the person/s responsible for managing the project.

A letter of introduction should give the donor a clear, concise idea of your project based on which the donor can decide whether a proposal should be submitted.

#### *Face-to-face meetings with the donor*

You should make efforts to meet face-to-face with the donor representative, as that will give you a better chance of developing a good and solid relationship. There are a few points that you should keep in mind when meeting with the donor:

- Keep your group small and diverse. Two to four people with different backgrounds could be ideal.
- Try to arrange the meeting on your turf. Invite the donor representative(s) to tour your offices, meet your members or beneficiaries. This will convey your message in real and human terms.
- Discuss and agree in advance how to handle the meeting. Who will do what?
- Know your facts.
- Know what you want and let the donor learn about it.
- Present how you can benefit the donor.
- Be direct but not threatening.
- Leave information material with the donor.

## 8. SKILLS REQUIRED

In order to be successful in fundraising you need to be skilled and have the right attitudes. You need to develop the following skills:

- Proposal writing
- Budget estimations
- Telephonic and web research. Qualitative and quantitative research skills – desk-based, interviewing,
- Presentation and negotiation skills
- Database development and management
- Communications strategy, planning and management
- PR, media management
- Project management
- Logical Framework Analysis

As regards attitudes the following three are probably the most important ones:

- Confidence in oneself and the programme one works for.
- Politeness and courtesy
- Persistence and a spirit of “never-give-up”.

## 9. TIPS FOR SUCCESSFUL FUND RAISING

1. **Know your audience.** Know the individual you are requesting money from. Know the organisation that you are requesting the money from and explain how a partnership will benefit both them and your own organisation.
2. **Communicate clearly** and confidently
3. Have an organisational strategy and plan and clearly and briefly outline how your request for funding will support your strategy and plan
4. **Prove success in the past** with references and where possible endorsements
5. **Prove you have the capacity to deliver** the project (again with references and endorsements)
6. Never give up.
  - **Follow up** on all communications and requests for funding that you send.
  - Find out if and when the proposal will be viewed or reviewed by a committee.
  - **Request a face-to-face meeting** to present your ideas. Offer a visit to your offices and an introduction to your team as part of your proposal in order to build confidence in your organisation.
  - **Be prepared** for all eventualities in follow-up, such as a professional presentation of your ideas and a professional introduction to your team.
7. **Answer all letters, emails and telephone calls within 24 hours** of receiving them, if only to say that you have received the communication and are preparing a response. This is considered as professional courtesy and good professional practice.
8. **Always ask for help.** Should you have language barriers in communicating your needs, objectives or passion for the project, get help. If help requires resources you do not have, request help from the potential funder.
9. **Develop a rapport with those you meet** in your travels, meetings and emails.
10. **Keep in touch** with them, if only to tell them once or twice a year where you are, what you are doing, what has happened in your organisation – whether successful or not. This will help a network of people and organisations feel closer to you and in doing so you will gain their trust and support for the future.

## 10. USEFUL LINKS FOR FUND SEEKERS

### **The Funding Site**

This subscription-based site hosts a searchable database of donors, a register of non-profit organisations, an advertising notice board and an 'Ask the Experts' section.

<http://www.thefundingsite.co.za>

### **Charities Aid Foundation (CAF) Southern Africa**

CAF supports charities to manage their resources and ensure the greatest possible impact.

<http://www.cafsouthernafrica.org>

### **The Resource Alliance**

An international network working to build the capacity of not for profit organisations to mobilize funds and local resources for their causes.

<http://www.resource-alliance.org>

### **Grantcraft**

The Ford Foundation's Grant craft site offers lots of practical downloadable guides, case studies, videos and other tools.

<http://www.grantcraft.org>

### **Fundsnet services.com**

An international donor database, articles, guidelines for fundraisers and networking opportunities.

<http://www.fundsnet services.com>

### **Charity Channel**

The Charity Channel community includes professionals who volunteer their time, advice, information, tips and articles. Their aim is to connect, learn from each other, share information and work together to advance the cause of philanthropy.

<http://www.charitychannel.com>

**How Foundations Find, Fund and Manage Effective Programs**, a book by Joel J Orosz