

“How to Create a Fundraising Plan: Save Time & Money by Planning Ahead”

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TEN STEPS TO CREATING YOUR FUND DEVELOPMENT PLAN

While not a guaranteed roadmap to success, a development plan sets goals that promote growth and create ownership among the whole fundraising team. Fundraising plans also prevent the need for crisis fundraising. They enable you to track your progress and identify problems as they arise. You will always know where you stand related to where you want to be. And, you will be able to proactively set and balance your priorities and avoid competing timelines.

This worksheet will walk you through how to create a development plan for your organization...

Step One: Gather information on your past fundraising efforts

Fill out the following chart* with information from last year’s fundraising, current year-to-date figures, and your projections for next year. Ideally, go back two years to analyze your fundraising. This will give you a better sense of how things fluctuate from year to year.

The sources listed are only examples. You should use ones best suited to your organization. In the expense column, include the cost of materials, other expenses and staff time, if possible. Don’t worry if you can’t fill in all this information the first time you do a plan like this. You’ll have a better idea of things to keep track of for future planning.

Source	Year Before Last’s Income	Year Before Last’s Expense	Last Year’s Income	Last Year’s Expense	Current Year’s Income	Current Year’s Expense	Next Year’s Income	Next Year’s Expense
Individual donors								
-- Total donor \$\$								
-- Direct mail								
-- Events								
-- “Major” gifts								
-- Memberships								
-- Online								
-- _____								
Bequests								
Earned income								
Government								
Corporations								
Foundations								
TOTALS								

* A larger version of this chart is on the last sheet in this packet.



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Step Two: Analyze your past efforts & fundraising strategies

Look at the different fundraising strategies you are currently using. Based on your analysis above, consider the following questions:

- What generates the largest portion of your revenue?
- Which sources are most reliable?
- Where is the greatest potential for growth?
- Where should you devote more time?
- Which areas are not producing and why?
- Which areas should you consider eliminating?
- Where can you involve more board members and volunteers?
- If you had a larger budget for fundraising, which areas would you invest in more?

Take some time to write down your responses and strongest reactions to the questions above that feel most relevant to your organization.

For each specific strategy, you can also think about:

- What has worked well to bring in money that you want to do again?
- What hasn't worked? How can you improve or modify these strategies to make them more effective? Should you consider eliminating that strategy?

Step Three: Evaluate the current climate

Fundraising goals are often based on how much money is needed to balance your budget. This seems to make sense on the surface. But that number really has nothing to do with your ability to raise that amount of money. You should set your goal based on all the criteria that affect your ability to raise the money, including how much you raised in the past as well as a variety of other internal and external factors.

Internal Factors	External Factors
<p>What's going on inside your organization that could impact fundraising? Do you have new opportunities to take advantage of – a special anniversary, a new director? Have there been changes on your board? Are you also raising money for a capital campaign?</p> <p>How much fundraising experience does your staff/board have? How much attention do you give to donor relations? Do you have prospects already in the pipeline or are you starting from scratch?</p>	<p>Given the economy over the past year and counting, we're used to thinking about economic factors. Consider how these have and will affect your fundraising.</p> <p>What other external factors could have an impact – the relevance of your mission in the current political environment, giving trends among donors, etc?</p>

Step Four: Who's on your fundraising team?

The more people you have helping you fundraise, the more money you'll raise and the more donors you'll be able to build closer relationships with. Fill in this chart to start brainstorming who you can recruit to your fundraising team.

Who?	How many?	What could they help with?
Board members		
Staff – all staff, not just development staff		
Volunteers (including former board and staff, members, etc)		
Key donors		
Organizational allies		
Who else?		

Step Five: Set your goals

Now that you have this background information, you can set some goals. You want to think about two kinds of goals for your fundraising plans – strategic goals and financial goals

1. Strategic goals – These are non-monetary goals related to your development program. This could be things like purchase a database, start a newsletter, increase board participation in fundraising, become less dependant on foundation funding, etc.

What are your strategic goals for the coming year?

2. Financial goals – These are your more traditional fundraising goals. How much do you hope to raise and from where? The rest of this worksheet will help you answer this...

Step Six: What activities will be part of your plan?

When you think about what fundraising activities to use, think about it from three perspectives – getting new funders, renewing current supporters, and getting current donors to increase their support. Also, incorporate donor relations into your plan, not just solicitation. Lastly, vary the ways you ask for money – in person, via written proposal, online, by phone, letter, email, etc.

	Financial/Solicitation	Donor Relations
Acquire	What will you do to identify and acquire new donors? What has worked in the past? What new strategies might you consider? (Direct mail, email outreach, house parties and other events, letters of inquiry, individual meetings/asks, etc.)	<p>For all categories of donors – prospects, new funders, tried-and-true supporters, what will you do to build closer relationships with them?</p> <p>How can you build trust with your donors? What contact and communication can you have that doesn't include asking for money?</p> <p>There are traditional tactics like gift acknowledgements and newsletters – but even these are often more about promoting the organization than genuinely appreciating the donor. What side do yours fall on?</p> <p>Also consider strategies like – welcome kits for 1st time donors, “thank you” calls for all 1st gifts and any increased donations, donor surveys, communication preference questionnaires, invitations to volunteer, invitations to no-cost cultivation events, etc.</p>
Renew	How will you approach current donors about renewing their support? This often includes mail appeals, email solicitations, phone calls, proposals, event sponsorships, and some personal solicitations. What methods do you use?	
Upgrade	Getting supporters to consider larger gifts usually requires a more personal touch – individual letters, personal calls, and face-to-face meetings. What you consider a “large” gift will depend on your donor base. What do you do to move supporters to increase their donation?	

Step Seven: What will you do when?

Once you decide what strategies you are going to implement, you'll need to put them on a timeline. Some things will only happen at certain times and others will happen year round.

	Financial/Solicitation		Donor Relations	
	<i>One-Time</i>	<i>Year Round</i>	<i>One-Time</i>	<i>Year Round</i>
Jan				
Feb				
March				
April				
May				
June*				
July*				
August*				
Sept				
Oct				
Nov				
Dec				

* June, July and August are often the least effective months to raise money so keep this in mind when scheduling your solicitations.

Step Eight: Fill in all those pesky details

For each strategy that you plan to use, fill out a separate page with the following information:

Strategy: _____

Projected income (gross): _____

Total cost (use chart below): _____

Net income after expenses: _____

Other goals that this strategy will meet (such as donor appreciation, acquiring new donors, generating publicity, involving board members in fundraising, etc): _____

Number of staff and volunteers needed to carry out this strategy: _____

Expenses – cost of executing this fundraising strategy:

Expense	Amount/Cost	Notes
Staff time		
Consultant/Services		
Design		
Printing		
Postage		
Travel/Transportation		
Food		
Other:		
Other:		
Other:		
TOTAL		

Staying on track – steps to complete this strategy:

Deadline	Task/s	Who's Responsible?

Step Nine: Put it all together

You can pull all your plans together into one chart that will show what fundraising activities you are doing, how much you intend to raise, from whom, when, who will do what, and how much it will cost. The following worksheet starts with a few examples to show you how it could look...

Strategy	Goal/s	Target Audience	Description	When	Who	Cost
End-of-year appeal	\$5,000	Current donors, allies from partner orgs	Direct mail appeal with phone calls 1-2 weeks after.	Letter hits end of Oct; calls begin of Nov.	Staff writes letter, does mailing. Board assists with calls.	\$650 for postage & printing
House parties	\$10,000 from 5 parties (approx. \$2k each)	Current prospects, active donors, contacts of host	Series of house parties hosted by board members or donors	Throughout the year	Staff finds hosts, provides support, monitors donations, does thank yous. Host sends invites, does turnout, get food. Board attends.	Minimal
TOTAL INCOME:					TOTAL COST:	

Projected Net Income (GOAL minus COST): _____

Step Ten: Decide how you will evaluate your progress

In fundraising, success is usually measured by how much money is raised, whether you are able to make budget, etc. There are other factors that should also be included in evaluating the success of your fundraising program and your development plan each year.

In addition to looking at your financial goals, you can track and measure:

- Number of contacts with donors/funders
- Number of donors/funders who renew their support compared to the year before (your donor retention rate; the reverse is your donor attrition rate)
- Number of donors/funders who increase their support or give more than once/year
- Number of new donors/funders
- Number of donors/funders who attended events (both cultivation and fundraising events)
- New volunteers and new board members involved in fundraising
- Number of first-time donors who become regular donors (your conversion rate)
- Number of prospects identified and the percent of those who become donors

The impact of donor relations can also be evaluated. You can measure:

- Frequency of contact with donors/funders without asking for a gift
- How many different ways donors/funders participate in your organization
- Amount of donor-initiated contact with your organization
- Number of donor responses to your contacts (returning surveys, calling you back, etc)
- How often donors/funders refer others to your organization
- Diversity, regularity, and frequency of your contact with donors/prospects
- Level of personalization in your communications
- Level to which communications speak to the donor and write the donor into the story

For a more complete assessment of your development program, include these types of metrics as part of the evaluation component of your fundraising plan in addition to traditional measures.

One last point: Getting group ownership of your fundraising plan

It is important to include both the board and staff in the process of creating your fundraising plan, as well as anyone else who plays a key role in carrying out the plan. When the people who are responsible for implementation of the development plan have participated in the process from the beginning, they will be much more invested in the success of the plan and bought in to the activities that you have planned together. Lots of preliminary information can be gathered before bringing the full group together in order to maximize everyone's time. However, involving everyone in the development planning process is critical for building the ownership necessary for the plan to succeed.

Small organizations will usually involve their entire board while larger groups sometime delegate the responsibility to their fundraising committee. Regardless of the size of your organization, the more people you involve, the more buy-in you will have. And, that will translate directly to more involvement in fundraising, more relationships with supporters, and more money raised!

Chart from Step One:

Fill out with information from your last two year’s fundraising, current year-to-date figures, and your projections for next year.

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