

# Fundraising 101: A 10-Step Approach

## Step 1: Outline Goals and Objectives

Developing a comprehensive budget is essential to setting your fundraising goals which will then guide your strategies. Identifying the overall fundraising goal and clearly articulating what is being funded will be important in framing the fundraising message. It may be helpful to set funding goals for different components of the campaign – this helps break down the funding ask into smaller, fundable portions. This can help you scale up and down your efforts – as well as offer funders different funding opportunities based on their interests.

## Step 2: Identify the Person Responsible for Fundraising

Identify at least one person within your organization who will lead the fundraising efforts. Usually, smaller organizations miss this important step due to limited staff capacity. Meanwhile, larger organizations may be fortunate enough to have a team dedicated to fundraising. No matter the size of the organization, someone needs to be responsible for coordinating fundraising efforts. This person looks at all activities within the organization through a fundraising lens and can lead exploration of critical questions such as (i.e., How does your work appeal to a potential donor? Who would be willing to fund these efforts? Who has funded this work previously? What relationships do you have with these donors?).

## Step 3: Identify Past Donors and Giving History

Understanding the organization's past fundraising history is important for future fundraising efforts – including grants, sponsorships, individual donations and events. The staff person in charge of fundraising should research the patterns of donor giving to the organization, including understanding what organizational efforts the donor has given to previously. Ask yourself or your team:

- *What organizational initiatives has the donor previously supported?*
- *What issues are important to the donor?*
- *What impact does the donor want to make in XX community?*
- *Will help you better understand a donor's interest and potential alignment between your funding goals/priorities and their willingness to support those goals.*

In addition, subscribe to philanthropy newsletters and conduct online searches to better understand the funding landscape in your community. Look at similar type or size organizations' IRS Form 990 to learn more about the organizations' donors and their annual reports. You may also want to ask your current donors about other funding opportunities they may be aware of to support your efforts.

## Step 4: Identify and Track Prospective Donors

Once you have an understanding of past and existing donors, it's time to expand your list to explore prospective donors. One essential step in identifying a prospective donor is to invest in or develop a system for tracking your interactions with them as well as tracking their donor giving. This can be done via a customer/client relationship manager (CRM). You can develop one utilizing a spreadsheet template or by investing in CRM software.

## Step 5: Identify Potential Fundraising Channels

An organization should identify methods to raise the most money with the least amount of effort. Large in-person events for smaller organizations can be a huge lift and may not be as feasible coming out of a pandemic. Large events often drain human capital and don't guarantee that you will meet your fundraising goals. Thinking through smaller targeted events with donors may yield higher returns on investment. As the organization builds success with smaller events and begins to secure funds, they may explore medium-to-large size fundraising events. Alternatives to in-person fundraising events are: direct mail, digital via social media or email, telephone fundraising, print fundraising, radio fundraising or TV fundraising campaigns.

## Step 6: Develop a Pitch for Potential Donors

Building relationships with individuals, organizations, family foundations and other funders is critical to obtaining the funding you seek. The more personal the approach, the better. Articulate your program or policy goals and how their contributions will aid in the organization achieving those goals. Quantify the impact of the donors' contributions and build authentic relationships through a variety of communication strategies to keep donors informed (i.e., annual report, year in review, postcard campaign updates, etc.). Distinguish what your organization does better than anyone else and the impact your campaign has on a specific issue or target population. Donors want to be part of successful projects and know that their efforts are making a difference. You can help them be part of the project by telling stories of project progress and the impact of their investment.

## Step 7: Develop a Communications and Marketing Calendar

While much of the fundraising relationship building and tracking falls squarely on the fundraising staff, there are opportunities to work collaboratively with the communications team to be strategic about communicating to donors. Development of a fundraising calendar will support a more strategic approach to fundraising and communicate fundraising activities for the year. The messaging should be in alignment with organizational or initiative goals, as well as fundraising goals. Be mindful of natural opportunities for communicating with donors such as the close out of a successful campaign or major progress highlight, as well as common times for giving, such as the holiday season and the end of the calendar year when donors are primed to give for both philanthropic reasons as well as charitable tax deduction purposes.

## Step 8: Identify Proper Systems to Maintain Fundraising Activities

There are numerous systems to track fundraising activities. The maintenance of the systems will support the sustaining of current and future fundraising activities. Investment in proper systems will ensure you have the capacity to disseminate fundraising messages, accept donations or funds, answer questions and address appropriate follow ups with donors. The CRM system mentioned in a previous step above is a useful tool.

## Step 9: Implement Fundraising Strategy

Now that you have the plan and have invested in the systems, it's time to put everything together and implement your plan. You should set the fundraising goal, approve the fundraising activities and begin the actual work of raising funds.

## Step 10: Evaluate Fundraising Effectiveness

Ongoing evaluation of your fundraising efforts will ensure you are using your time and resources most effectively. Many organizations find that a monthly review of their fundraising goals, strategies and tactics is useful for staying on track; others keep to a quarterly timeline. These systems will aid your efforts in tracking the goal of where you are against the goal you've set. They also inform whether the timeline set provided space to evaluate successes and shortfalls.

### *Explore Other Resources:*

- An Equitable Approach to Fundraising
- Funding Landscape Analysis Template
- Goals and Strategies for Fundraising
- Potential Donor Worksheet
- Potential Organization Corporate Donors