

### Fundraising and Resource Development

**Definition:** Fundraising involves discovering a win-win outcome that satisfies both community needs and donors. Resource development consists of an overall financial strategy towards the organizations' longer term sustainability. Nobody joins a non-profit organization because they want to ask other people for money, but resource development and fundraising are integral parts of most non-profit organizations. Although fundraising and resource development can be challenging and competitive, the work is very satisfying when the money raised is used to further the organization's good work in the community.

#### Resource Development

Resource development refers to the organizations overall financial plan and aims to ensure an organization's long-term sustainability. Many organizations ask the question: What percentage should come from which sources? Although there is no magic formula, longstanding organizations suggest that diversification of funding sources leads to longer term stability. The formula itself varies greatly between organizations based on their mission, vision, and goals, but could include the following:

- Core funding, program funding – usually derived from all levels of government
- Fundraising – key events or activities that raise funds through the public
- Sponsorship – potential for direct assistance from businesses, financial institutions, or associations for a specific purpose
- Grants – lots of foundations provide grants for specific projects or research which aligns with their goals or purposes
- Partnerships and collaboration – how might we align with others in ways that will generate administrative expenses (shared space, shared staff, shared administrative work, etc.)

#### Developing a Fundraising Strategy

A successful fundraising strategy considers internal and external factors as well as the target audience. Critical to developing a fundraising strategy is determining how much money you need and what the monies will be utilized for. As a general guide, your organization might want to answer the following questions:

- a) What has worked in the past?
- b) What are our goals and are there businesses/foundations whose goals we naturally align with?
- c) What do we have to work with? How much manpower (volunteer + staff) do we have?
- d) What's going on outside the organization that might affect us?
- e) What is our best course of action?

#### TYPES OF FUNDING:

##### Core funding vs. project funding:

*Core funding is the money you need to operate an organization- typically referred to as administrative costs. Projects have a definite start and end date and involve a tangible end product. Often, project funding covers a small portion of the operational costs.*

##### Seed funding:

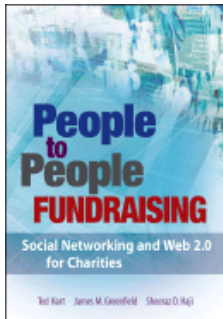
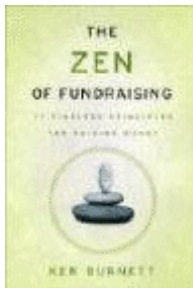
*Since many donors are reluctant to provide ongoing core funding, seed funding is a one-time offer to "kick-start" an operation.*

**Capital funding:** *Require funding to raise money for large capital projects such as buildings.*

**Deficit funding:** *Raising money to cover a debt.*

**Sole-source fundraising:** *Some organizations receive the majority of their money from one source, which can understandably have pros and cons.*

The following is a small sample of the Centre's Library resources on fundraising and resource development – check out the library at [www.bccnprd.ca](http://www.bccnprd.ca)



## Fundraising 101

No matter how you fundraise or develop your resources, **it's all about the relationships!** People give to organizations, programs, projects, and initiatives because they believe in you and the work you do! It's important to understand what motivates individuals and businesses to donate money, time, or services, to your organization. How well do you know your donors and supporters? Here is a basic list of things that motivate people to give:

- Emotional response
- Tax deductions
- Belief in the Cause
- Marketing
- Personal Gain (eg. seats to a basketball game)
- Spiritual reasons
- To make a difference
- In memory of someone or to pass on a legacy
- Because the right person asked

## Choosing the Right Event

The more creative your event might be, the higher the probability that it will be successful! Taking into consideration the economic climate and people's general 'busyness' make sure your event includes the following elements:

- Time and opportunities for networking and developing relationships – your event needs to have a social component
- Opportunities to highlight your organization's successes and share what you do in a manner that engages emotions – people give based on emotional response
- A variety of games or ways in which people give – the best fundraisers include games and activities which continue to increase the events' revenues

Here are a few creative ideas for fundraising events:

- Telethon • Pancake Breakfast • Murder Mystery • Concert
- Celebrity Appearance • Book Signing • Sporting Event • Beach Party
- No show social

## How to Approach Funders

First rule is to set up a face-to-face meeting with the potential funders – when you meet with someone, you become a convincing person rather than another letter in a file. Be punctual and dress appropriately. Be clear of your message and what action you would like them to take. Send a thank you note as a follow up in appreciation of their making time for you! Again, it's all about the relationship!

Visit our website at [www.bccnprd.ca](http://www.bccnprd.ca) or call us toll free at 1-877-388-8716