



Development Strategies: Moving Beyond the Bake Sale

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Telling a Story, Changing an Opinion

Development Strategies 1

Why do we fundraise? Most likely to buy more food, hire more staff or expand services. Developing a plan is the first step to successful fundraising. Your plan should be based on what you have said you will accomplish in your organization's strategic plan or your vision and mission statement.

Types of Fundraising 1

Types of Fundraising

Resources for Developing
Your Plan 2

Annual Fund: Here, you are asking for an unrestricted amount of donations for a specific period of time, usually one year. You reach out to a regular set of donors, usually individuals – board members, friends and influential people you have identified to approach for donations. The annual fund campaign can be organized every year with outreach to your donor base and with the same method, which saves you time and money. This can be done through phone calls, personal letters and/or emails. Direct mail is the most common source for raising these funds. Numerous contacts are needed to create a relationship with a donor; cultivating these relationships will strengthen their commitment to your organization. Treat them with respect and gratitude. Set a *realistic* goal for how much money you want to raise.

Need More Help? 2

Goods and Services: Anything product sold for income - the bake sale, coffee mug or tote bag, the Internal Revenue Service (IRS) considers Unrelated Business Taxable Income. Even though an organization is tax exempt, it still may be liable for tax on this income. For details, go to the IRS website: <http://www.irs.gov/charities/article/0,,id=96106.00.html>

When vendors provide services at no cost to you, such as repairs to your facility or transportation, this is considered an in-kind donation. Keep detailed records of these donations; foundations will look positively at this kind of support in your grant applications.

Corporate Giving: Businesses often give donations for specific projects or programs. Their websites sometimes highlight the organizations they support; research the business before you contact the owner, manager or public relations person with your request. Personal contact is very important here, this will increase your chances of getting funded. Does the parent of a teammate on your son's hockey team work for a local business that supplied the shirts for the team? Introduce yourself at the next practice. Give a presentation at a Rotary or Chamber of Commerce meeting.

Program/Project Specific: Individuals, businesses, private foundations and government grants will often give for a specific need or project, such as holiday feeding or child

Strengthening Alaska's Anti-Hunger Network

hunger programs. Make sure your outreach is specific to the project. Let donors know your request is for a specific program, and what results you expect. These grants often have a timeline, will be restricted to the specific program and require regular reporting to the funder. An endowment is a permanent fund of property or money established to benefit an institution, person or organization. Endowments should be on everyone's wish list.

Capital Campaign: A capital campaign's purpose is to raise funds for a specific purpose, a 'capital improvement' such as a new building, renovation or major piece of equipment; these campaigns can last several years. It should include a case statement describing your need, budget, updated donor base, timeline, gift chart identifying funding sources (small donors, large donors, foundations, etc.) and most important, an active, engaged and motivated board. It can't be emphasized enough that fundraising is a Board of Directors responsibility; if you do not have a Board that is willing to give funds themselves and encourage others to as well, your organization will not succeed in a capital campaign.

Planned Giving: In planned giving, a donor or donors pledge to give certain amount of money on specific events, like his or her death or when they receive their salary or on their birthday. Being a recipient in someone's will is great, but getting 10 people to donate \$20 dollars a month will bring in \$2400 annually. Connect with a financial planner to discuss planned giving opportunities that your organization could offer. Once you have an idea of what you can offer, start contacting those donors in your database who have been giving small amounts on a regular basis for many years. These are the donors most likely to jump on board to a planned giving opportunity.

Resources for Developing Your Plan

A well-balanced plan includes a good mix of income sources. Remember to stay true to your mission and vision, be flexible, and evaluate your progress often for successes and challenges. Here are some websites you might find useful:

GrantStation is an online funding resource for organizations seeking grants:
www.grantstation.com

The Foraker Group is an Alaska organization that focuses on strengthening Alaska's nonprofits: www.forakergroup.org

Techsoup – Fundraising online:

www.techsoup.org/learningcenter/funding/archives/page9592.cfm

Free Management Library's Overview of Nonprofit Fundraising Sources and Approaches
http://managementhelp.org/fndrsng/np_raise/fndraise.htm

More Resources

If you have questions about creating a communications plan or for more resources, contact Vanessa Salinas, Alaska Food Coalition Manager, at afc@foodbankofalaska.org or 907.222.3103.

*Next Month:
Incorporating
the Internet
into Your
Organization*

