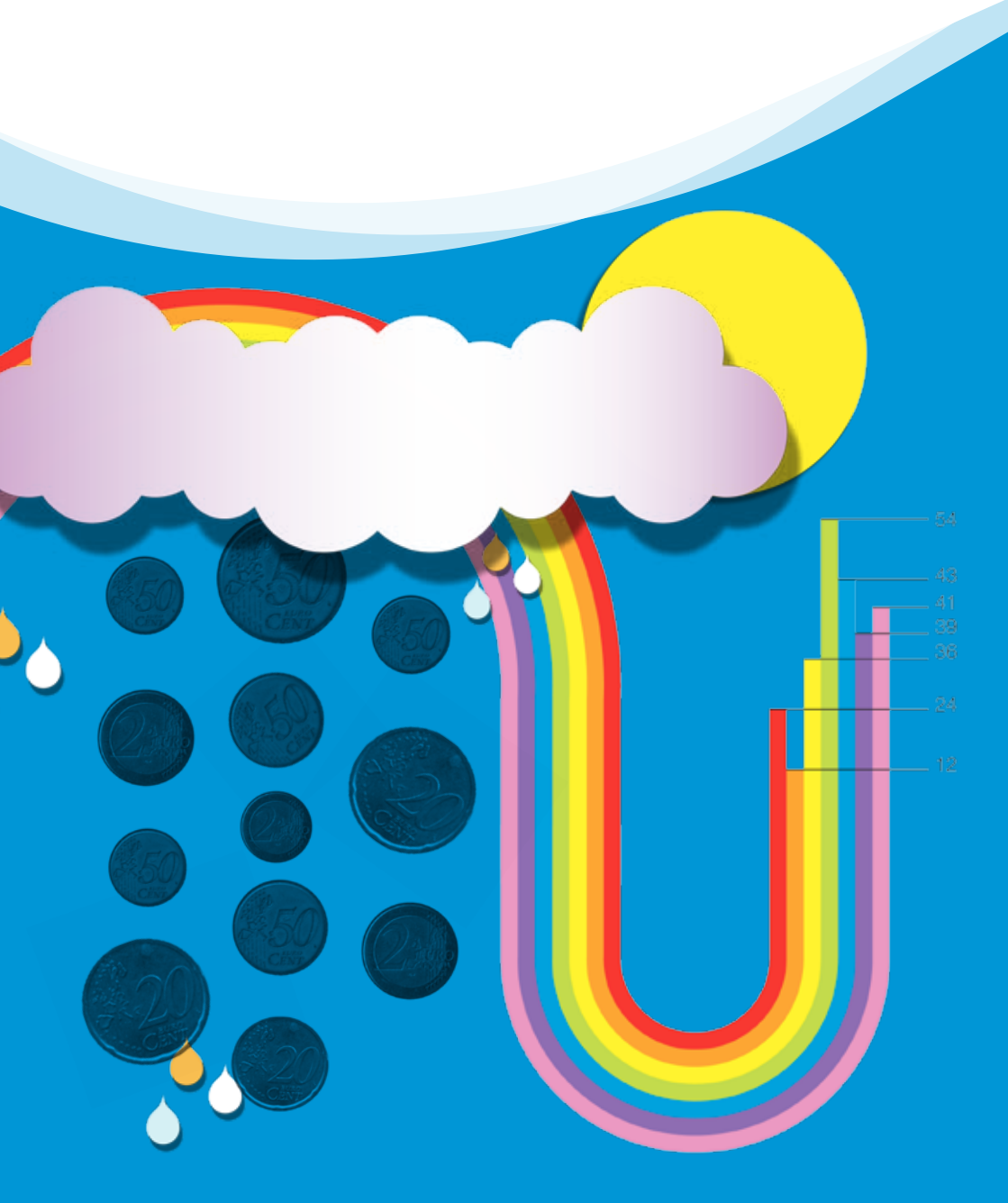


EPDA guide to Fundraising



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EPDA GUIDE TO FUNDRAISING

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INTRODUCTION

As a European patient organisation, you will be well aware of the traditionally uncertain and insecure funding environment that exists in the not-for-profit world – and in the current economic climate, this uncertainty is only set to increase. Despite this reality, there are still many ways of raising money and there are various additional sources of funds available to you too. However, the opportunities can be overwhelming for any organisation – whether you are just starting out or are more experienced. The aim of this fundraising toolkit, therefore, is to make the fundraising process as straightforward and enjoyable as possible for you.

Divided into relevant sections, this toolkit offers practical information and guidance on how to successfully fundraise for projects while keeping the running costs of your organisation at a minimum. Section 7, meanwhile, provides you with a glossary of all the fundraising terms you need to know.

We hope this resource will help you to raise much-needed money while enabling you to have fun at the same time. Good luck!



Knut-Johan Onarheim
EPDA President

SECTION 1 DOs AND DON'Ts IN FUNDRAISING

DO...

- Plan a strategy
- Plan ahead
- Believe in what you are doing
- Tailor your application to the funder
- Keep records of everything
- Prepare realistic/accurate budgets
- Be concise and specific
- Establish your credibility
- Develop long-term partnerships
- Say thank you.

DON'T...

- Send a duplicate mail shot
- Ask for unrealistic amounts
- Assume funders will instantly understand your needs
- Make general appeals for longer-term running costs
- Use jargon
- Beg
- Make false statements
- Assume that funders don't talk to each other.

“ The fundraising process should start from a clear idea of what resources are needed and why. What are the needs of your organisation? ”

”

SECTION 2 DEVELOPING A FUNDRAISING STRATEGY

WHAT IS FUNDRAISING?

The term 'fundraising' is used to describe the process of raising resources. These resources can be human, cash and/or any other material resource offered to your organisation as 'in-kind' support.

Fundraising is a tool that will help your organisation create the other kinds of resources you need to carry out your work and meet the needs of your members.

The fundraising process should start from a clear idea of what resources are needed and why. What are the needs of your organisation? And what plans do you have to address these needs?

Every one of the EPDA's 45 member organisations needs to think about how it funds its activities. Organisations that are completely run by volunteers will still need some resources to cover volunteers' expenses, publicity material, rent, telephone calls, stationery etc.

There are many ways of raising funds, and the method you chose will depend on how much is needed and for what purpose. A fundraising strategy will help you to plan effectively.

WHAT IS A FUNDRAISING STRATEGY?

A fundraising strategy is a step-by-step plan of action that outlines *where* your organisation is now and where it wants to be in one, two or three years' time – and

how it proposes to get there and with what funds? Your fundraising strategy should be based on your organisation's business plan.

The fundraising strategy should answer the following questions:

- **WHY** is the money needed?
- **HOW** much is needed?
- **WHEN** is it needed by?
- **WHO** will raise the money?
- **CAN** it be obtained by other means?
- **WHAT** will happen if it isn't raised?

You must be prepared for potential donors to ask you these questions – and if you are unsure of the answers then you may lose the donation. In addition, your answers to these questions will help you to plan:

- your activities (that should match the timescale in which the money you have requested is required)
- the size of the events needed
- the amount of time you need from your team of volunteers.

Consider the tips in the box on page 6 when putting together your own fundraising strategy.

PAUSE FOR THOUGHT

Always consider the question: "Can funds be obtained by other means?" If the answer's "Yes" then you could save yourself a large amount of effort. For example, instead of raising extra money, you may be able to make a saving somewhere else or something that you need could be donated. Be careful not to become obsessed with fundraising. It can sometimes result in other activities getting neglected.

TIPS FOR A SUCCESSFUL FUNDRAISING STRATEGY

Involve everybody

A strategy should involve your management committee as well as any staff, volunteers and members so that everyone understands your overall aims.

Define the need

You must assess the needs of your organisation: how much money do you have? How much more money is required to meet your needs?

Identify funding sources

Make a list of all your past and present sources of funding so you can identify potential funding for the future. Also consider the following:

- Is it possible to raise more money from an existing funder?
- Diversify your funding – it is better to receive funding from several sources rather than just one or two. Don't become too heavily reliant on one funder.
- Look at other fundraising activities you have done in the past. Did they raise enough money considering the time and money spent on them?

Be cost conscious

Always think about how much the actual process of raising money will cost. It is vital that costs be proportionate to what is raised through the activity. See the table on page 12.

Learn from your experiences

Adapt methods that have worked in the past. It is also good to try out new ideas – provided you do not invest all of your time, resources and hopes into a debut scheme.

SECTION 3 DIFFERENT WAYS OF RAISING FUNDS FOR YOUR ORGANISATION

There are many ways of raising funds, and the approach you choose will largely depend on what – and how much – is needed, and for what purpose.

Small amounts of cash may be raised by holding a cultural event or a sale, or by seeking donations from individuals and small businesses. For larger amounts you may need to make an application to a funding organisation or seek sponsorship. Another common way to receive income is from membership subscriptions.

Whichever way you choose to raise funds, you must ensure that any potential donor knows how to give money to your organisation. Here are some possible resources to consider when fundraising:

- Cash appeals
- Regular donations
- Events
- The workplace
- Corporations
- Groups and associations
- Trusts, statutory
- Legacies.

A quick 'brainstorming' session should provide you with an even larger list. When you are deciding which suggestions

to use, remember that all fundraising activities should be:

- within your organisation's general abilities and specific aims
- a good use of your volunteer/staff time. If an event takes five people five hours and raises €25 (equivalent of €1 per hour per person) it would have been better to have donated €5 each and have had five hours free
- within the law. For example, you may need a license/permission if you want to hold a street collection. Check up on the regulations. Remember that ignorance is no defence, and do not be tempted to think you can bend the rules because it is for a good cause
- fun for the organisers and the public.

TYPES OF FUNDING SOURCES

- Government funding
- Charitable trusts and foundations
- Companies
- Individual giving
- Do-it-yourself fundraising
- Trading income (money your organisation makes from selling goods or services)

FUNDING SOURCES: ADVANTAGES AND DISADVANTAGES

1) GOVERNMENT FUNDING

This is funding that comes from local authorities, government departments, Europe and a range of government agencies. Payments and contracts do not have to come directly from the governments themselves.

Advantages

- Large amounts of money may often be made available
- Ongoing running costs may be funded, such as rent, salaries, electricity
- Separate lobbying can be productive – usually over the long term

Disadvantages

- Applications can take a long time and require a lot of information
- You may be restricted in what you can do and you may be asked to do extra for the money
- Grants can sometimes be suddenly cut with no explanation, often due to policy changes
- High levels of accounting and monitoring are required
- You may have to wait a long time for a decision
- You may be restricted from other funding sources
- You may be required to provide a percentage of funds to secure a grant

2) CHARITABLE TRUSTS AND FOUNDATIONS

These are bodies that have been set up to fund certain activities that meet a particular aim.

Advantages

- They tend not to be very bureaucratic, which means applications may take less time and be less difficult to complete

Disadvantages

- The majority of these organisations only give small sums of money
- It can take a long time to get a decision on your application
- Your application will be highly competitive

“
When accepting donations or sponsorship from the treatment industry, it is very important to fully declare the amount of funding received
”

- lots of people/groups apply
- There can be lots of things you need to agree to before they give you the money

COMPANIES

Companies may give funds in various ways – including donating materials or equipment, offering services for free, or getting their staff to offer advice or training. The treatment industry is also likely to want to work in partnership with your organisation on particular projects, especially campaigns. Some companies also give donations or sponsorship. Donations may come from a department with responsibility for corporate giving; however, in general, sponsorship is more likely to come from a commercial or marketing department.

Advantages

- There is always the possibility of developing long-term relationships
- You have the opportunity to gain additional business experience
- Donations can be used on anything to do with your organisation
- Sponsorship will be focused on a specific project

Disadvantages

- It is becoming increasingly more difficult to be awarded donations – it is a very competitive area
- It can take a long time and use a lot of effort for a small amount of money

When accepting donations or sponsorship from the treatment industry, it is very important to fully declare the amount of funding received via your organisation website and/or annual report and accounts.

Each treatment company should have a code of practice in place to ensure that it is working within the European Federation of Pharmaceutical Industries and Associations (EFPIA) code of practice. EFPIA's website provides useful guidance on relationships between the treatment industry and patient groups (see www.efpia.eu/content/default.asp?PageID=559&DocID=3484).

INDIVIDUAL GIVING

This is money given to your organisation by your members or the general public through a variety of ways, including payroll giving (where donations are taken out of people's wages) or legacy payments.

Advantages

- Can provide a regular income

Disadvantages

- Can take a lot of work to get the process started
- Very expensive to implement
- Needs a long-term approach
- Organisations may struggle against big national household names/organisations who dominate this area
- Organisations need to have a decent IT support system and database in place to manage individual giving

FUNDRAISING EVENTS

This is a more informal way of sourcing money from individuals and can be done in many different ways, such as jumble sales, summer fêtes, raffles, sponsored walks and social evenings.

Advantages

- Can be a fairly quick and fun way of raising small amounts of money

TIPS FOR SUBMITTING A GOOD APPLICATION

1. Check that your application matches the funder's criteria
2. Do not make generalised statements – try to illustrate your proposed project by using specific and relevant facts and figures
3. Fill out the application form accurately and diligently, remembering to include any additional documentation that may be required such as budget reports and annual reports
4. Allow time for the approval and sign-off process
5. If your application is successful, remember to thank the funder and to follow any reporting criteria that they may require
6. Communicate with your funder and keep them up to date with developments – perhaps you may have the chance to apply to them again

- A good way of involving lots of people
- Can cost very little to organise
- A good way to use the help of volunteers
- Helps to raise local awareness of your organisation and Parkinson's

Disadvantages

- Benefits can be unpredictable
- Can be hard work and time consuming
- There are legal considerations to take into account, including licences for street collections, rules on gambling, and health and safety regulations if using public spaces
- Events may lose money
- Return on investment is very low
- Possibility of reliance on volunteers

TRADING INCOME

This is money your organisation can earn directly from selling goods or services, such as Christmas cards.

Advantages

- Can be used for charitable purposes
- Developing new areas of work provides employment and development opportunities

Disadvantages

- Some voluntary and community organisations are not in a position to charge for services
- Additional expertise may be needed
- Trading may have country-specific financial and legal reporting requirements that must be checked out thoroughly before proceeding

PROFESSIONAL FUNDRAISERS

Some not-for-profit organisations take advantage of professional fundraising

services. Fundraisers may be paid for their services in two ways – through fees unrelated to the amounts of money to be raised, or by retaining a percentage of raised funds (percentage-based compensation). Check the credentials and references of any professional fundraisers before you use them.

WHEN APPLYING FOR A GRANT CONSIDER THE FOLLOWING:

- Your benefactors will want to know about your organisation, such as clear explanations of your aims and objectives
- It is easier to apply for a grant for a specific project rather than for administration costs
- Be clear about the difference between capital costs (a one-off grant to support a specific campaign) and revenue costs (such as rent and bills)
- Present your case effectively. An application letter should be one page in length and should include supporting material such as your budget, accounts and an annual report
- The material should convey a sense of enthusiasm and excitement as well as being eye catching. It should also include some background information on your organisation, including what you require and when it is needed for
- Keep records of everything you do
- Nurture your contacts. If your application is rejected don't be afraid to ask again.

SECTION 4 FUNDRAISING EVENTS

Events fundraising can be a very effective way to reach out to new audiences and raise awareness. From a donor's perspective they can be a lot of fun to take part in, but they also provide the attractive opportunity of supporting a particular cause or organisation. The costs involved vary widely according to the type of event, the number of people involved, and the level of volunteer involvement.

QUALITIES OF A GOOD FUNDRAISER

Many different people involve themselves in fundraising and some are more suited to it than others. Some of the personal characteristics that help to make people good fundraisers are listed here:

- cheerful, enthusiastic, and have the ability to motivate and encourage others by leading by example
- believe in the cause, have the will to succeed, and gain personal satisfaction from doing so
- be able to demonstrate not letting disappointments get them down
- be an efficient and capable organiser
- have a polite, persistent and professional approach
- be able to learn from others, grab opportunities when they arise and not be afraid to ask for things
- be able to recognise people's strengths and weaknesses, and delegate responsibilities accordingly
- have a number of personal contacts.

BUDGETING

Many fundraising events tend to be small and/or tried and tested occasions so there is a temptation not to bother with a budget, with organisations simply trusting to luck or past successes. However, this can lead to a reduction in potential profit or even a 'fund-lowering' event.

By not producing a budget on paper – and circulating it to your committee – you may be losing out on valuable ideas, such as where potential savings could be made or how additional income could be generated. Preparing a budget also forces people to plan ahead and may act as a reminder of work to be done. There are six main rules to bear in mind when budgeting:

- Look at the figures from past events and if they are relevant to your plans remember to add an amount that covers rising costs
- Be pessimistic about the amount of income that could be raised – don't rely on people coming simply because the event is for a good cause
- Be realistic about expenses and remember that many quotations do not include VAT
- Include a 5% sum to cover unforeseen expenses in the budget
- Be prepared to cancel the event if the net profit is too small compared with the effort involved in raising it
- Make sure everyone involved in the organisation knows the budget and keeps within it. For example, if someone saves £5 on purchasing prizes because people have donated them it means there is £5 more profit NOT £5 extra to spend on publicity.

ORGANISING EVENTS

Rate your ideas for events on each of the following factors: How much will it raise?

Is it appropriate to your organisation? What is the likelihood of success? How cost effective is it? How easily can it be organised? Can it be repeated? Is it fun?

In addition, you should also:

- plan activities a year in advance
- balance the fundraising programme with your volunteers' time
- plan both large and small events (in relation to your cashflow requirements)
- avoid clashing with other events
- consider having a stall at other organisations' events. Not only is it less work for your association but it is also not as risky as organising your own activity
- hold regular planning meetings
- make sure that records are well kept. To help you, draw up a job list and get written confirmation of bookings
- make contingency plans for wet weather and other eventualities
- put people in charge of returning borrowed items and tidying up
- notify the press about your event and of the amount raised
- thank your helpers either on the day, in writing, or at a special social event later. Their involvement and dedication cannot be undervalued.

“ Thank your helpers either on the day, in writing, or at a special social event later. Their involvement and dedication cannot be undervalued

”

Expenditure	Euros	Income	Euros
Hire of venue	250	Admission (200 people at €2)	400
Hire of tables	100	Refreshments (100 people at €2)	200
Advertsing	150	Sales	2,000
Posters	100	Raffle tickets	500
Leaflets	100	Refreshments	50
Raffle prizes	100	Contigency	50
Total expenditure	800	Total income	3,200

This sale would give a net income of €2,400

SECTION 5 ARE YOU READY TO FUNDRAISE?

Any fundraising process should start with a clear idea of what resources are needed and why. Fundraising must be linked to the development of your organisation and reflect and support its aims and objectives. If it doesn't, your organisation might find itself chasing whatever money is available and will quickly lose its purpose.

Although this can be tempting – especially if your organisation is experiencing financial difficulties or is just starting up – you must remember that fundraising is not about raising money just for the sake of it. Fundraising is about raising money to be able to put your organisation's plans into practice. At this early stage, make sure you complete our questionnaire (below).

SECTION 6 MONITORING AND EVALUATION

It is important to monitor and evaluate the successes and failures of any project – while it is running and after it has ended – it is a crucial part of any organisation's success. Not only will the results enable your organisation to understand and learn for future projects but you may also need to report the targets that you did/did not meet to your funder(s).

Once you have evaluated your project, the entire fundraising cycle then begins again – only this time you should think about building on your successes, learning from your failures, developing your relationships with existing donors and identifying lots of new fundraising opportunities and projects. Good luck!

GETTING READY: 'HEALTH CHECK' QUESTIONNAIRE

1. What is the purpose of your project?
are not already doing what you are planning to do?
2. What makes your fundraising project different from others?
3. How do you know there is a need for the project to exist?
4. How will you meet your various needs?
5. How do you know that other organisations
6. What exactly do you need to carry out your plan? What is your total budget?
8. How will you measure the effectiveness of your project?
9. If you have answered all of these questions, you are ready for fundraising. Good luck!

SECTION 7

GLOSSARY OF FUNDRAISING TERMS

Aims: One of the words used to describe what an organisation intends to do. Often used with 'objectives' in the phrase 'aims and objectives', aims describe what a group intends to achieve, and objectives describe how the group will achieve them.

Beneficiaries: The group, individual, activity or object that benefits from the work of an organisation.

Business plan: A written plan outlining what an organisation intends to do over a period of time – usually one to three years – and what money and other resources it will need to achieve it.

Capital grant: Money given specifically to buy fixed assets such as office furniture or computers.

Core costs/running costs: The basic costs needed to run your organisation such as rent, bills, equipment and salaries.

Donor: An individual, group or organisation that gives a gift (usually money but it can be goods or services) to a voluntary organisation.

Eligibility criteria: A set of requirements used to find out whether or not your organisation is suitable for something (often money or help).

Evaluation: This involves using monitoring and other information to make judgements on how an organisation, project or programme is progressing.

Fundraising strategy: A written document

outlining how an organisation intends to raise a given amount of money over a specific timescale for an identified project. It is usually based on the organisation's business plan. The strategy brings together individual fundraising plans.

In-kind support: Something other than money. A company that gives you second-hand computers is giving support 'in kind' rather than in cash. Volunteers that give their time are also giving in-kind support.

Legacy: A gift in a will to a person or organisation. It isn't uncommon for someone to leave money to a national organisation upon their death.

Match funding: Some funders, such as European programmes, will only provide a contribution towards the total cost of your project. The rest of the money must come from other sources. The initial promise of money will only be released once the match funding has been guaranteed.

Milestones: These are planned achievements or key events that mark a clear stage of a project.

Mission statement: Defines what your organisation does, why it exists and how it is planned to achieve the vision.

Objectives: The steps on the way to achieving your organisation's aims. Some people say that objectives should be SMART:

- Specific – avoid a vague wish list
- Measurable – how you can tell if you have achieved them
- Agreed – within the organisation and with funders
- Realistic – can they be achieved?
- Time limited – when you achieve them.

Outcomes: The changes, benefits or other effects that happen because of the activities/services that the organisation provides. Outcomes tend to be less tangible and therefore less countable than outputs.

Outputs: All the activities, products and services provided by your organisation. They are usually measured in terms of 'how many in how much time'. They are not the objectives of the organisation.

Payroll giving: A tax-free way for people to donate to voluntary organisations. Employees can have donations taken straight from their gross pay before tax. Payroll giving offers voluntary organisations a unique way to combine fundraising with building relationships with their donors as well as with the corporate community.

Restricted funds: Funds received by the organisation for a specific purpose – stated by the funder – which cannot be used for any other purpose.

Stakeholder: Anyone who is affected by the work you do. It may be people with Parkinson's, their families, carers, healthcare professionals, members etc.

Unrestricted funds: Funds held for the general purposes of the organisation, to be spent within the stated objectives.

Vision statement: Defines where an organisation wants to be in the future. It reflects the optimistic, ideal view of an organisation's future.

“ Once you have evaluated your project, the entire fundraising cycle then begins again – only this time you should think about building on your successes

”

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Basis Project and Refugee Council and Refugee Action

www.thebasisproject.org.uk

Parkinson's UK

www.parkinsons.org.uk

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