

# Introduction to Fundraising

A quick guide to the basics of fundraising

# Introduction

- Understanding the principles of fundraising
- Where does the money come from
- Current environment
- Who does the fundraising
- Types of fundraising
- Seven steps of fundraising
- Trusts & Foundations
- Other sources of funds
- Further support

# Understanding the principles of fundraising

If you are ready to start fundraising, but not sure where to begin, then hopefully this resource will help!

- You're not alone – everyone in the organisation has a role to play in fundraising
- There's no magic solution
- To be truly effective, and to deliver the results you need, fundraising requires time and effort
- Always remember - People give to people!

Understanding the principles of fundraising, and how the fundraising process works, can help you to plan your activities as a series of small steps, rather than one huge leap of faith.

# Where does the money come from?

Before we begin, it is useful to establish a picture of the various sources of funds, or types of fundraising.

- Events
- Legacy
- Community
- Individuals
- Trusts and Foundations
- Corporate
- Major Donors



To achieve stability in funding for your charity, you should aim for a mix of sources of funding. A good fundraising plan will have some level of diversity, often called your 'fundraising mix.'

# Current environment

## What is the current fundraising environment?

- Impact of COVID-19 is still being felt
  - Reduction in 'in person' events
  - Increase in trust and foundation fundraising
  - Increase in digital/virtual fundraising
- Trust in charities
  - Public trust in charities is higher post-pandemic (source: Public trust in charities 2021: published 15 July 2021)
  - Charities must ensure compliance with regulations to ensure this continues
- Demand for services
  - Many charities are experiencing unprecedented demand for their services
- UK heading for recession?
  - This could result in a perfect storm of:
    - An increase in demand for services
    - A reduction in donations
    - Higher costs for charities

# Who does the fundraising?

**This will differ across organisations:**

- Volunteer and or Board led with staff support
- Staff led with volunteer support
- Designated role or spread through several positions
- Training up staff or expert support
- Outsourced



# Seven steps for successful fundraising

Here are some steps to follow to help you get started with your fundraising:



**Step 1 | Identify**

**Step 2 | Research**

**Step 3 | Plan**

**Step 4 | Create**

**Step 5 | Ask**

**Step 6 | Thank**

**Step 7 | Maintain**

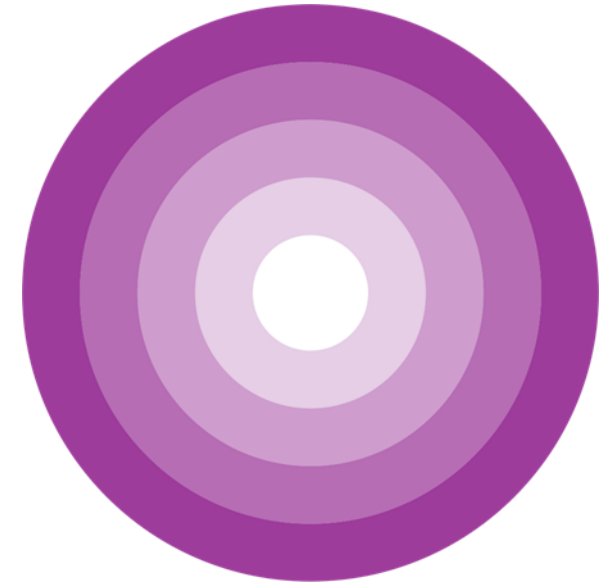
# Step 1 | Identify

## Who are your 'prospects' – your potential funders, donors and supporters?

Your first step is to map out your involvement with, and links to, existing and potential funders, donors and supporters. These are your 'prospects'. Are there any hidden gems in your database? Remember that donors who already give small sums may have the potential to give more, with the right approach!

### The Fundraising Onion

The prospect onion allows you to start with potential funders who are currently closest to your organisation, for example, trusts or individuals who have given before – and then work outwards (literally, through the layers of the onion) to explore individuals, groups, businesses or charitable trusts, who may be interested in engaging because your work, cause or project relates to their interests or activities.







# Step 3 | Plan

## How do you plan to approach your potential funders?

Having identified and researched your potential funders, it's time to plan your approach and think about how to tailor this to suit each prospect. Remember, it can take time to successfully engage a key prospect!

Create a pipeline so you don't lose track of your prospects

- Who are you going to apply to?
- What project are you going to apply for?
- When – is there a deadline? Remember to build in enough time to apply
- How are you going to apply/make the approach
- Try to estimate your chance of success

# Step 4 | Create

## Creating a Case for Support

Your case for support both tells your story and sells your idea. It should draw together all the facts that make your organisation, work, cause or project worthwhile and present these clearly and concisely.

- **History and background**
  - Explain the context for your work, including information about your organisation.
- **Vision/mission statements**
  - Describe the overarching aim (vision) of your organisation and what you do to achieve this (mission).
- **Goals and objectives**
  - Explain generally how you achieve your goals and specific ways in which you'll meet your goals (objectives).
- **Features and benefits**
  - Provide an explanation of the features of your work or project (services or deliverables) and clearly show the benefits that you will deliver and their lasting impact.

# Step 4 | Create

- **Finances and timing**
  - Give an overview of the costs of running the organisation, including any funding already secured.
- **Governance and staffing**
  - Provide information on your governance structure, staffing and volunteers to demonstrate key responsibilities as well as the experience and expertise you can bring to your project.
- **Existing support and testimonials**
  - Introduce current funders, donors or supporters and share messages in support of your cause – this will add weight and influence to your case for support.
- **Key facts and figures**
  - Provide appropriate statistics or qualitative data to demonstrate why your work is important and the impact it will make.

## Step 5 | Ask

It may sound obvious, but the most likely reason for a potential funder to give to your work, cause or project is, quite simply, that they've been asked.

### Ways to ask.....

- Writing a proposal or application
- Meeting with a major donor
- Creating an event and inviting people along
- Putting on an event
- Writing a letter to your supporters

**We NEED you.**  
**Can you HELP?**

**If you've followed the first four steps in the fundraising process, 'the ask' should be much less daunting.**



# Step 7 | Maintain

**It takes less time, and costs less money, to retain the funders you already have than it does to recruit new ones!**

- Existing funders are your best prospects for future donations
- Look after them through thoughtful and effective ongoing stewardship
- Ask your funders how they would like to stay involved with you – they may have their own ideas too
- Maintain good ongoing communication, in accordance with their preferences
- Monitor and analyse the impact of their support and report back to them
- Keep records of press and media coverage that you can share
- Follow up with further proposals that are tailored to their interests
- Evaluate your relationships and learn for the future



# Trusts & Foundations

Sometimes called 'charitable trusts' or 'charitable foundations', income from trust and foundations is often a big part of the fundraising mix for charities.

## Advantages of funding through trusts and foundations

- return on investment is high
- funding is available for up to 3 – 5 years
- excellent opportunities for relationship building
- funding available more than once over a period of years
- good for specific projects and capital costs, and for new and innovative work

## But remember...

- you'll need to fulfill application criteria, and this can be time consuming and sometimes tricky to navigate
- it's not always quick getting the funds in
- it can be difficult to get revenue funding from trusts and foundations
- There's lots of competition, success rates can be as low as 5%



# Other sources of income

## Corporate

- Supermarkets – donations, charity of the year, bag for life schemes
- Local stores and businesses

## Community & Events

- Rotary clubs
- Schools
- Sports events – participants in runs, cycles etc

## Major Donors / Philanthropists

- Research if there are any philanthropists in your area who could give to your project

## Individuals

- One off donations
- Regular donations

# Further support

- Scottish Council for Voluntary Organisation (SCVO) – free funding database and other support
  - [www.fundingscotland.com](http://www.fundingscotland.com)
- Charities Aid Foundation (CAF) - fundraising tips, advice and resources
  - <https://www.cafonline.org/charities/fundraising>
- Foundation for Social Investment (FSI) – free online training courses
  - <https://www.thefsi.org/training>
- Chartered Institute of Fundraising (CIOF) – professional body for fundraising professionals
  - <https://ciof.org.uk/about-us/what-we-re-doing/small-charities>

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