



FUNDRAISING GUIDE

Building your financial success and strengthening good practice

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What is the key to Effective Fundraising?

Hard work, enthusiasm and luck are always useful when it comes to fundraising. However, to be sustainable and effective, real success in fundraising in international development is all about having a strong organisation, robust partnerships based on trust, communicating what you do clearly, and being purposeful about attracting and retaining donors or supporters. Such strengths are by no means confined to large, well-resourced International NGOs (INGOs), and even the smallest of organisations can adopt best practice in fundraising.

Fundraising for International Development

Fundraising for international development can be challenging, particularly in an increasingly competitive and professionalised sector. Despite the 0.7% pledge ensuring that ODA¹ sources are reasonably stable, INGOs are now experiencing fundamental changes in donor trends and individual giving. We need to be increasingly focussed and thoughtful about how we mobilise funds for our work, and how we support partners in the Global South to make use of opportunities that accompany a post-MDG² funding landscape.

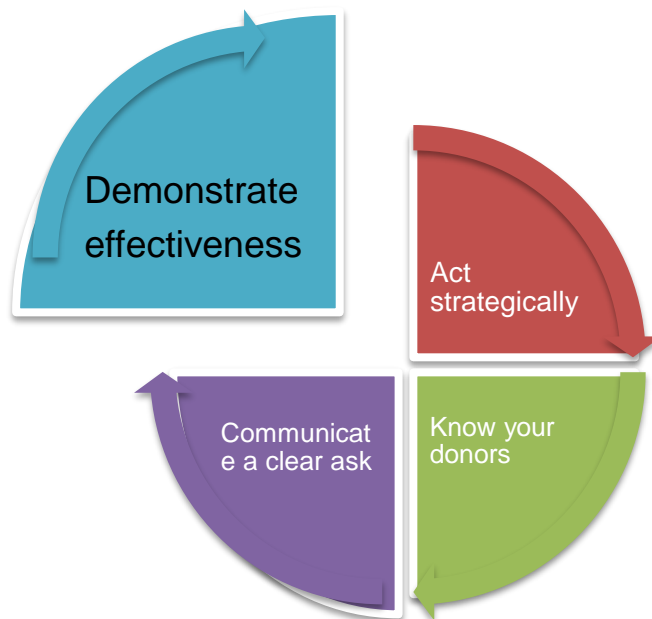
The following four rules of thumb together provide a solid basis for effective and sustainable fundraising:



This guide will explain the key steps in improving your organisations work in each of these areas, offering examples, and links to further information.

¹ Overseas Development Assistance

² Millennium Development Goals



What is Effectiveness?

In the international development sector, effectiveness is about the achievement of long-term improvement in people's lives. Effectiveness has become a key term for describing structures, processes and activities that bring about tangible and lasting results.

Aid Effectiveness: High Level Forums

Since 2003 a series of four **High Level Forums on Aid Effectiveness** have taken place, initiated by the OECD. Donors and aid-receiving countries have met to discuss how international development processes could be improved for maximum impact. The result has been significant changes in the international governance of aid, progress in transparency, and a focus on fragile states. Separate discussions were established for civil society organisations, including NGOs, resulting in the Istanbul principles for **CSO Development Effectiveness**, and an accompanying toolkit.

NIDOS has developed a range of resources to support its members including its **Effectiveness Toolkit**, which takes NGOs through various steps for assessing, improving, and demonstrating their effectiveness – for full details of the support available from NIDOS see the end of this guide. Bond (the UK network of INGOs) also runs an **Effectiveness Programme**, which makes available tools, training and other resources.

Why is being effective so important for fundraising?

Improving and demonstrating effectiveness is crucial to attracting funds for a number of reasons:

- Effective organisations are able to build **relationships of trust** with their partners and donors, based on the understanding that they are **reputable, reliable, and achieve impact**
- Organisations that can show that they are **well governed and managed** are also able to provide guarantees that donated funds will be used well
- Effectiveness also encompasses widely agreed **principles of good practice** for NGOs, again providing a guarantee of accountable use of funding

- Effectiveness leads to **sustainable results**: evidence of your success for your donors
- **Donors' guidelines and criteria for funding** often include key aspects of effectiveness, and you will be asked to show how you meet these

What does effectiveness mean for NGOs?

NIDOS has drawn up a list of key guiding principles to assist INGOs and their development partners in improving their effectiveness. These key principles, shown in the box below, are also used as a basis for the NIDOS toolkit, which is relevant to all organisations. In the toolkit, NIDOS identifies minimum levels of **good practice**, which INGOs and their partners - regardless of their aims or their size - can aspire to. The toolkit also identifies **excellent and outstanding practice**, for organisations that can claim to lead the sector on effectiveness standards.

Accountability	•We are accountable and transparent, particularly to the communities we support
Sustainability	•We are committed to working for sustainable development
Learning	•We learn from our experience to improve our performance
Governance	•We use our resources efficiently and are open about how we use our resources
Partnerships	•We are committed to partnerships that promote social justice
Gender	•Our work is carried out keeping in mind the needs of both women and men
Inclusion	•Our work is carried out keeping in mind the needs of marginalised people, including disabled people
Do No Harm	•Our programmes and projects are run ensuring that they do no harm
Human Rights	•Our work is carried out in a way that upholds the rights of the communities we work with
Resilience to Climate Change	•Our work is carried out in a way that helps communities adapt to and build resilience to climate change

What does effectiveness mean to international development donors?

'Around three in five donors consider factors relating to how effective an organisation is, and how it will use a donation, when deciding whether to give to it.'

This quote comes from a recent study³ by New Philanthropy Capital that shows that leadership, effectiveness and impact are key factors for individual givers when they are deciding to make a donation. The study also found:

'Distrust of charities was the main reason for non-donation for 12% of mainstream non-donors and 25% of high-income non-donors. This included concerns about wastage, administration costs, and lack of transparency.'

Most institutional donors and charitable foundations will also refer to effectiveness, or aspects of effectiveness, as an essential component of what they will fund. These donors will assess funding proposals on the extent to which they meet effectiveness principles, and many refer grant recipients to Bond and NIDOS for tools to improve their effectiveness. The following are quotes from two of the bigger grant makers, which illustrate this:

³ "Money for Good", New Philanthropy Capital, 2013

'Building effective organisations and the leadership: Capable social change organisations and their leadership are supported to invest their creativity, effectiveness and accountability.' Quote from Comic Relief's grant making principles.

'Project proposals must therefore also contribute to the achievement of the MDG targets, and adhere to the principles of aid effectiveness, as set out in the Paris Declaration and Busan outcomes document.' Scottish Government 2014 call for Malawi projects.

How can I build effectiveness in my organisation and its partners?

NIDOS members are able to access the **effectiveness toolkit** on line, and carry out their own MOT. Help is also available from NIDOS to support members specifically with working on their effectiveness, and the tools available can be used to agree and put in place a plan for improving effectiveness. Effectiveness in NGOs is not just about doing things right, it is also being clear that your organisation is doing the right things in the right ways. This confidence gives an excellent platform for fundraising. Effectiveness includes:

Knowing Who You Are

Having a clear and widely agreed mission or strategy, and a plan for delivery, is essential to effectiveness. It sets the framework for strong and clear leadership, empowerment of your staff and partner organisations, and enables clarity in communications about your purpose. Identifying your values, and what sets apart your approach, and that of your partners, is part of developing a clear statement of purpose. This will also enable you to communicate your unique selling point (USP).

Knowing that you can't work alone

INGOs are always working towards broad development goals, which are shared with others. Strong and mutual partnerships, with local communities, NGOs, government, business and other agencies, based on principles of equity, openness and mutual respect, are the bedrock of effective international development. This is particularly important in international partnerships where cultural differences may test relationships and trust.

Knowing What You Are Good At

Effectiveness is about a good track record for achieving results, and for understanding the wider changes or impact that your work contributes to. Having the right systems for understanding and learning from the changes that your work brings about, what works, and what does not work and why is also essential for...

...Continually improving your know-how

Being a learning organisation, continually improving performance enables NGOs and their partners to grow. Openness and transparency is crucial to this, and investing in systems for learning and sharing learning is an essential feature of any organisation. Admitting failure⁴, and reviewing what you have learned from it, can also be a great way of generating some really valuable learning, as well as being consistent with values of openness, transparency and honesty.

See the links on page 12 for more resources and links on each of these aspects.

⁴ See www.admittingfailure.org



An effective organisation of any size will have an agreed written/documentated **organisational strategy** for how it is going to meet its values and mission. This does not need to be a complicated business plan but does need to include clearly stated goals/mission, a strategy for how to achieve this long-term change and the resources needed to achieve this. While the mission of an organisation provides a guiding beacon in the long term, organisational strategies are often drawn up for around three to five years. Strategy responds to changing external opportunities and challenges, and current internal strengths and weaknesses. Your strategy will be robust if you have consulted as many stakeholders as possible, and got the input and agreement of the Board of Trustees. A good strategy will be a living document that helps to give meaningful direction to decisions⁵.

An organisational strategy is important for fundraising, as it means that you can explain your plans and your thinking clearly to your donors, and give them confidence in your organisation as a whole rather than just the immediate project. It can also help you to avoid being driven by donors' priorities rather than your own priorities.

You then need a matching **fundraising strategy**, which would answer the following questions. What funds do you need to carry out the activities you have planned in your strategy? Where will you get those funds? How will you ensure that the funds do not dry up, and that you have sustainable sources of funding? What will you need to do to raise the funds that you need and what resources will you need?

Your fundraising strategy need not be long (2 pages may well be enough for a smaller organisation) and should cover the following:

1. A **fundraising audit** – this would involve understanding and analysing the context for your fundraising in terms of **internal capacity**, the latest **donor trends**, and your **potential competitors or collaborators**. There are various tools that you could use to do this, including a SWOT or PEST analysis

⁵ For more information on putting together and organizational strategy and what it might include please talk to NIDOS, or refer to Third Sector Interfaces for further guidance.

2. **Review your current fundraising** and take an honest look at how well it is going. You could use tools such as comparing the success rates and return on investment of different income streams, and the income brought in from various sources.
3. Be clear about what you are looking for funding for, and over what timescale? Is it a project? Or the organisations core costs? Do you need **unrestricted** funds to support the general running of the organisation, or **restricted** funds for a specific project or need? For some organisations unrestricted funds can be much harder to fundraise for than restricted.
4. Outline the risks involved in your fundraising. For example, do you have sufficient diversity of funding sources? Relying on a single source of income can be a high-risk approach, and it is very important to **diversify your funding** streams.
5. From this analysis you can then build a **fundraising plan**, choose your **options** for income streams, and determine what **activities** you will need to undertake, and the **resources** you will need to do that.

Social
Investments
Company Funding
Trusts And Foundations
Appeals Legacies
Individual Regular Donors
Enterprise Philanthropists
Collections Gift Aid
Institutional Grants
Crowdfunding
Committed Giving

With a wide range of **potential sources of income to choose from**, prioritising those that are going to suit your organisation the best will be the most important step in putting together a fundraising strategy.

This choice will depend on:

- the types of programmes that you run;
- the kind of funding that you need;
- your existing and potential audiences; and
- your capacity to manage different types of funding.

Not just money!: You may also wish to use your fundraising strategy to think about how you might attract non-monetary resources, such as volunteering,

pro-bono support, and networks. Thinking about your competitors as potential strategic partners and collaborators may also open fundraising doors. Your fundraising strategy will be very individual to you.

'We work in global mental health, which is a difficult cause to fundraise for. In the past much of our funding has come from grants. We are now innovating with social franchising as a way of increasing core funding for our advocacy and policy work''

'Our organisation has strong Christian roots, and an easy-to-understand mission. Much of our funds come from individual and committed giving through our network of volunteers and churches. This income is unrestricted and flexible' ''

'We are a humanitarian NGO working in conflict zones. Although we are not a big NGO, we have used our specialist expertise to partner collaboratively with others on large grant and tender opportunities. Our success in doing this means that we are now thinking of acting as a lead on tender bids for the first time'

All of these quotes are based on real small and medium NGOs. See page 12 for links to websites and resources where you can find out more about potential sources of income, and keep abreast of trends and changes.



It is often said that successful and sustainable fundraising is first and foremost about **“friend-raising”**. Relevant to any and all types of donors, this term is a helpful way of capturing the need to get to know your donors, to understand their motivations and needs, and to build high quality relationships with them based on trust and accountability.

You can start by thinking of your donors more broadly as supporters who will already be engaged in, or have an interest in your work for many reasons. For example they may be current or potential volunteers, trustees, advocates with a special interest in your cause, researchers, policy makers, campaigners, or suppliers of goods and services to your charity – whatever their interest, you can view them as partners to your cause rather than as ‘just’ donors, and they may have a much stronger motivation to give.

Donations from individuals can be an important source of unrestricted income that you can use to cover core costs, as well as funding research, advocacy, innovations and your general programmes. Individual giving can be particularly successful for organisations with a popular cause, a natural audience, and/or a clear message. Individuals can be encouraged to give through various approaches:

- Street Collections
- Crowdfunding
- Supporting fundraising events
- Appeals and requests for one-off donations for a specific need
- Regular committed giving, such as standing orders, and direct debits
- Major donors or larger gifts
- Legacies



The donor development pyramid shown here illustrates how supporters can become donors and then moved from one-off donations, to becoming regular givers, and to leveraging larger donations.

A pyramid shape is used to show that often charities have a large number of donors who give occasionally in response to a specific ask, but only a handful of bigger gifts, or legacies. The goal is to nurture supporters at a 'lower' level, to move them 'up' in fundraising terms.

"Friend raising", or building relationships, can be helped by:

- Keeping track of and getting an understanding of your key audiences, for example, who supports your work and why? What do they need from you and how can you meet that?
- Giving your donors a chance to feed back to you, and let them know that you are listening
- Being consistent in your messaging – this is helped by ensuring that your marketing activities reflect your mission and values
- Having a clear ask, and segmenting your audiences, so that you can target your fundraising appropriately to different groups
- Telling stories that convey your passion and your impact, whether this be through photos, stories, film, etc.
- Be honest! Honesty is the best way to build trusting relationships, do not try to cover up failures or mistakes
- Interacting with people in ways that make the job of giving easy for them, maybe use social media, or look out for technological innovations in fundraising (e.g. contactless giving)
- Don't forget to thank your donors!

Building relationships with **grant-making institutions, corporates and charitable foundations** is equally as important as with individuals. Developing an excellent understanding of your donors is the first step to sustainable success:

- Keep abreast of **donor trends** affecting the sectors and regions/countries that you work in – how is the changing global context influencing donor policies?
- Get an understanding of **what makes your donor tick** – what are their main priorities and concerns? What influences their decision-making? What is the style and content of the way that they communicate? NIDOS provides support and workshops to help you get started

It can be harder to establish a personal contact with grant-makers, however the following are some useful top tips to **building relationships with grant-making bodies**:

- Find opportunities for you and your partners to network with donors, whether it is at conferences, meetings, in your implementation countries– you can strike up conversations about their work, and tell them about yours, without needing to talk about funding;
- Use milestones such as a project launch, the publication of research, the completion of an evaluation to invite your donor to be involved – let them know what you are good at and why;
- Prepare well for any meetings that you have with donors – be clear what they will need from you and make their job as easy as possible. Follow up afterwards with any additional information that you have promised;
- Donors often view INGOs and their partners as their connection to the grassroots – offer to share your research/learning with them, make yourself a vital resource for their own learning;
- Mirror your donor's style without losing sight of your main purpose and your values
- Once funded, it is really important to maintain relationships through good project monitoring, regular reporting and feedback, and by meeting your contract obligations and accountability requirements.



Communications for fundraising start with your **general communications materials** – these may be on your website, on social media, on publicity materials, presentations that you make, advocacy materials, publications and research. **Branding** can sometimes be seen as a term belonging to the world of business, but having a **consistent message** that clearly communicates **your values, approach, mission, and what you want to achieve and what makes you different**, will help you to attract new supporters, and build your supporter base. You may want to consider drafting a brief communications strategy to clarify your ideas.

Effective communications will allow you to explain clearly, and without jargon:

- The **principles and values** that guide your work – good practice in international development suggests that, whoever you are, this should include ideas of **empowerment, partnership, transparency, justice, respect and equity**
- The **long term, sustainable change** that you are seeking to bring about (otherwise known as your Impact)
- Your approach, and **your ideas on how change happens**, and how you can contribute to that (this is sometimes referred to as your **Theory of Change**)
- Examples, evidence and stories of **your strengths** and your impact

What we do

Home » About us » What we do

Values/Principles

Village Aid strongly believes that African people are best placed to deal with the problems in Africa. We help them by providing resources and capital so they can develop long-lasting solutions to rural poverty.

Intended Impact

We work with locally-based partner organisations that are at the heart of the communities which they support. We help to train these organisations in the valuable skills they need to become sustainable and independent in their own right, such as fundraising, management and financial administration. We hope that our partners can go on to become well established organisations, delivering quality programmes within their communities and enabling the most marginalised and vulnerable to break free from poverty.

The example above shows how one small INGO, Village Aid, talks about their principles, and planned impact, on their website.

Your communications may be designed to support general fundraising, to encourage donors to contribute to your organisation's mission. Alternatively, communications may be designed for a **specific appeal, to support a particular project**, or aspect of your work, and for a specific audience. If it is the latter, it is important that in your communications you can clearly differentiate between your **activities** (that you may need funding for), the **outcome** that you are expecting as a result of these activities, and the long-term **impact** that this will contribute to.

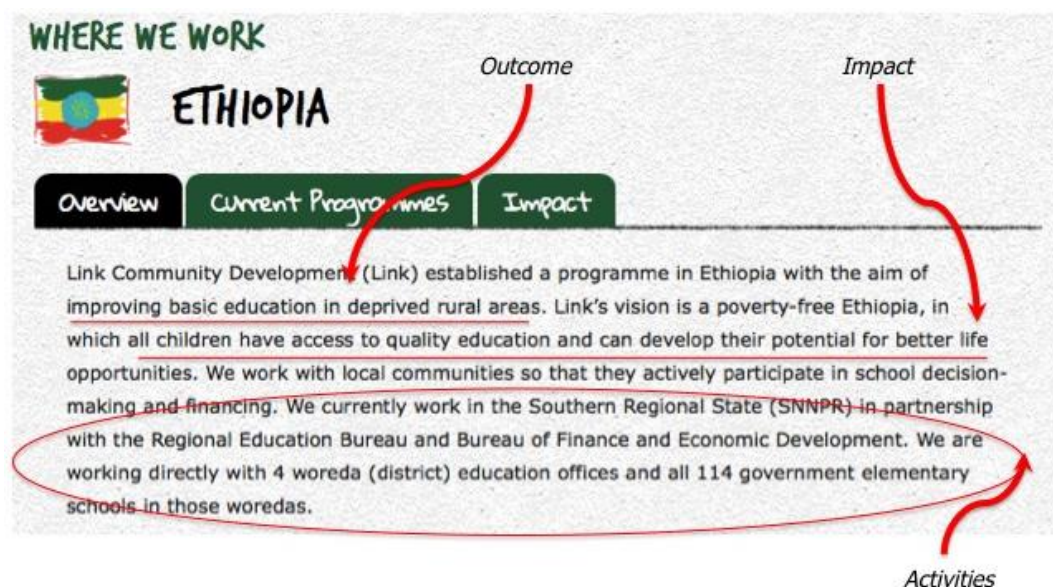
The impact ladder



Impact	the broader or longer-term effects of a project's or organisation's outputs, outcomes and activities.
Outcomes	the changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.
Outputs	the products, services or facilities that result from an organisation's or project's activities.

Understanding your impact allows you to be able to communicate to your audiences what you have achieved, and to demonstrate sustainability and value for money (please see the section above on strategy). It also allows you to learn from what works and does not work, and you can demonstrate coherent connections between what you do, what change it brings about in the short term, and how it relates to your mission in the longer term. Supporters then have a clear idea of how they can contribute to your impact by supporting a specific set of activities to achieve certain outputs.

The following is a good example from Link Community Development of how this is communicated on their website at a project level:



On Link's website each page has a donate box, encouraging individual donors, alongside giving information. Communications for fundraising, requesting donations, can come in many forms:

- Materials to support community fundraising
- One-off public appeals for specific projects
- Direct mail
- Telephone appeals
- Social media campaigns

- A case for support, or case study of your impact

In all cases, it is important to ensure that you follow the **fundraising code of practice**, and that you stay legal, and are transparent and open about your work. You should also ensure that you use images responsibly, and in a way that reflects your values – further guidance on this can be found on the NIDOS website.

The style of **communication required for grant applications** is usually quite different to that used in marketing or fundraising from individuals. Institutional donors and charitable foundations usually have guidelines, although some trusts and foundations may seek more general applications. It is important that you **read the guidelines very carefully**, and make sure that you meet the criteria for support, – they are there for a reason! Try to put yourself in the shoes of the donor, to understand what they are trying to achieve with their funds, and how your project will help them to achieve that. It is important to note the style and language used by your donor, and where possible mirror their style – BUT most importantly though, **stay true to your own mission and do not be donor led**.



A grant application, or case for support, is usually structured in a way that explains your objectives, or intended outcomes, activities, and the impact that you wish to achieve. Many donors ask for a **logical framework**, or an equivalent format, to explain your planned project. The **CES planning triangle** (also known as the Weaver's Triangle) shown to the right is a simple version of this

hierarchy, which can be used for guidance when putting together funding applications. Grant applications are usually accompanied by **a budget that matches closely to your planned activities**, and sometimes also a work-plan, and a full explanation of management arrangements.

Writing excellent proposals starts with and depends on excellent project design and project planning, which responds to a specific need, as this diagram illustrates:

Proposal writing
is the last step
in the process!

3. Proposal writing

- Now you are ready to write your proposal description!

2. Project Planning

- Develop **your project aims, objectives and activities**.
- **Schedule** your activities, and draft a **budget**

1. Basic design stages

- **Problem analysis**: find out from the communities you are working with about the problems they face and what they think the solution is.
- Determine **cause and effect** relationship: identify central problem that your project will tackle, and it's causes and effects, use a problem tree to map these out.
- **Analysis of objectives**: Turn your problem tree into a solution tree, and work out which part of the solution you will contribute to. Devise objectives from the problems. Select strategies to achieve objectives (activities, methodology).
- Test your **assumptions** and analyse the main **risks** affecting the success of your project.

Support & resources

The following links and resources give further information about all aspects of fundraising. NIDOS also offer training (for example on logframes, fundraising proposals and social media), resources, and outreach support on fundraising for international development. Our website has several useful resources for working with specific types of donors.

Good Practice in Fundraising

Institute of Fundraising	http://www.institute-of-fundraising.org.uk
Directory of Social Change	http://www.dsc.org.uk/
Scottish Council of Voluntary Services	www.scvo.org

Fundraising Techniques

Writing successful proposals	http://www.thewomensresourcecentre.org.uk
Showcase of fundraising innovation and inspiration	http://sofii.org

Developing a mission statement, governance, strategy, management, planning for NGOS

Know How Non Profit: Strategy for Non Profits	http://knowhownonprofit.org/organisation/strategy
Capacity Building for Local NGOs: A Guidance Manual for Good Practice	http://www.capacity.org
Developing a Marketing Strategy for a Charity	http://www.charitycomms.org.uk
Comprehensive resources for fundraisers	www.resource-alliance.org
How to do Strategic Planning: A Guide for Small and Diaspora NGOs (Rick James)	www.intrac.org
Fundraising for Success (Ajay Mehta)	
Strategy and fundraising	http://www.Tools4dev.org
Fundraising strategy - resources	http://www.fundingcentral.org.uk
Partnership resources	www.nidos.org.uk

Researching funding sources

NIDOS fundraising directory	www.nidos.org.uk
How To Guide: Fundraising from Institutions	http://www.bond.org.uk
Access to trust funding database (NIDOS members only)	http://www.trustfunding.org.uk
Resources for social enterprises	http://www.forthsectordevelopment.org.uk

Specific donor websites

Scottish Department for International Development	http://www.scotland.gov.uk/Topics/International/int-dev
Big Lottery Fund	http://www.biglotteryfund.org.uk
Comic Relief	http://www.comicrelief.com
Department for International Development: Funder Finder	https://www.gov.uk/international-development-funding