

VSO Working Papers in Development

Fundraising guide for NGOs

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Sharing skills • Changing lives

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Fundraising Guide for NGOs

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Sharing skills • Changing lives

About this Working Paper

This Fundraising Guide is a practical how-to guide to the three main types of fundraising: direct mail, fundraising from trusts and fundraising from companies. It includes step-by-step advice on planning and carrying out direct mail campaigns, and on writing funding proposals, including checklists of dos and don'ts.

It is an essential resource for staff of all NGOs, community groups and other organisations who want to improve their capacity to raise funds from a variety of sources.

The Fundraising Guide was written for the staff of an Indian NGO but the principles and procedures outlined are relevant and applicable worldwide.

Examples of some types of calculations are done in Indian rupees to illustrate the basic principles: simply substitute your own currency.

About the author

Jane Bradshaw has a BD degree and a postgraduate certificate in Education from King's College in London. She taught in secondary schools and colleges before moving to the UK voluntary sector. Since 1987, Jane has worked for national charities, raising funds regionally and nationally. She has wide experience in fundraising and in managing teams of regional fundraisers based around the UK.

Jane wrote this Fundraising Guide during her VSO placement working for a newly-established Indian NGO, Mobility India, which works for people with disabilities. Jane worked with Indian staff to establish a fundraising programme including direct mail campaigns and starting to build relationships with Indian companies. In addition, her work involved raising awareness of Mobility India and its work.

Jane's placement at Mobility India was partly funded by the Swiss funder Miblou.

A word from the author

Several NGOs have been raising money from within India for some time, but now most welfare organisations are looking for support at home and are trying to depend less on overseas aid. It is seldom easy to raise money and as this trend grows, the competition for funds will increase.

I wrote this guide for those people who are starting to fundraise within the country. It is based on 14 years' experience of fundraising and communications in the UK, with a number of different NGOs, and also on 2 years' experience of fundraising in Bangalore for Mobility India.

Comparing fundraising in the UK and India, I find there is not such a great difference. People respond in much the same way to human need. However, in India, volunteer fundraising is less common, the practice of leaving money to a good cause in your will is not generally accepted and, maybe, there is not the same sense of an obligation to support charity. Having said this, I am sure you will be able to quote examples that contradict me!

My main message is: be efficient, plan, build relationships and maintain the impetus so that people do not forget you! You will have to make adjustments to the guidelines in this manual to suit your own community but the principles and guidelines I have given here always apply.

I hope everyone working in an NGO will read this guide. It will help you to understand what your fundraisers are, or will be, doing and how you can help them. For the fundraisers, I hope it will save you some time and make the process a little easier.

Best wishes and good luck!

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Introduction

This Fundraising Guide has been written for people fundraising in a large, modern, Indian city. Those, working in rural areas may have to adapt the methods to suit that environment. However, the principles remain the same.

I suspect it is even more important - and may be easier - to use personal contacts in a rural area. Direct mail may be less effective and should be carefully targeted to those with wealth. In areas where most people have only a modest income, collections may be the best way to gain some support from them.

NGOs are working to raise awareness of the needs of under-privileged people in the villages. Fundraisers could try to raise awareness in the villages of the need for funds to support this work. Successful methods are based on looking for 1 small donation from many people. If there is the possibility of fun or gain, people are more like to give a few rupees willingly.

So, what is a fundraiser?

This is how some people describe a fundraiser:

- “ A fundraiser is someone who links the donor with the cause.”
- “ A fundraiser is a communicator making individuals aware of needs”
- “ A fundraiser gives the individual the opportunity to respond to a need.”

A fundraiser is a salesperson, too, selling your organisation to the public in a competitive market.

However you describe what a fundraiser does, communication is always part of it. A fundraiser must be able to create awareness, interest and opportunity.

Fundraising is a very difficult job because there is immense competition for funds and, in this world of communicators, people are made aware of so many needs. So, to fundraise successfully, you will need to give all your time and effort. If your organisation decides to fundraise, you should employ a full-time member of staff if possible.

This guide is about raising money for an on-going income. It is not about a one-off appeal to gain aid for a national crisis or to build a new centre. A fundraiser will aim not only to raise income but also to generate a good relationship with the donors, so that their support will continue and grow.

A word to the management

Please remember to give your fundraiser a lot of encouragement and praise. It is a job that brings plenty of disappointments. A fundraiser needs to be optimistic, positive and enthusiastic. You can help him or her to be that way.

Chapter 1: What does a fundraiser need?**Knowledge and understanding of the organisation's work*****He or she must understand:***

- the organisations' aims and objectives
- how the objectives are being reached
- details of current projects
- details of the costs of the work or project to be funded What has already been funded
- plans for the future
- planned expenditure.

It is much more difficult to raise money for something you have already bought or for a project that is already underway, so the managers must talk to their fundraiser about future plans and costs. They should give him or her full details so that he or she can explain the project accurately to a potential supporter and 'sell' it.

It is also helpful if the fundraiser knows all the areas of your organisation's work that need funding. This will help him or her to respond immediately to any opportunity which is offered. For instance, a possible supporter may turn down a request for funding a specific project that is suggested, reveal that s/he is interested in a different area of the work. If the fundraiser has been briefed fully on all areas of the organisation's work, he or she can take the opportunity to 'sell' that and possibly gain support there and then.

It is a good idea for the fundraiser to be involved in the work of the organisation from time to time so that s/he can explain it clearly and enthusiastically to potential supporters. He or she should regularly go on field trips and attend meetings.

Funds for fundraising

Fundraising is not free! Because fundraisers are there to raise money, they are often not expected to spend any.

The organisation must budget for specific costs such as:

- telephone calls
- postage
- letter heads and file paper
- producing a leaflet
- travel
- the fundraiser's salary.

There may be other costs, such as mail shots, appeal literature, posters, a video, a computer and software with database facility. All these can be very useful in raising money, but the above list you must have.

Records of income

Make sure your systems for handling and accounting for income and expenditure are efficient and working smoothly.

Many donors will want a receipt and many will want to know exactly how their money has been spent. The fundraiser, too, will want to know exactly how much money has been raised in a month or a year and which methods of raising money are the most effective. It is also important to have a detailed account of costs.

Your NGO should be registered and gain, if possible, the certificate for Income Tax exemption. This is an incentive to your supporters to give.

Time

It takes time to recruit supporters, especially loyal supporters who will continue to give to your work, which is your objective. So be prepared to wait for the first results and for them to grow into the level of support you are looking for. Build this time factor into your budget.

Chapter 2: Publicity and fundraising

Your organisation and its work

Hopefully, the public will approve of the work you are doing, but if your cause is worthy but unpopular or misunderstood, be prepared to spend time on improving the public's understanding of the importance of your work. This will help your fundraising.

Even with a popular cause, good publicity will increase support. Generate awareness of the name of your organisation. People respond to a name they know so will put more rupees in a collection box or buy extra tickets for an event.

What publicity?

You want good publicity that will give the public confidence in your organisation and the way you work. Plan how you will present your organisation to the press and other media. Think about how your activities might look to the public: could they be misunderstood or criticised? If you do get bad publicity, be honest about a mistake or discreet in how you react. It may be possible to turn a 'bad press' into a good one.

How do you get publicity?

Use every opportunity to get coverage in the press, radio and TV. You can do this by responding to relevant incidents and reports in the news and by contacting the media when you start a new project or celebrate a milestone. However, an important day or event for you may not be of much interest to other people.

Make your news more interesting for a large public by:

- inviting a popular and famous guest to the event
- recruiting a respected and well-known Patron or Chairman who will attend your events
- organising interesting or unusual activities
- linking with a popular occasion or a current event.

Inform all the press personally of the event or project you want to publicise. A visit to meet journalists is better than a telephone call. If you cannot meet the press, send a fax if you can.

Give or fax a press release to the media. A press release is a typed page which briefly gives all the details the press needs to know. Do not forget to include place, time and date - and a contact name and telephone number!

Get to know the key person at each newspaper and TV station, then they will do their best to see your news item or feature appears.

Chapter 3: Who will you approach?

The answer is PEOPLE! Whether you are asking companies, clubs or individuals, you are asking people.

You could say there are two sources of money, rich people and the mass of ordinary people, the general public. We all appreciate the support of rich people but the support of the general public is more reliable because there are more of them! Lose one rich and generous donor and your organisation can suffer seriously, but if you lose one small donor, and you still have many more donors who help you and many more people to recruit as supporters. So if you build up a large list of ordinary people who donate to you, you will have a more reliable source of income than one millionaire! However, you still need to look after all your individual supporters, great and small. We will discuss how to do this in a later section.

People give to people. This means that whoever you approach, they must be treated with consideration, politeness and friendliness. People like to feel appreciated, they want to feel generous, good and important. The person must like you to give to your cause. Would you donate to a cause if the person who asked you was rude, unhelpful or forgot who you were?

Donations can be asked of various sections of society. These are:

- individuals
- groups (such as clubs, organisations)
- local companies
- national and international companies
- trusts.

We shall look at the best way to approach each of these in the following chapters.

Why do people give?

People give for a huge variety of reasons. These reasons are often not related to how much money they have. Their reasons for giving will help you decide how you will ask

people to give to your work. Try to find out before you talk to a group or individual what their interests are or what organisations or type of work they have supported in the past.

Here are some common reasons why people may decide to give to your NGO:

- they have personal experience of the problem you are working to alleviate, for example, they or a member of their family may be disabled. You can present your work to appeal to them: to their reason (X rupees will make X difference), to their emotions (the children in the picture looked so loveable and sad), you can impress them (so much effective work done by a small team who look professional and caring)
- they have been influenced by publicity and public opinion. This happens when there is a major catastrophe and/or the media promote the cause
- You ask them when they had just won some money or it was their birthday, or a holiday or just a good day
- they feel guilty at their own good fortune
- they like your literature (for example, your annual report, your direct mail pack, your poster) .

The reason given by the majority of people when asked why they had given money to a particular NGO was: 'They asked me!'

Chapter 4: Raising money from individuals

Direct mail

Direct mail fundraising is sending appeals to individuals, usually through the post. Direct mail has been proved to be a successful and generally dependable way of raising money, once your 'warm' list is well established.

A 'warm' list is a list of people who have already given a donation to your organisation. A 'cold' list is a list of people who have never donated to your organisation. Your mailing lists will become a valuable asset to your organisations, particularly once you have built up a reliable warm list of people who have given to you for longer periods.

Do not forget that every printed mail pack you mail out is an advertisement for your organisation's name. It is likely to be seen by several members of the household to which you send it, so it reaches many more people than the number on your list. It is an important awareness-raising tool. Even those people who do not donate this time will have seen your organisation's name and read of its work. This is why direct mail can be much more effective than an expensive poster or advertisement, which may not be noticed by people who pass by or read the paper.

When you start a direct mail appeal, you will need to have:

- the names and addresses of people who have enough money to be able to give, and, if possible, who are likely to want to give
- good ideas on how to motivate these people to donate to your work
- an understanding of why people give
- enough money to pay for the mailing (remember this includes the paper for the letters as well as printing and postage costs).

Name and addresses

It is very important to keep your mailing list up to date – otherwise you may find that people have moved away, or died. Equally, the list should contain people who have a level of income which means they can afford to give.

Let us assume you are starting with a cold list. You may be able to acquire a cold list without spending money, for example by asking for the membership lists of appropriate clubs or professional groups. Sometimes, however, you may be asked to pay.

Some organisations may not give you their list, but may send out your appeal to their members themselves. They prefer to do this rather than give you their list since it protects their members/clients. This can be just as effective as sending out your own mailing, and it is less work for you.

Other organisations may agree to include your appeal in one of their own mailings. This is called a shared mailing. Shared mailings have the advantage that you do not have to buy covers or pay postage. However, a shared mailing usually does not raise as much as a single mailing, because your letter or leaflet is competing with other contents.

Some organisations use telephone books to build up a cold list, but often the addresses are not helpful and they are frequently wrong.

The following can be sources of good lists:

- golf clubs
- social clubs
- up-market shops
- professional associations, for example, doctors or lawyers
- Rotary or Lions Clubs.

You should also add the name and address of anyone who has shown an interest in your organisation's work to your list.

The appeal pack

Research has shown that people take no more than a few seconds to look at a letter or leaflet received in the post, so what you send must grab their attention and interest immediately.

Here are some tips on how to do this:

- make the letter or leaflet bright and attractive
- do not put too much information in it
- keep your message short, striking and clear
- make it obvious what you want and why
- make your appeal personal. Remember: you are writing to a person.

Always address the appeal to the individual by name. If you send a letter, start it with the person's name if you possibly can.

For example, 'Dear Rupa Mehra' will make Mrs Mehra warm to you more than if she reads 'Dear friend' or, worse, 'Dear sir or madam'.

Make it easy for the recipient to reply. Enclose an addressed cover and a donation form which is clearly printed with enough space to fill in the information.

Timing

Post your appeal at times of the year when people are likely to be in the right mood.

Mailing when many people are on holiday, or after a festival, when they may feel they have spent too much money already, is a waste.

Planning the mailing

Always plan by starting at the date on which you want the people to receive your appeal and then work backwards. So, if you want the appeal to arrive by the end of December, allow a week or 10 days (or however long you think you will need) for the post, 10 days or so for printing, 2 weeks for design and another week for unforeseen problems! If the

appeal must be agreed by the Director or Chairman of the Board, allow plenty of time for him/her to see it and for any changes to be made as a result.

When you have your [latest] starting date, be sure to ask all others who are involved if the timing suits their timetable.

Example of a planning timetable

Appeal to arrive (latest date)	30 December
Post appeal	20 December
Start to fill envelopes	13 December
Printing completed [time allowed for problems]	7 December
Proofs checked	1 December
To printer	30 November
To Director/ Chairman for approval	25 November
Finish proofreading	23 November
Start designing	15 November
Start concept (putting ideas together)	1 November

Remember to allow time in your planning timetable for all the other normal work and activities that you and your colleagues have to do.

Once you have worked out your timetable, you can see that you must start thinking about the idea for the mailing by 1 November at the latest and be ready with the wording and ideas for the design by 15 November. If there is a delay along this path, you can adjust the timings in your timetable, as you have built in spare days.

Others who will be involved in this process must also be aware of the timing and co-operate with you. A mailing that is posted late may not make as much money or bring in as many responses.

Clearly, this means you must plan your year's work in advance. You must decide in advance when you will hold an event, send a mailing and produce a newsletter so that you can be quite sure the work will not overlap too much.

You are asking for a failure if you are not ready to start a mailing which is scheduled to arrive on 30 December until early December, because you were delayed by other urgent work or your designer was busy in November!

Handling Responses

When you receive a response from your mailing, reply immediately. This is very important. Thank the sender and show how much you value their support. If the response is a query, it is also important to answer it straight away.

Donors and potential donors are VERY IMPORTANT PEOPLE; your organisation depends on their generosity, so treat them with consideration, politeness and make them feel appreciated!

You must record the response and the amount donated. Be sure to keep the following information. It will make life easier for you if you have a computer, the right software and know how to use it - but this it is not vital.

The details you want to record about your donors are:

- name
- address
- telephone number, fax number, email address
- mailing code - to show which appeal brought the response
- amount received

- date received
- reply date
- information requested(for example, annual report, newsletter) and interests of the donor
- donor code – you will find it easier to keep a record of your donors if each donor has a unique code, so difficult names or misspellings do not confuse you.

Once people have responded to a mailing, they are your ‘warm’ list. That is, they are people you now know like your work and want to support it. Take care of them!

Assessing the success of your mailing

When you think all the responses from a mailing have been received, you will, of course, add up the money you have received, deduct what you have spent on the mailing and celebrate your profit.

If you are mailing people for the first time (a cold mailing), the number of responses is as important as the amount of money received. Do not be depressed if the amount of money from a cold mailing is not great. The main purpose of a cold mailing is to gather the names of people who want to support your work. Therefore it can be a success even if you make no profit this time, since you have gained new donors for future mailings.

Another reason why the number of responses is very important is because many of the people respond to a cold mailing may become committed supporters if you look after them well.

There are some other calculations you must do in order to measure success and compare one mailing with another.

- *The average donation*

Divide the number of people you mailed by the total amount donated. This gives you the average donation.

- *The response rate*

Response rate is the percentage of people mailed who responded.

- *Cost per donor*

Cost per donor tells you how much it costs to recruit a new donor. Subtract the amount of money raised by the mailing from the cost of the mailing. This gives you the profit or loss of the mailing: if the number is negative, your mailing has made a profit, if it is positive, your mailing has made a loss.

Now divide this number by the number of people who responded. This gives you the amount it cost to recruit each person who responded.

If this result is a negative number, then you have covered the cost of the mailing and made a profit – meaning you have recruited these supporters at no cost at all!

If this result is a positive number, then your mailing has made a loss and this number tells you how it cost to recruit these supporter. However, remember that these supporters are valuable because they may support your work in future too.

Example: Mailing A [December]

Number of people mailed:	2000 people
Cost of mailing:	6000 rupees
Number of people who responded:	20 donors
Total donations	10,000 rupees

$$\text{Average donation} = \frac{10,000 \text{ rupees in donations}}{20 \text{ donors}} = 500 \text{ rupees average donation}$$

$$\text{Response rate} = \frac{20 \text{ donors} \times 100}{2000 \text{ people mailed}} = 1\% \text{ response rate}$$

Cost per donor recruited:

$$\begin{aligned} &6000 \text{ (cost of mailing)} - 10,000 \text{ (total donations)} = -4000 \text{ (profit)} \\ &\frac{-4000 \text{ rupees}}{20 \text{ donors}} = -200 \text{ rupees per donor} \end{aligned}$$

So the cost per donor is -200 rupees, a negative number, so the mailing made a profit (meaning that the cost per donor was zero)

Mailing B [March]

Number of people mailed:	3000 people
Cost of mailing:	15,000 rupees
Number of people who responded:	60 donors
Total donations:	14,000 rupees

$$\text{Average donation} = \frac{14,000 \text{ rupees}}{60 \text{ donors}} = 233 \text{ rupees average donation}$$

$$\text{Response rate} = \frac{60 \text{ donors} \times 100}{3000 \text{ people mailed}} = 2\% \text{ response rate}$$

Cost per donor recruited:

$$\begin{aligned} &15,000 \text{ (cost of mailing)} - 14,000 \text{ (total donations)} = 1000 \text{ (loss)} \\ &\frac{1000 \text{ rupees}}{60 \text{ donors}} = 16.6 \text{ rupees per donor} \end{aligned}$$

So the cost per donor is 16.6 rupees.

With these calculations, you can compare the results of mailings with different numbers of people and different costs.

Why assess?

Working out the response rate and average donation as well as total income and cost will help you to see what your mailing is costing you and what profit you are making. Importantly, they also enable you to judge which pack and/or list of people has been the most successful.

If you sent out 2 very different mailings to similar groups of people at the same time of year, then the success of one mailing must be because the pack itself was more appealing. This is very useful information: you can decide to use the pack again and send it to different people, or you can decide to design another similar pack.

Look at the two example mailings above (A and B). You can try to draw some conclusions and plan your future mailings. For example: If B was a cold mailing, then the response rate is very good, so the pack you mailed was effective (cold mailings have low response rates). However, the good response may also have been due to the time of year.

The average donation from mailing B was lower than for mailing A, so the people on list B are likely to be less affluent people than those on list A. Mailing B convinced more people to give, so you may decide to use the pack again, in spite of the higher cost, but using a better list of potential supporters. You might also decide to send the cheaper pack A in March (when B was sent), to see if it raises a better response than when you sent it in December.

By comparing results in this way and experimenting, you will learn is a good time to mail your supporters, what types of appeals are effective, and to which people to send them to.

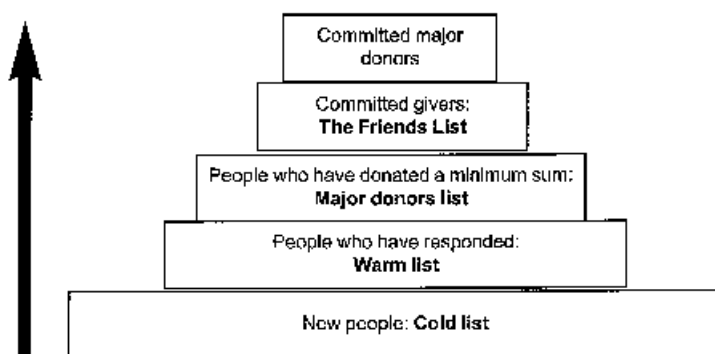
NB It is a mistake to mail small numbers of people even at this exploratory phase because the results will be based on a small sample of people. This will not give you a true picture of how people respond. It will also mean your warm list of supporters will take a very long time to build up

Your warm list

Your warm list is those people who are already your supporters: they have already given you money in the past. When you mail to your warm list, the response rate should be higher than when you mail your cold list (people who have never given to you). While a response rate of 1% or less is quite acceptable from a cold mailing, a warm mailing should have a response rate of around 4–5%. Therefore, your mailings become more profitable as you build your warm list. This is the support you are aiming to build when you send out your cold mailings.

When you have a list of people who have given money to support your work, treat them like valued friends. This means you will keep in touch by telling them what your organisation is doing from time to time. You will also continue to send them appeals for donations.

Developing support: the donor ziggurat (a ziggurat is a stepped pyramid)

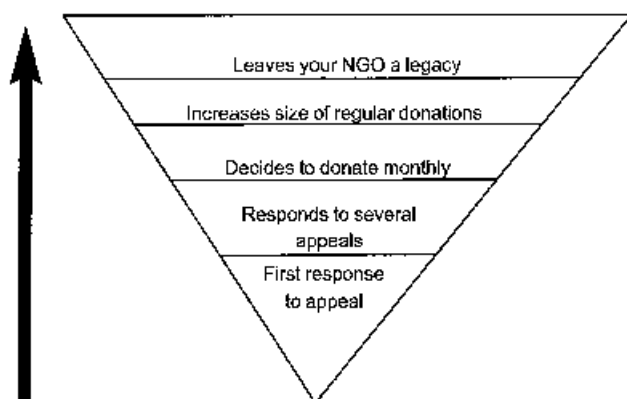


As your list of supporters grows, you can divide them into major donors (people who give a large amount each time), committed donors (people who give every month or every 6 months), and 'other' donors. You could call these 'Friends' or 'Warm,' donors.

Keep your special supporters interested and make them feel they belong to your organisation. You can do this in different ways, for example, sending a New Year's card, a regular newsletter, or, if you do not have a newsletter, just a letter with news and a photo of your work. Invite them to events. In this way, you will keep your supporters informed and involved and over time they may increase their donations to your work.

When you have built up a large warm list, you will not need to send cold mailings so often. However, you must do so from time to time as, inevitably, you will lose supporters from your warm list over time. To prevent your income dropping, you must keep adding new supporters to your warm list.

The growth of an individual donor



(Legacies: In Europe it is quite common for people to leave money to good causes when they die. This does not seem to happen very much in India.)

Keeping your list 'clean'

As we have said, some people will never give to you and some supporters will stop giving eventually – they may start giving to another cause, or they may move away. Keep your list up-to-date by deleting the names of people whose mailings are returned to you. If a new name or a past donor does not respond to 3 consecutive mailings, remove their name. One or two missed mailings may not mean they do not want to give to you, but three in a row surely must. Do not waste money by sending mailings to people who have demonstrated they do not want to give.

You can keep a record of lapsed donors and mail them again after a year or two – they may want to help you again.

Keep it interesting!

Try to vary the packs you send out, particularly those you send to your warm list. A different approach, such as a small gift symbolic of your organisation's work, a puzzle or a letter instead of a leaflet, will make them take more notice and keep them interested in your work.

Developing direct mail

With developments in communications moving forward every day, we should be thinking of contacting our donors in other ways.

The telephone can be a very effective way of contacting people if it is done sensitively. Organisations which have tried this have found that people are pleased and flattered to be spoken to individually. In some countries, telephone appeals have been successful in raising money but are only used with people on the warm list. Cold appeals work best when they are part of a big media campaign or related to a TV programme – but this is probably not possible for most small NGOs!

Email is replacing letters for many people. It may become an effective way of contacting potential and existing supporters but it has not yet been widely tried. It can require sophisticated software to do it well and many potential supporters do not have email, so I do not suggest rejecting the postal system yet!

More and more NGOs are using their internet web sites to promote their work and to appeal for funds. So far, the internet's success as a fundraising method in the developing world is still limited and uncertain. It is effective in spreading awareness, which is essential to fundraising for a cause, and its usefulness for both fundraising and awareness-raising will continue to expand.

However, as fundraisers, we must keep thinking of new ideas to stay ahead and ensure the work of our organisation continues to be funded.

If you work in a rural area, you may be able to meet some people instead of sending your appeal by post. Be sure the person to whom you give or send an appeal leaflet can afford to donate a reasonable sum. You do not want the cost of your leaflet [and postage] to be more than their donation!

Collections

Placing a collection box in a local shop or club can raise quite a lot of money over the months.

Here are some tips to help this be successful:

DO

- choose a place for the box where it will be seen by many people
- choose a place for the box where it is convenient for people to stop and give money, for example, a shop counter
- choose a place for the box where it is secure
- choose a place where staff are keen to help by drawing attention to your box
- make a box which is brightly-coloured and shows your organisation's name and logo clearly, as well as your organisation's address and telephone number
- clearly state on the box what the money will be used for
- make sure your box is strong and secured with a padlock so it cannot be easily carried away.
- keep a record of where every box is placed, with the name of a member of the staff who is responsible for it, and record the date you placed it there.
- check that the money is collected regularly
- check the box is well displayed and has not been put in a cupboard!
- be sure the telephone number of your organisation and its address is on every box
- ask staff in the shop or club to let you know when the box is full
- label each key so that you know which key opens which box. Remember to keep a record of where each box is! This way, you can empty the box 'on site' and re-lock it, saving the cost and time of a second visit.

DO NOT

- choose a place where only wealthy people go, such as an expensive shop. They are less likely to donate into a box.
- place your box where you will have difficulty collecting the money. Try to place boxes in one area so that you can empty or collect them without spending too much time and money travelling. Sometimes, the staff may agree to empty the box themselves and send the money to you you must be able to trust them to do this correctly!
- leave a box where it is not being looked after and does not collect much money

If your organisation is based in an area where there are no suitable places for a collection box, you might consider placing them in a neighbouring town. Only do this if you know a responsible person in that town to look after the box(es).

Advertising

Experience shows that advertising for donations from the general public seldom works. It is most unlikely to cover the cost of the advertisement. Advertising for support for a

very personal and emotive need can sometimes raise funds, but a general appeal will almost certainly not.

Advertisements for donations which have been successful are usually for a major national crisis. In Europe, sponsorship of a poor or orphaned child is also successful. Advertising space is expensive so trying to raise money this way can actually cost you money. It is more effective to persuade the press to print a feature on your work and include an appeal. At least this will not cost you any thing.

Chapter 5: Raising money from companies

Why should a company give you money? Persuading the corporate sector

Companies do not have to give you anything! Unlike trusts, they do not exist to give money but in order to make it. So as a fundraiser, you must realise that your request is not at the top of companies' priorities. It is up to you to persuade a company that it is in their interests to support your organisation's work.

However, companies in many countries increasingly feel they have a responsibility to play a part in solving some of their country's social problems. In some countries, companies may have initiatives to work with NGOs on particular problems.

A company will find it easier to help in small ways and often respond well to requests for items which they know will be useful, rather than by donating money. Donating equipment or goods makes a company feel that there is less chance of their gift being used for the wrong purposes. So, a hotel or a food manufacturer may quickly agree to donate lunches for the children in your school, or a shop may donate unsold or imperfect clothes to poor families.

If you want more substantial support than this, you must be prepared to be patient. You need to build up trust and understanding of your work in order to persuade a company to support your organisation in a significant way, and this can take years to achieve.

If you want to persuade companies to support your work you should start by looking at it from their point of view.

These are some of the issues the company may consider before donating:

- Should our company be giving money away? Can we afford it?
- What will the company gain by supporting this NGO?
- Is this NGO trustworthy? Does it handle money responsibly? Is it doing a worthwhile job?
- How will they spend our money?
- How will we know our money has made a difference?
- Does the organisation really need this help?
- Do they appreciate what we are doing?

The company may not actually ask you these questions, but these are the questions you must answer.

Here are some suggestions on how you can do this.

Can the company afford it?

- If you sense that the company does not have much surplus money to donate or that it is not a good time for them to donate, suggest they help by giving equipment, materials, food - whatever your organisation can use.

- Instead of donating money, suggest that the company staff organise a fundraising activity for your NGO. This can raise their morale and generate team spirit which is helpful for a company, particularly if they are going through a bad patch.
- Instead of donating, the company can encourage its staff to support an activity, such as a sponsored run, which you will organise. This can give the company publicity without cost.
- A company that is seen to be supporting a good cause is respected. This means it improves its image, which is good for business.
- Can they afford not to support to you?

What is the benefit to the company?

- You may be able to offer publicity for the company. For example, media coverage from an event, an article in your newsletter or printing the company logo on your banners/ leaflets/ T-shirts.
- You can offer involvement to their staff through voluntary work. Through volunteering, the company can give its staff experience of work outside the commercial sector, which is good for staff personal development
- You can invite their Managing Director to your important events and make sure that s/he is given Honoured Guest status - or that s/he meets a Very Important Person if you know one you can invite.
- Maybe you can agree to buy the company's products or services if you need them.

Are you a reputable NGO?

Your organisation's reputation is important. It is more important than anything you can say or give. You can, however, help to dispel any fears the company has, for example,

- by producing clearly set out and accurate budgets for your past financial years
- by giving the names of respected and well-known people as references (make sure that you have asked these people before you give their names!)
- by taking the member of the company who makes the decision to see your work
- by showing how you can and will monitor and report on the way their donation is spent.

Giving assurances

- How will the money be spent?
- Give the company a well-thought-out work plan and budget for the project you are asking it to fund. Show them other projects and examples of your work.

How will you assess the success of your project?

- Explain to the company how you will monitor your project and how you will be able to measure the result or effectiveness of your work. Commit your organisation to keeping the company informed on the progress of the project so that they will be able to see their money is being spent in the right way.

Does your NGO really need this help?

- When negotiating with a company, respond immediately to an offer of support. If you do not need or cannot use what the company is offering, say so politely. The company will appreciate your honesty and may think of another way to help. If you delay in providing the company with information, in agreeing a meeting or responding to an offer, the company will conclude that you do not really need their help, and they will donate to another organisation.
- Give the company confidence in the abilities of your organisation, but do not give the impression that you can manage without their help! If it is true that you can, then you

should not be making the application.

- Be honest about the support you need and the support you already have. Never accept funds for something that does not need funding or gifts of items you will not use. The company is almost certain to find out or at least to suspect. You will lose all future support from them and they will be reluctant to support any other NGO in future.

Does your NGO appreciate the help?

- Always, always thank the company verbally and in writing. If relevant, send your thanks to the company staff as well as to the manager or executive in charge. Be sure to co-operate with any arrangements they want to make when giving their help, such a cheque presentation ceremony.

Approaching companies

Yours will not be the only NGO asking the company for support. Your letter may not reach the person it was meant for and may not even be answered. Your approach must be different and stand out from the others and inspire confidence.

Many large companies have two ways of giving. One way is usually managed by the Human Resources Manager or Marketing Manager, or someone in a similar job. He or she will have the authority to donate a small sum. For larger donations, the Managing Director or the Board will decide. If you are looking for a large sum of money, be prepared to meet and talk with the company for a year or two before they make a decision.

Some major companies have factories in rural areas. They are often interested in supporting the local communities where their employees live. If you work for a rural NGO, you may have a better chance of support.

Before you make any approach, do the following:-

1. Research companies to identify those who are most likely to support the work of your organisation. Read information on the company's policy, its product, how successful it is, its location, its size. Does it need for good publicity locally? What are the interests or experiences of the main decision-maker (managing director)?
2. Give preference to companies whose head office is in your area or is easily reached. Decisions on donations are often taken at that level. A letter alone is unlikely to gain support even if it is backed by its regional office, so you will have to visit the local office.
3. Make sure you have the correct name of the person in the company who can make a decision. You may be able to find out by phoning and asking the receptionist
4. Make inquiries to see if any of your board members, friends and acquaintances etc, knows any of the senior staff at the company. If they do, ask them to arrange for you to meet the managing director or the decision-maker. A recommendation from a respected colleague or friend will always carry more weight than anything you say, so let your 'ambassador' speak for you when you can. Take the time to find an appropriate person who is willing and able to talk to heads of companies on your behalf. He or she will achieve far more and in less time because her/his requests will be respected and other businessmen will want to please her/him.
5. Arrange a meeting with the correct decision-maker. If possible, agree to make the meeting long enough so you can give a presentation.
6. Prepare your presentation and the case for support thoroughly before you go, both in your head and on paper.
7. Do not give the managing director a pile of papers and leaflets to read. She or he is very busy and does not have much time. Bring your annual report and accounts and a

brief but clear proposal for support. If possible, present them neatly in a folder with your name, address and telephone number attached.

8. Be punctual and do not take up too much time

Writing applications

When you are applying for a large sum or for long term support, you will have to prepare a detailed written application. Some companies have their own form that they will give you (mainly companies which have set up their own trust or foundation are likely to do this).

For details of writing an application see under Trusts.

The presentation

You may be asked to present your request for support to a group of people who are the decision-makers of the company or to a group of staff. This depends on the way in which the company expects to help. It is important that you know how they like to donate or support, so that you can aim your presentation at the right people and ask for support at an appropriate level and of an appropriate type.

Here are some suggestions:

- If you are addressing a group of people, use visual aids. It will keep their attention on what you are saying. A photo or graph will make a facts more memorable.
- Practice your presentation beforehand. Ask your colleagues or friends to watch to make sure the presentation is not too long and that you are communicating the message you want to. Make sure any equipment you plan to use works!
- Ask how much time you have and keep well within it.
- Always sum up your presentation with a clear explanation of the help your organisation needs.

Follow-up

Always keep in touch with your contact in the company.

- If you hear nothing after your application or presentation, telephone to ask if a decision has been reached, or whether they would like more information.
- If they say they cannot help you, ask why and when they would like you to apply again.
- If they will support you, thank them in writing immediately and keep them informed of how the support was used and of any future plans you may have.
- In six months to a year, depending on the support given and the wishes of the company, apply for further help.

A company which does not help this month may agree to help you later in the year or in the next financial year. Do not be put off if they donate to another organisation - this may change. A new director may change their policy or they may just decide to broaden their support. Do not pester them, but you can ask for low-level support or sponsorship from time to time so that they get to know you and your organisation - and do not forget you.

Maintaining support

Even if the support offered is small, show your appreciation and keep in touch. Develop your relationship so that the company's understanding of your work will grow and with it, its support.

Here are some ways to help you gain the confidence and support of a company.

- Inform the Company of the progress of the project or work they supported.
- Mention their support in your literature and to the press (unless they have asked for no publicity)
- Keep in regular contact with the company by sending your annual report, newsletter or update them on your work by letter
- Invite the decision-maker(s) to important events. If possible, involve her or him in your organisation, for example, as an adviser.
- Be sensitive to the wishes of the company.

Never, never adapt your work to fit the interests of the donor. Your work should be supported by your fundraising - not led by it.

Chapter 6: Raising money from trusts

What is a trust?

A trust or foundation is set up by an individual, family or organisation with the specific purpose of donating money to a particular type of work or to work in a particular place. Money is invested in the trust, and the trust uses the interest on this money for donations. Trusts are governed by a board of trustees. Trustees must carry out the intentions of the founder of the trust. These intentions are legally laid down.

Trusts vary in how they donate their money. For example, some trusts can agree to donate to any type of activity which interests the trustees. However, most trusts are limited to supporting a particular area of work by the intentions of the person or company who founded the trust.

How to apply

What will the trust support?

You must find out what type of work a trust is able to support before you apply. If you do not do this, you may waste your time by applying to a trust which cannot give grants to your area of work. In some countries, directories of trusts are published, which give information on what type of work each trust can support and how much money they are able to grant.

How much money?

It is important to find out the amount of money a trust can grant. There are large, wealthy trusts and small ones, which are able to give only small sums to each applicant.

Type of application

Trusts often have forms which they will ask you to complete when you apply. You must supply all the information requested in the form in order for your application to be considered.

Budget

The trustees must account for the way they have spent the trust's money, so they will ask you for a detailed budget of how you will spend their grant. If the money is to purchase an item, you will have to send them the receipt. If it is to set up a project, you will be expected to produce a breakdown of costs, a time scale and details of how you will sustain the project once the grant has been spent.

When to apply

Trustees usually meet two or three times a year to decide on their grants. It is a good idea to find out the date of these meetings so you can plan your application at the right time. If you miss one meeting, it may be a long time before your application can be considered.

How long must we wait?

If your application is for a large sum, do not be discouraged if a decision is not made at the first or even second meeting of the trustees. Some trusts want to inspect your work before they make decision. Trusts are very likely to ask for more information before they make a decision. It may be many months before your grant is decided and given!

Small grants

Some trusts give small donations towards your on-going costs. They may respond to a letter or a general appeal leaflet.

Your relationship with the trust

Trusts are in the business of making grants, it is their reason for existing. Their approach is therefore often very business-like and they may be motivated by emotion than other donors. However, you must still show you appreciate their support.

There is a lot of competition for funds. An organisation that thanks the trustees and staff is likely to be favourably remembered. However, more is needed.

A trust will appreciate:

- a clearly-written application form, with all the required information enclosed, submitted within the deadline if there is one
- a prompt response to any request for further information
- clearly-presented budgets
- regular updates on the progress of funded work (if required) which is submitted without reminders.

Writing proposals

A proposal to a trust or company may be your one and only chance to persuade them to support you. It is almost certainly the only communication you will have with some of the important people who will help to make the decision to support you or not. Unlike companies, in trusts it is unusual to meet the decision-makers. This is why it is very important to write a proposal which meets the requirements of the trust or company.

Here is a checklist of the essential factors of all proposals:

- Easy to read

Your proposal should be clearly set out, with clear headings and paragraphs. Use short sentences and grammatical language. Use clear, professional fonts if you have a computer or legible handwriting. Leave spaces between paragraphs, sections and sometimes use bullet points to make the text easier to read and the meaning clearer to the reader.

- Logical

Each paragraph and section should lead logically on to the next so that you build up the reasons why they should support your work.

- As brief as possible

Everyone is busy. If your proposal is long, the managing director or decision-maker will

not want to spend time reading it. If the reader is impatient, they may skip sections and miss your important points.

- Only include the information the trust/company needs to have

Think about the facts which a committee needs in order to make a decision whether to support you. They need to know whether your organisation is a legitimate one, for example, and they need to know about the work which you are asking them to support. They do not want to know details of your entire history or about other work which they are not being asked to support. If they are interested in this information, they will ask.

- Clearly state the purpose

At the beginning, clearly say what you are asking for and why. The heading should state the purpose of the proposal: for example, 'Proposal for funding the Project for the Protection of Endangered Butterflies in South India'. The reader wants to know this in order to confirm that is worthwhile reading the whole proposal. Also, be clear whether you are asking for whole or part funding or for a grant to cover specific costs.

- The format

The format will vary slightly depending on the purpose of the funding. A request for a small sum does not require as much explanation as a request for a large sum.

- Who are you?

List the full name, address, telephone number and e-mail address [if you have one] of your organisation. Include executive director's name, the organisation's registration number; income tax exemption number and the contact name, if different from the director.

- Introduction

Include some brief background to the request. Do not assume the reader knows the extent of a particular problem. This is particularly important if you are applying to a company. However, if you are applying to a trust with a special interest in your area of work, you do not need to remind them of background information or statistics. For example, if your organisation works with disabled children, an application to a company should include information about disability statistics. However, a trust which only supports work with people with disabilities will not need to be reminded of these disability statistics. Do include statistics of your organisation's work where they are helpful to support your request.

- The need

Clearly and briefly explain the particular need that you are addressing.

- What you are doing about it

Once you have explained the particular need or problem, show what you are doing - or plan to do - to alleviate that need. If you are applying for funding of a project which will take months to carry out, you should give a plan of work with dates to show how you will plan, organise and implement the project.

- Planned outcome

Give details of what you expect to achieve through the project or with the equipment for which are requesting funding.

- Monitoring results

If relevant, explain how you will monitor the project and measure the results to assess its effectiveness.

- Cost

List the estimated money will be spent over a period of time, show this in the way you lay out the budget.

- Money already raised

It is in your favour to show that you have already made an effort to cover costs. List the money you already have and show the amount you still need.

- The request for funding

State what you are asking for: are you requesting funding for the whole sum required or are you appealing for a grant towards one particular cost, such as equipment?

- To accompany your proposal

You may send a copy of your annual report with the proposal. However, do not do this if the trust specifically requests no additional information. If you do send an annual report, remember that since your annual report gives information on the nature of your organisation, you do not have to repeat that information in your proposal.

A covering letter is helpful. This gives you an opportunity to remind the trust of any previous contact or support and to mention any influential person who knows your organisation, to whom they can refer (naturally, you will only do this with the person's agreement).

Follow-up

The trust or company may take some time to decide on your request: You can contact them occasionally to see how your application is progressing but do not pester them. If you hear the grant has been agreed, thank the trust or company and keep them informed of developments.

If your proposal is turned down, ask them why. It may be the trust had already used its funds for the year. On the other hand, there may have been an objection and, if you are lucky, they will tell you what it was. This can be a helpful learning experience and help you to prepare for other applications.

Chapter 7: Raising money from organisations

There are many organisations which donate to good causes. Some, like the Rotary Club, exist in order to do this. Local organisations usually give only to local causes. The exception to this will be an appeal for a national disaster. Some organisations may join forces with their international arm to increase their support to you.

It is a good idea to check how much the organisation is able to donate before making your appeal. Your appeal should be for an area of your work in which the organisation is likely to be interested, and for an amount they can give.

Many clubs like to have a speaker at their meetings. This is an excellent opportunity to create awareness of the needs your NGO is working to meet and of the work itself. This is also your opportunity to make a request for support.

Creating awareness may be all you are able to do but this is useful. One of the audience may receive your next appeal leaflet and respond generously because of your talk.

Giving a good talk will make you known to the club. You will be able to appeal to it later for support with more chance of succeeding. For example, I gave a talk to a local Rotary Club which produced a pretty glass dish as a present to me. I liked it a lot but it was not much help to our work with people with disabilities! Then, a few weeks later, I contacted the club with an appeal for funding an operation for a girl with a disability. We immediately received 15,000 rupees.

It is also worthwhile to give talks to schools and colleges. It is unlikely that you will raise a lot of money unless the teacher or head is interested in supporting your work, but it

gives you the chance to influence the attitude of children and young people who are tomorrow's citizens.

As with all fundraising, you will gain more support if someone you know is a member. He or she can make your case to the club, which may decide to 'adopt' your NGO or a project. This can lead to ongoing support at a major level.

Adapt your request to the interests and abilities of the club or organisation. If you decide to ask a sports club or a young person's club for support, you are more likely to get a response if you suggest they take part in a fundraising event which involves activity and is fun. Some groups may prefer to volunteer their time. This is an excellent way of raising awareness of your work.

A note of caution: If you have volunteers, you must make sure they are well managed and guided firmly and carefully. A dissatisfied or unhappy volunteer can give you a bad name.

Chapter 8: Raising money from events

Events can be great fun and raise money and awareness. They can also be a worry, hard work and lose money.

So you should think very carefully about the following points before you decide to hold an event to raise money:-

- How will the money be raised? (By entrance fees, sponsorship?)
- How much will the event cost in money and time?
- How much profit will the event raise? (Be realistic- even pessimistic!)
- Who will attend the event and how will you persuade them to come?

Only go ahead if you can show that the event will bring in a good profit and you have the time and helpers to organise it. Be cautious: calculate the profit assuming you have to pay the highest possible costs. Then, if you do find a free venue and obtain sponsorship for other costs, your profit will be increased!

Estimating your profit

Assume that you have decided to hold a concert of music and dance. Start by finding out the costs and do the following calculations:

Cost of hall (maximum seating for 500 people)	4,000 rupees
Cost of refreshments, @ 10 rupees per person x 500 people	5,000 rupees
Cost of printing 500 tickets	300 rupees
Cost of posters	1000 rupees
Cost of programmes	250 rupees
Cost of travel of performers	3,000 rupees
Cost of flowers for performers	1,000 rupees
Staff travel costs	1,000 rupees
Total costs	15,550 rupees

Income from ticket sales @ 100 rupees per ticket	50,000 rupees
Income from refreshments @ 20 rupees per person	10,000 rupees
Total maximum income	60,000 rupees

BUT this calculation assumes you will sell every ticket and that everyone will buy refreshments. It is safer to assume that you will sell fewer tickets. How would you do then?

75% of 500 = 375 tickets

Income @ 100 rupees per ticket = 37,500

Profit on tickets 17,500 rupees

50% of 500 = 250 tickets

Income @ 1100 rupees per ticket = 25,000/- Profit on tickets 10,000 rupees

30% of 500 = 150 tickets

Income @ 100 rupees per ticket = 15,000 Profit on tickets 0 rupees

Your profit from refreshment will be reduced in the same way.

- Be realistic about how many tickets you are likely sell.
- Decide how much profit you must make in order for the event to be worth the time and hard work.
- Be sure you have priced the tickets so that they will sell well and make you a good profit. The price depends on who you expect to sell them to, and on type of event. If they are too cheap, some people will think the event will not be very good. If they are too expensive, your targeted supporters may not be able to afford to buy them.

Ways to increase your income

- Find a hall which you can use free of charge (but do not agree to an unsuitable hall just because it is free)
- Get sponsorship for food and refreshments
- Get sponsorship for the banners/posters/programme or the event itself.
- Sell advertising space in the programme.
- Hold a lottery at the event.
- Have a collection during the interval.

If you can find sponsorship for the main costs in the example above, you will increase your profit by 11,250 rupees.

If your tickets are not selling and can see, from your calculations, that there will be little or no profit, it may be better to cancel the event immediately. Then you will not lose so much money or have the embarrassment of a poorly-attended event.

Summary

- Raise your money in more than one way during the event. Here are some ideas: sell T-shirts, hold a lottery, auction some donated items, sell cards or calendars, run a competition.
- Price the event [entry ticket etc] at a level that will attract the people who you hope will come. If it is too expensive, they may not be able to afford it, if it is too cheap, they think it is not worth attending.
- Organise the type of event your potential supporters are likely to enjoy. You will get their support much more easily! Think who you can ask to attend: does your organisation have support among wealthy people, young people or older people? Do not organise an event which only young people will enjoy unless you know you will be able to sell tickets at colleges and young people's clubs because you have contacts there.

- Choose a good venue, a popular celebrity to attend, a popular or convenient time for the sort of people you aim to attract.
- Plan the event step by step and monitor progress. Draw up a plan of action to be make everything is ready on time.
- If it is not working out as you hoped, it is best to cancel.
- Give yourself time to plan carefully.
- Use the event to gain publicity. Make sure the local press, TV and radio know about the event. Invite them to attend.

Chapter 9: Ideas for rural areas

Here are some ideas that may work in rural areas. You will probably think of many more that would work in your area.

- Skits, film shows and meetings could be held to explain your work and its benefit to the village or town and its cost. At the end, ask people to help their neighbours by donating and pass round a collection bowl. Even small sums will make a difference if everyone contributes.
- Start a Supporters' Club with regular meetings and a low monthly membership fee. Provide members with a newsletter telling them about your activities. Invite them to local events which you hold.
- If you work with local Self -Help Groups and Women's Groups, ask them pay a small fee every month towards the support you give them. Where there are a number of groups, this could raise a significant sum every month.
- Hold a lottery, selling tickets cheaply. Ask local shops to donate one prize each, so your only cost would be the tickets. If this is popular, try holding lotteries regularly.
- Organise a popular film show or concert, making a small charge for admission. In cities, your event is competing with many other attractions. In the rural areas, there may not be some many events. You will not be able to charge as much for tickets but you may have more people interested in coming.

Chapter 10: Maintaining your income

We have been looking at ways to develop an on-going income for your organisation. When your programme is up and running, income should come in regularly. When you have set up the programme and developed your contacts, the most difficult part of the work is done!

BUT — this does not mean you can stop work when the income starts coming in! You must continue to keep your supporters happy and look for new sources of income. If you do not keep the wheels turning, they will gradually slow down..

This applies to publicity also. You must continue to work to keep your organisation's work in the public eye as much as you can.

Some tips

- Do not rely on one source of income alone. Look for new supporters for your direct mail list or as volunteers or company support. Supporters move away, change their minds or die!
- Be open to new ideas. Times change and the public becomes bored with the same type of event or the same style of leaflet. Do not be afraid to experiment.
- In many countries, like in India, you can do out a mailing without having a database!

'Many hands make light work'! So recruit volunteers to write addresses on the envelopes and to put on stamps.

- Always be friendly and open to all who contact you - even those who are unfriendly to you. You may win a supporter or at least convert a critic.
- Never give up! Be optimistic!
- Do learn from your failures. Every good fundraiser has failures. If you do not have a failure, then you may not be trying new ideas, and will slowly lose support.
- Fundraising is like fishing: read the signs for possible success. Then cast your hook and wait and hope. If there is a nibble at the bait, you play the fish until it is hooked! If the signs are not good, do not give too much time to trying to 'catch' your donor. Time is money!

Good luck!

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