

Fundraising basics

Sourcing funds is a major concern for all associations and non-governmental organisations. Many depend on membership dues, but if the group is dwindling because of lack of activities or other reasons, external funding may be necessary.

Good fundraising depends on the public attention that the association can draw to itself and, more generally, on the effectiveness of its work. Visibility, activities and fundraising are therefore intimately intertwined.

It is essential before undertaking any fundraising exercise to develop a strategy and consider the following:

- The need for funds (e.g. what for, by when?)
- Possible sources of funding (e.g. foundations, corporations, bilateral agencies)
- Resources available to support fundraising drives
- The proportion of income left after all expenses have been paid (including tax if your organisation is not tax exempt)

In today's competitive funding environment, most funders no longer fund overheads. When compiling budgets, overheads should not comprise more than 10-15% of the total budget.

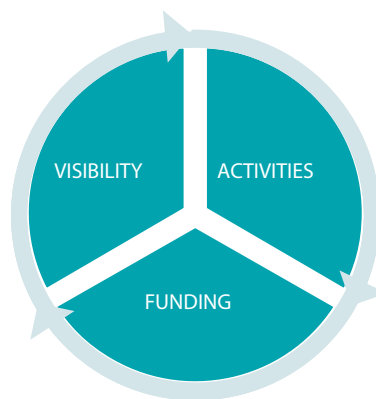
Strategic Choice

When searching for funds, define the following:

- Strategic priorities
- Priority sources
- Alignment of interests
- Win/win opportunities

Fundraising is heavily dependent on building relationships, and takes time and resources. It may take between 18 and 36 months to start generating income once the strategy is defined and the actions to fundraise are begun. In order to generate funds the organisations must have visibility and activities.

To identify priority sources to obtain income, consider where you are most likely to have success using the time, resources and networks available to your organisation. Measure progress and adapt your approach according to where you are getting responses.



When it comes to tax...

Generally non-profit organisations are exempt from income tax and therefore all types of contributions (membership fees, grants, etc.) received should be tax free for the organisation. You will need to undertake the necessary application process for tax free status in your country.

From a corporate standpoint, the company must ensure tax deductibility of any contribution made. Tax deductibility means that the contribution is an expense admitted as deductible by the tax authority in your country.



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Some ways to obtain income ▼



1. Membership fees

Membership fees may constitute the base of an association's income. Very often, membership fee structures are simple and can be improved. It is possible to stagger membership fees, although a base fee is always required of members. Working down the scale, a reduced rate can be offered to students and senior citizens, with an even lower fee being asked of family members. Working up the scale, a higher fee can be asked of professional members (e.g. corporations), a higher one of patrons and a high set fee for benefactors. It is crucial to define the different benefits available at different levels of membership.



2. Member donations

Associations can invite members to support specific projects. Communications on the project and its outcomes are important to build and keep support.



3. Sponsorships/grants

Sponsorship can be considered as either a one-time occasion or a regular support of the organisation. It can be provided in money, gifts in kind (e.g. printing costs), volunteer time, strategic expertise, venues, speakers, air tickets, etc.

Above a certain fee level, membership contributions can be viewed as sponsorships. A commercial sponsor will seek a return on investment; the association can then offer certain benefits to the sponsor through newsletters, website visibility, meetings, documentation, events, etc.

GWJ has partners which have a page on the GWJ website. Please visit: <http://www.graduatwomen.org/our-partners/>

As with membership fees, different levels of sponsorship privileges can be developed according to what benefits potential sponsors can offer the organisation.



4. Government and aid grants

Non-profit organisations may seek and receive funds from government ministries, other official or quasi-official bodies, or multilateral aid agencies. Selection criteria for grants vary from country to country and

ministry to ministry. As with all fundraising, **requests for grants must be tailored to the appropriate criteria.**

Information to obtain government grants will usually include: description of mission, objectives and activities, legal status, financial position, number of members, description of project requiring funding and benefits of funding. Documentation such as annual report, report of activities, financial statements, etc. may also be required.

For project funding, there may be a ceiling on the percentage of funding participation.



5. Advertising and Publications

The easiest way for an association to communicate is through its website or its newsletter. All styles, formats and frequencies of publication exist. Some newsletters may be included within the membership fee, some are subscription only, which constitutes a revenue stream.

Advertising space can be sold on the website and in newsletters, providing that the advertisements do not violate any rules and regulations.

Some substantive publications, such as reports, analyses etc. can also be sold to make a profit, providing they are relevant and timely.



6. Events

Events can be organised on a large or a small scale and, if well planned, can be profitable. Events can also be occasions to partner with other organisations. If there is a partnership with others, expectations, roles and responsibilities, financial agreements etc. must be clearly determined at the outset.

Examples of events:

- Potluck supper
- Fancy dress ball
- Auction/silent auction
- Marathon/Walk-a-thon/triathlon/Bike ride
- Rallies
- Relay race
- Children's face painting
- Film showing



7. Fees for services

The people in the association know a lot about their field. For example, this can be capitalised upon if they are invited to assist or speak, by charging fees that directly benefit the association.



8. Foundations

In most countries, there exist private and public foundations for philanthropic giving. Some examples of private foundations are the Thyssen and Bosch Foundations in Germany, the Wellcome Foundation in England, the Agnelli and Olivetti Foundations in Italy, the Rockefeller and Bill and Melinda Gates Foundations in the United States. Examples of public foundations are the Fondation de France in France and the European Foundation Centre in Belgium.

The Virginia Gildersleeve Foundation (VGIF) is based in New York and gives grants up to USD 7,500 for grass roots projects that advance the rights of women and girls.

Each foundation may have specific departments which deal with specific areas of activity, such as social action, education, empowerment of women, arts and culture, international aid. Foundations usually have clear orientations and precise requirements. Advance research on these requirements is a prerequisite; any funding request must fit in with the specific foundation's priorities.



9. Legacies

Many organisations benefit from legacies, when people leave money or property to the association in their will. Some charities set up legal advice to help people write their will, carry out campaigns (mailings etc.) to encourage people to remember to leave the organisation money in their will. This requires a strong knowledge of members, as individuals tend to think about making wills at key points in their lives such as marriage, divorce, children leaving, etc.



10. Crowdsourcing

Crowdsourcing is a means of raising money from internet-based communities of interest. There are many sites that raise money for projects, such as indiegogo.com or kickstarter.com. Each crowdsourcing site has its own conditions, which must be fulfilled if the project is to be put online.