



**Scotland's** International  
Development Alliance

# Fundamentals of Fundraising

## 21 January 2020

# Overview

1. Introductions
2. Taking a strategic approach to fundraising
3. Fundraising: industry standards and regulation
4. Major Gifts, corporate fundraising, pro bono support and legacies
5. Digital tools to help manage fundraising
6. Examples of best practice

# Fundraising: what do you need?



# Fundraising: what do you need?

Strategy starting point 1 = understand your charity's specific needs



# What kind of money is needed - and by when?



# Wider organisational needs?

- Travel
- Equipment
- Training
- Website development
- Database development
- Legal advice?
- HR support
- Design/printing
- Office space
- PR and communications

# Questions - Can you get anything for free?

- Photography
- PR
- Venue hire for fundraising event
- Office space
- Architects and engineers
- JCB
- Design and print
- Flights and hotels?

# Strategy starting point 2: Assess where you are now

- Strengths and assets you can draw on?
- Weaknesses and gaps you would need to address?
- What you are good at?
- What you have access to?





# Example Assessment

## Strengths

- Political support
- Bank of strong case studies
- Older donor base
- Access to faith communities
- Ability to run popular events
- Volunteers with journalistic experience

## Weaknesses or knowledge gaps

- Social media
- Donor database & giving history
- Active volunteers
- Strong public profile

# Mixed fundraising strategy

## More likely to be 'restricted' £

- Larger grants
- Major donors
- Large scale corporate support

## More likely to be 'free' £

- Sponsorship
- Events
- Trading
- Payroll giving
- Individual donations
- Legacies
- Schools and colleges
- Employee or community fundraising



# Importance of 'free' money

- Shielhill Path - £500 released £34,000 of funding

# Ideas for making the gift tangible



Find creative ways to break down budget

# Moving away from restricted income asks

- Pay for the digging of a well in Anyvillage, Malawi
- Provide a well in Anyvillage, Malawi
- Become an Anyvillage Project partner
- Bring clean water to communities in Malawi
- Provide clean water across Africa
- Bring the gift of clean safe water to people across the world

# The overall cost of the project is £40,000

Any donation you can make towards these costs would be gratefully appreciated...

Here are some examples of what your donations could fund:

- £15,000 would pay for the essential architecture and design work
- £8,000 would purchase desks and furniture
- £12,000 would buy and fit out a kitchen providing a daily lunch for pupils

# OR

£200 could keep the health centre running one day a week for a whole year (so £40 would run it for 1 day)

£21,760 could keep a vehicle that delivers vaccines to children in remote communities running for a whole year

✓ Mix and match the offer depending on the audience

# Small amounts add up

£5 per week = £260 per year (£333.33 with Gift Aid)

10 donors = £3,330

100 donors = £33,333





# Where to start?

- With a focus on what is needed (starting point 1)
- Where you have strengths (starting point 2)
- Close to home
  - Contact mapping
  - Committee board
  - Volunteers
  - Existing and past supporters
  - Suppliers
  - Neighbours (including corporate neighbours)
  - Map your area of operation and work back

# Find some links: Who else cares?



# Purpose of a fundraising strategy



# Regulation of Fundraising

- Charity fundraising specific rules UK wide
- Benevolent fundraising in Scotland - applies to any non charities including schools and community groups
- Wider regulation e.g. GDPR, electronic marketing, gambling, advertising standards, safeguarding that also apply to NGOs and charities
- VAT and tax specific to charities – implications for fundraising and trading

# Who regulates fundraising?

Statutory Charity  
Regulation



Fundraising  
Self - Regulation

## What rules must be followed?



Charity Law

Charity law is devolved, so there are different laws that apply in Scotland, Northern Ireland and England and Wales.



Code of Fundraising Practice

The Code of Fundraising Practice and the Rulebooks for Street and Door Fundraising outline the standards expected of all charitable fundraising in the UK.

## Who does it in Scotland?

OSCR

Scottish Charity Regulator

Scottish Charity Regulator

Scotland's independent Regulator and registrar for Scotland's charities.

Scottish  
Fundraising  
Standards  
Panel



S.F.S.P.

Oversees fundraising standards in Scotland and fundraising complaints about charities registered solely in Scotland.

## Who does it in the rest of the UK?



CHARITY COMMISSION  
FOR ENGLAND AND WALES

The  
Charity  
Commission  
for Northern Ireland

Charity Commissions

The Charity Commission for England and Wales and the Charity Commission for Northern Ireland register and regulate charities in their countries.



Fundraising Regulator

The Fundraising Regulator holds the Code of Fundraising Practice for the UK and deals with fundraising complaints about charities not solely registered in Scotland.

# Regulation of Fundraising

Code of Fundraising practice – UK wide

<https://www.fundraisingregulator.org.uk/code>

- General responsibilities for all fundraising
- Rules applying to specific types of fundraising
- Free rule books. Cross references other relevant legislation

# Regulation of Fundraising: Some crucial areas

- Data protection, GDPR and Privacy and Electronic Communications
- Complaints policy and process
- Acceptance and refusal of donations policy
- Written legal agreements with companies and professional fundraisers
- Risk assessment: Proceeds of Crime act, Anti Bribery,
- “On behalf of” and “in aid of” voluntary fundraising
- Charity is responsible for outsourced work
- Telling people about your work is marketing e.g. newsletters

# Code of Fundraising Practice

- How to work within current legal framework – and meet donor expectations
- Treating donors fairly
- Safety and security of income, assets, volunteers
- Ensure trust in charities
- Responsibility of Trustees
- Applies to volunteers and small charities with no staff



# Good Fundraising Scotland principles



- Clarity about who we are & what we do
- Clearly explain how to make a gift, change or stop a regular donation
- Respect donor's decision not to give or to stop giving
- Respect donors rights and privacy
- Have a procedure for dealing with vulnerable people on website or available on request
- We will hold your data securely
- We will communicate with you in accordance with your selected preferences.

# Good Fundraising Scotland



- Optional scheme – free to join for Scottish charities
- Apply via website
- Currently 185 charities signed up
- Fundraising Promise
- Aim = promote public confidence

# Major Donors

- No set definition
- Could be £500 or £20M
- Treat differently to average supporters
- Many models – one to one, giving circles, campaigns,
- May give as an individual, through a foundation, via a company



# Major donors - Good for

- Larger than usual donations
- Good way to start a large campaign
- Suitable for all sizes of charity
- Can easily be done by volunteers
- Ideal for geographic communities
- Gift Aid and share giving



# Major donors - Process

- Prospecting
- Qualifying
- Cultivating
- Asking
- Thanking
- Stewarding



# Major donors - Keys to success

- Talk in terms of THEIR interests and concerns
- Peer led (development board?)
- Face to face asking is key
- Senior level support from charity
- Gift tables
- Thanking and recognition
- Being aware of Gift Aid (and share giving)
- Practice before you go out!
- Consider GDPR when researching/screening



# Legacies

- Legacy income growth: <£2billion p.a. 2009 to £3 billion p.a. 2019
- 3 x as many Britons would leave a gift to charities if their solicitor reminded them about this opportunity (NFP Synergy June 2013)
- 35% of over-40s in the UK "would be happy to" leave gifts to charity, but only 6% actually do so (Remember A Charity)
- 60% of adults do not have wills (Co-op Legal Services 2019)



# Legacies Nuts and bolts

- Residual or pecuniary
- Tax advantages
- Routes in: Will writing, Will Aid type offer, face to face meetings, targeting solicitors
- Don't offer advice
- Recommend donors take legal advice
- Beware restricted income





# Legacies - Good for

- Larger amounts
- Unrestricted income

## Cons

- Predictable timing
- Long term investment required



# Legacies - Keys to success

- Raising as an option with supporters
- Solicitors
- Easily accessible materials
- Pledges
- Ensuring the charity's name is correct



# In Memoriam



- Market worth £2 billion UK & forecast to double by 2045
- Can manage via online platforms e.g. JustGiving
- Likely to be existing supporter/ contact



# In Memoriam - Keys to Success

- Promotion of it as an option
- Being able to track gifts and report back (total)
- Use of online platforms
- Useful materials e.g. collection envelopes (with Gift Aid declaration)



# Companies - Good for

- Saving money as well as raising money
- Sponsoring fundraising materials, events, publications, buildings
- Access to employees as fundraiser or volunteers
- Strategic support



# Companies - Many options

- Donations
- Sponsorship
- Corporate events
- Corporate volunteering
- Employee fundraising
- Challenge events
- Secondments and pro bono
- Payroll giving
- Charity of the Year
- Strategic support
- Provide raffle prizes
- Christmas cards
- Matched giving
- Event beneficiary



# Companies - Cons

- Can be demanding
- Expectations may not match
- Expect quick turn arounds
- Ideas can grow arms and legs: loss of control
- Risk of appearing to endorse company or product
- Long term relationships rare



# Companies - Keys to success

- Sell the benefits to the company: win win
- Some kind of link: do your research
- Using contacts/customers to get in door
- Make it simple and easy to participate
- Suitable acknowledgement
- Know your value - don't be afraid to say no
- Involve your Trustees: ethical considerations
- Opportunities for employee volunteering
- Written agreement
- Read International Development Alliance Top Tips





# Pro Bono support

- In kind – service or goods
- Typically venues, raffle prizes, PR, printing, technical support
- Free or discounted?
- Examples

Trust Law Connect  
Inspiring Scotland  
Pro Bono Economics  
FreshSight

Cranfield Trust  
Pilotlight  
In Kind Direct  
Pimp my charity



# Questions - Can you get anything for free?

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# Pro Bono - Keys to success

- Only seek budget relieving items
- Then deduct value from your target!
- Consider costs of storage and transport – additional donation
- Do look gift horses in the mouth - do you really need it?
- Consider BOND guidance on sending goods abroad
- Consider acknowledgment and benefits (less than cash equivalent)
- Should be valued and included in annual accounts
- Read International Development Alliance Top Tips for Pro bono

# Digital tools to manage FR

## Excel type system

✓ Free

✓ Familiar

But:

- Security considerations?
- Risk of erasing data
- Unmanageable for large numbers
- Hard to run queries

## CRM or contact management system

✓ Security built in

✓ Record relationships not just income

✓ Allows analysis & reports

✓ Integration with e.g. email

✓ Manage GDPR requirements e.g. FPS

But:

- Cost
- Features

# Typical requirements

- ✓ Contact (or donor) management
- ✓ Tracking interactions or activities with supporters
- ✓ Ability to communicate and market via email, email newsletter, postal mail newsletters, sms
- ✓ Record and track donations
- ✓ Record event registrations
- ✓ Website integration

# Best practice



# Questions?



# Fundamentals of Fundraising Training

## *Upcoming Events:*

- COP26 Mobilisation Planning Meeting, *Edinburgh, 23 January*
- Online Training Course: Introduction to Institutional Funding, *27 January*
- Safeguarding Working Group, *Edinburgh, 29 January*
- The 'how of the SDGs: enhancing coherence across sectors, *Glasgow, 19 February*
- Leave no one behind (LNOB) Working Group, *Stirling, 27 February*
- Project Management Training, *Perth, 3 March*
- Safeguarding Training for Focal Points, *Edinburgh, 4 March*
- Webinar: Top tips for developing & using a Theory of Change, *10 March*



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