



The 5 Keys to Successful Fundraising

by Sandra Sims

**2nd Edition
Copyright © 2005**

Table of Contents

<u>Page</u>	<u>Title</u>
3	Introduction
4	Key #1: Answer the “Why”
7	Key #2: Choose the Right Fundraiser
9	Key #3: Effective Organization
11	Key #4: Teamwork is Essential
14	Key #5: Action and Follow through
17	Conclusion

Introduction

“The 5 Keys to Successful Fundraising” covers the essential elements to making a fundraising campaign work. This guide will be helpful for those new to fundraising, as well as provide fresh insights to experienced non profit leaders.

You will also notice questions in every chapter. These are open ended questions to help you think about how these 5 Keys apply to your own situation. Since this book can be used in a group setting, these questions can also provide a starter for discussions and brainstorming.

If you wish to print out a copy of the course for your own reference, feel free to do so. If you know other people who would benefit from this information, you may either send them the link to the website at www.stepbystepfundraising.com or email them the e-book itself.

You will also find additional in-depth information related to the material in this report in the [Step By Step Fundraising Guide](#).

If you think of any questions, comments or suggestions while reading this book, feel free to email me at sandra@stepbystepfundraising.com please include the words “5 Keys” in your subject line so that I know you are writing in reference to the book.

Best wishes,



Sandra Sims
Fundraising Coach,
Step By Step Fundraising

Notice: All materials contained in this course and the Step By Step Fundraising website are copyrighted and cannot be reproduced on other webpages or commercial print materials. This is a free e-book and is not authorized for sale.

Key #1 – Answer the “Why”

The first key to a successful fundraising campaign is the most basic. You have to know why you are raising money to begin with. While many times the “why” is taken for granted, by clearly defining the reason for the fundraiser, greater results can be achieved.

Mission of the Organization

After moving to a new town I joined a civic club, Business and Professional Women. At each meeting there is a formal opening, or call to order. As part of the opening, the President recites the mission and purpose of the group.

After attending a few meetings it struck me that reciting the mission at every meeting is not just for the benefit of visitors or special guests. It's to remind each member of the reason that they are there. This spoken affirmation of the purpose of the group serves to strengthen the focus and unity of the group. I don't think the power of this ritual can be underestimated.

By reminding yourselves of the mission of the organization, you will begin your fundraising planning from the same desire to fulfill the mission of your organization. Experienced staff and volunteers can become re-inspired, and new supporters will gain knowledge that will provide a firm foundation for their service.

Personal Motivation

The mission statement and goals of the organization reflect the “big picture” ideals of the group as a whole. However, people work or volunteer for a particular organization for largely personal reasons.

What is your reason for helping this cause, and for participating in the fundraiser? Your sense of motivation might be quite personal. Maybe you or one of your family members is affected by the cause. Whatever your motivation, a sense of belief is incredibly inspiring. It will help you as an individual fundraiser, and you will inspire others to feel the same.

Many times persons with a personal stake in the cause are the most enthusiastic workers. This sense of belief in the cause combined with active enthusiasm can create a positive impression and win over new donors.

Purpose of the Fundraiser

It's important to further define the reason for the fundraiser besides the general mission of the group. It is likely that there are multiple reasons that your group has chosen to do a fundraiser at this particular time. It could be that the last fundraising effort was not as great a success as hoped. Maybe your governmental funding has been cut and new sources of revenue are needed. Possibly you are embarking on a building project or a new outreach service.

Whatever has motivated the need for a fundraiser, it is important to define where the proceeds of the fundraiser will go. If the proceeds benefit a particular fund or purpose it is important that this is understood by both organizers and potential donors as it could affect their desire to help.

Address Concerns of Potential Donors

All three of the previously discussed areas, the organization's mission, personal motivations and the purpose of the fundraiser help establish a foundation for staff and volunteers as they participate in the campaign. It also helps them address concerns of potential supporters.

One of the first questions people ask when approached to make a donation is "what does the money go for?" You should have a ready answer for this question.

With the increasing number of causes pleading for support, people have to make choices about where they make charitable contributions. They want to make sure they place their gift with an organization that match their own priorities.

By knowing and communicating your organization's mission, and stating the purpose of the fundraiser, you help create trust. The donor will be reassured that donations will go to good use.

Reflection / Discussion Questions:

What is the mission of the non profit organization you are raising money for?

What is the purpose of the fundraiser that you are planning? Will proceeds benefit the general fund, a capital campaign, a particular outreach, etc.?

If you are in a leadership position in the organization, how can you tap into the motivations of other staff, volunteers and potential donors?

Key #2 – Choose the Right Fundraiser

The “right fundraiser” for your group is the one that will be most profitable considering your organization’s resources. It is the program that matches the needs and sensibilities of your organization, its cause, and your community.

In general, the most important factor for any charity fundraiser is the members themselves. **Members and/or volunteers who are enthusiastic, dedicated and willing to do the work required will raise the most money.**

The Three Types of Fundraisers

Fundraisers fall into three basic types: sales, events, and direct solicitation.

1 – Sales

Sales fundraisers derive income from sales of goods, such as candy, or through services such as a car wash. Raffles could also be considered a sale fundraiser, as the income is generated from the sale of raffle tickets and the program is not dependent upon an event.

To find out more about sales fundraisers, read the article “How to Choose a Product Fundraiser” online at www.stepbystepfundraising.com/sales

2 – Events

Fundraising events generate profit by the organization of an activity that will take place on a certain day and time and involve either inviting guests or going to where patrons already are.

Some of the advantages to fundraising events include:

- There’s high profit potential.
- Events appeal to a wide audience.
- There is no door to door selling of products.
- Events raise awareness for the cause.
- They can be lots of fun!

For a complete guide to creating a winning event fundraiser see: The Step By Step Fundraising Guide: <http://www.stepbystepfundraising.com/fundraisingbook>

3 – Direct Solicitation

Other types of fundraisers remove the “middle man” of the product or event. Types of direct solicitation include grant writing, meetings with potential donors, and membership drives.

Many of these efforts are focused on or supplemented by a letter. You can get a **Free Step By Step Guide to Writing Fundraising Donation Letters** online at: www.stepbystepfundraising.com/letters

Reflection / Discussion Questions:

First review all of the recommended online resources mentioned in the chapter.

What types of fundraisers do you think would work for your group and why?

Key #3 – Organization

1. Create a Fundraising Goal

Goal setting is one of the most important aspects of any endeavor. Budgetary needs of the organization generally guide the fundraising goals that are needed. Your organization should have yearly financial requirements, and then a plan to reach that requirement with individual fundraisers and campaigns.

Each individual campaign or event should have its own dollar goals.

2. Establish a Proper Cost to Profit Ratio

Your expenses should be a certain percentage of your total (gross) fundraising receipts.

For most events or letter writing campaigns, your expenses should be 30% or less of your total receipts. The lower your cost the better, because more of your hard won donations will go toward your cause. If your expenses can be close to zero, more power to you!

This also applies when selling merchandise or food (like candy or cookie dough). In general, look for a fundraising company that offers 50% or more commission. Again, the more commission you make the better.

3. Set a Budget

Oh, yes the dreaded word "budget." Don't worry! Budgeting can be your friend.

By establishing a budget in the initial phases of planning, you will find out:

- a. If you will be able to cover the start up costs.
- b. How much money you could potentially raise from the fundraiser.
- c. How much money, products or services will need to be donated. (This includes corporate sponsorships, prize donations, etc.)
- d. If you will be able to maintain a proper cost to profit ratio.

Budgeting is fairly simple. On a spreadsheet, create a line item for each expense. Do some research and find out how much each item will cost. From this form you will find out how much money you will need to bring in attain your fundraising goals.

If after the research and budget you realize that your group with either not be able to cover start up costs, or it would not able to make enough profit on this particular project, find a new project that better works with your organization.

4. Donations and Corporate Sponsors

The more you can get donated that does not have to be purchased, the better off your fundraising project will be. For example, if you are having a dinner, solicit a local restaurant to donate all or a portion of the food. If you are having a raffle, the prizes should also be donated from area businesses or members, not purchased from funds.

5. Timelines and Organization

Organization plays a critical role in the success of a fundraiser. Start at the event or due date and work backward. Write down all of the major and minor details that need to be accomplished to make the fundraiser a success.

There are many details involved with any fundraising campaign. Set deadlines for when each of these details need to be accomplished.

Organizing into committees and delegating responsibilities will further help your organization. There will be more detail about this in Key #4: Teamwork.

Reflection / Discussion Questions:

What aspects of organizing a fundraiser do you think are most important?

Key #4 – Teamwork is Essential

Teamwork in the fundraising program is absolutely vital.

Advantages to fundraising done as a team ...

◆ Learn from the experiences of others

New members of an organization can learn from the past successes and less successful fundraising programs the group as done in the past. In contrast, new members bring fresh ideas and enthusiasm to the group.

◆ Increased Accountability

By organizing and running the fundraising program with a group of people, there will be a “checks and balances” system in place. Members can voice opinions about potential pitfalls, open the topic for discussion and get the planning back on track.

◆ Members encourage and inspire one another

Group members can infuse energy and enthusiasm into the program. Your partners may have the perfect word of encouragement to help you when the going gets rough. Or they may have some practical advice to help the fundraising campaign.

◆ Combine talents and resources to raise more money

One of the best examples of this is Relay for Life for the American Cancer Society. Relay is a 24 hour event where teams of volunteers continuously walk on a track to raise money for cancer research. This is a real community wide event! From running the sound, entertainment, putting up decorations, recruiting volunteers and of course walking, this is truly a team effort. Funds for the event are raised by participants and by group events like concessions, raffles, and luminaria sales.

Essential Elements for Optimal Teamwork

1. Leadership

Leaders set the tone for the group. The officers, board members, and/or committee chairs all have a great responsibility to lead the group in a positive direction.

2. Defined Responsibilities and Clear Expectations

Setting clear levels and types of responsibilities removes ambiguity and will make fundraising efforts more efficient. Each leadership position should have defined responsibilities so that everyone knows what is expected of them.

Creating a committee with sub committee chair persons is a way that many groups accomplish this. Each sub committee chair knows what he or she is in charge of and then can make appropriate progress in that area. Having multiple leaders also takes the burden off of top leadership. It helps distribute the workload more evenly and allows everyone to participate and feel a sense of ownership in the fundraising program.

3. Communication

Communication is essential in any endeavor. There are three elements to communication that are important to consider.

The means of communication (telephone, meetings, e-mail)

It's understood that contact information should be readily available for all the members of your fundraising committees and staff members. However, it's also helpful to understand which method of communication works for individual members and for the group as a whole.

The frequency of communication

Planning out meeting dates for the entire fundraising campaign in advance will help make sure your team is communicating regularly. As you get closer to the event, additional meetings may be necessary.

The delivery of communication

The way a message is delivered is one of the most important aspect of communication. Getting a message across in a positive way is important when interacting with staff, volunteers, your planning committee, the public and potential donors.

Reflection / Discussion Questions:

What obstacles does your organization face regarding teamwork?

1. _____

2. _____

3. _____

Next to each of the challenges listed above, list possible ways these obstacles could be overcome.

Key #5 – Action and Follow Through

Volunteer Support

It is worth mentioning again, that volunteer and organizational support is crucial. The more people you can get to support your cause, the more profitable it can be.

Be sure to keep a list of volunteers and keep in contact with them from the beginning of the planning, during the program, and afterward. Call volunteers a week before an event to remind them of their commitment. Delegate as many responsibilities to volunteers as possible. The more useful and appreciated volunteers feel, the more likely they are to give their best efforts, now and in the future.

Thank all of your volunteers for their efforts!

Don't Lose Steam

Sometimes when planning a big event or something that transpires over time it is easy to lose steam. Be sure to stay with your pre-planned timeline. This schedule will help you when you and your volunteers start to stress out!

Remember many times it takes several contacts before someone will donate. If you are running a letter campaign, send reminder cards to those who have not responded. Follow up with a phone call. If you are running a raffle or sales drive, be sure to check in with your sales people to see how they are doing. Encourage them and offer support.

Thank your donors

Sending thank you letters or notes to people who make a donation shows your appreciation and reinforces their goodwill about making a financial gift to charity. It is best to acknowledge the gift soon after it is received.

Maintaining good relations with donors may lead them to continue supporting your organization in the future.

Thank you letters which are on the charity letterhead serve as tax receipts.

For more information about thank you letters visit:

www.stepbystepfundraising.com/thanks

Celebrate!

Now your fundraising drive is completed. Your group has worked hard to raise funds for your cause. Give yourselves a pat on the back! Let everyone in your organization know how much money your fundraiser made. You can also give a status report, if you are contributing to a larger goal.

Ways to celebrate your success:

- Prizes for the highest sellers
- Recognition of leadership at a regular meeting
- A celebration party
- Dinner or happy hour at a local restaurant
- A write up in the organization's newsletter
- An article in the local paper

Evaluation

When your fundraising project is over, it's time for a little reflection. This evaluation can be in the form of a meeting, a written survey, or whatever form works best for your group. If a meeting would be best, be sure to include this meeting date in your initial schedule of events. You might like to do a combination of meeting and survey, to catch all of your members.

The best time to evaluate is when it is fresh in everyone's mind. So be sure to place your meeting or send surveys within a week of the event.

In your evaluation look for both positives and areas for improvement. What went well in the fundraiser? What aspect could be expanded next year? What aspects should be changed next time?

Even if you don't plan on doing the same type of event again, these evaluations could be useful in other similar fundraisers.

Reflection / Discussion Questions:

How can you ensure that your fundraising campaign stays on track?

How will you acknowledge donors, corporate sponsors, and volunteers for their support?

Conclusion

With effective planning, proper strategies and hard work, your group can raise the funds it needs to further its mission.

For more in depth strategies for making your fundraiser more successful, see the [Step By Step Fundraising Guide](#).

You'll find out:

- How to determine what the results will be of a fundraiser BEFORE you begin
- How to get the most advertising and publicity possible for your fundraiser
- The 7 factors to consider when setting fundraising goals
- Strategies for managing costs
- A complete silent auction how-to guide and bid sheet generator
- Success stories from real fundraisers with tips on how to duplicate their success

For more information and a free fundraiser success story visit:

<http://www.stepbystepfundraising.com/fundraisingbook>