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Creating a Fundraising Plan

by Marc Smiley

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Perhaps not everyone in your organization has said it, but nearly all have thought it at one time or another—we need more money to make a difference. While money isn't the only ingredient, it is essential to success. Money is fuel, and without the fuel to drive your work, you cannot preserve your most important community resources.

Funding is vital to an effective preservation program, but it is not a resource in isolation. For most groups, the ability to preserve the historic resources in the community requires many things: community relationships, visibility, understanding of preservation tools, and committed individuals willing to guide the organization's efforts.

It also requires money. Money to build organizational capacity, to hire qualified staff to carry out programs, and to purchase and operate historic properties. Not surprisingly, the organizational resources that create program success are also the foundation of fundraising success: good people, good community relationships, and good plans. Unless a group is successful in building its fundamentals, it will never succeed in bringing in the dough.

Though raising money is essential, it is not simple and it is not quick. Raising money is a multi-faceted process that starts with building an organization that has the credibility and integrity to be successful in preservation. Next, the organization builds relationships with community investors who share the organization's priorities and who are committed to doing something about it. Funders look at two things when considering an investment: an organization's *credibility*—defined by the people within the organization and its track record of success—and the organization's *integrity*—defined by its plans and commitment to focused, strategic preservation work. From here, funders can decide whether an investment in the organization will produce the lasting community benefits they seek.

To succeed in fundraising, to truly achieve the potential of raising as much money as possible, a group needs to examine and strengthen all of its fundamental elements—people, plans, and organizational capacity. When these three ingredients are in place, organizations have what they need to succeed in fundraising. They have the leadership, the direction, and the tools to understand what is needed and how to get it.

This booklet looks at developing the comprehensive fundraising plan. As part of a planning process, it focuses on how to strengthen your organization to initiate and carry out a successful fundraising program. It also looks at some of the details of successful fundraising and provides a blueprint for developing plans to make your fundraising program more sustainable.

Fundraising plans come in many different forms. Some have a long-term perspective. Others focus on immediate funding needs and how the organization can implement plans to achieve them. For this booklet, *a comprehensive fundraising plan* is a long-view plan that identifies the revenues needed to do great preservation work over time. It complements the strategic plan—in fact, it builds directly on it—by establishing what revenues will be needed to pay for the activities identified in the strategic plan.

This long view is important: A comprehensive fundraising plan is not about raising enough money to pay for this year's budget. Instead, a comprehensive fundraising plan determines what total revenue is needed over the life of the strategic plan, and how the organization can do more than just raise enough money. It tries to clarify how the organization can raise more stable money, more sustainable money, more flexible money, and more useful money which best suits the requirements of the organization.

Preserving community treasures is too important to be left to chance. Preservation organizations need to do everything possible to retain historic resources in the community for future generations to enjoy. One of the best ways for an organization to improve long-term success is to improve its ability to raise money. With careful planning and attention to the basics, it can not only bring in more money, but will develop long-term relationships with the people who share the same values and commitment.

Fundraising—the Big Picture

In many ways, the most important factor in successful fundraising has little to do with fundraising itself. It requires an organization with a well developed foundation upon which fundraising can build. Success often is based on who is involved in the organization and how clearly they are able to articulate a need and the solution to that need.

An effective fundraising plan must also start with basic organizational elements. The plan should examine and define changes to key organizational components including board and staff development, strategic planning, committee development and support, information management, and other facets of how the organization functions. Below is a review of some of the organizational elements that are essential to the fundraising program. Following that, the booklet looks more specifically at the details of the fundraising plan itself and how to create it.

People—Key to Fundraising

Fundraising is mostly about people. Individuals making decisions on their own and with their families bestow nearly 83 percent of all income contributed to charities. Individual business leaders contribute an additional 6 percent, and volunteers and staff working through philanthropic foundations distribute another 11 percent. In all cases, these are people deciding to support causes in which they believe.

Raising money is about creating relationships, understanding passions and community aspirations, and helping individuals invest where they choose to make a difference. Groups that are most successful at fundraising understand that fundamentally, people don't give to ideas or causes; people give to people. And it is people, not institutions or faceless bureaucracies, who make the decisions regarding charitable investments.

Groups seeking to raise money—or raise more money—need to put people at the core of their strategies. People are the decision-makers who will determine if the organization has the money it needs to preserve the community's most precious local treasures. People are the connectors between historic buildings and the funds needed to preserve them. People are the guides that will move investments from the accounts in which they reside to the accounts in which they can make the most difference—the organization's.

People are also at the core of bringing money into organizations. The most important step in building an effective fundraising program is to build the people capacity of the organization. For preservation organizations, this starts with the board of directors, the community trustees responsible for ensuring that the organization has the support, tools, and systems to preserve the community's heritage. For most successful preservation groups, these leaders are ambassadors who build relationships, articulate the shared vision, and push to make it all happen. These folks are often the ones who must raise the money and, in some cases, hire the people who work with them to bring in the funding.

Fundraising Roles: Who Does What?

The best fundraising programs are carried out by community leaders who understand that fundraising is an essential component of their job. The board member's job will vary from one organization to another, but building strategic relationships that lead to more money for the organization should always be a basic board responsibility.

For organizations with paid staff, one of biggest challenges is drawing the distinction between the board's role in fundraising and that of the staff. One approach is to delegate to the staff those fundraising functions that it is more capable of fulfilling than the board. The activities that often make the most sense for staff members to carry out are:

- Membership recruitment and management
- Program development
- Grant proposal writing
- Management of earned income programs
- Coordination of special events

Staff members are usually well suited for these tasks because of their regular schedules, detailed program knowledge, and the particular talents they bring to the organization.

What's left for the board? Quite a lot. In addition to providing oversight and support to staff functions as part of regular board governance, the board frequently retains responsibility for building relationships with the most significant individual donors. The critical theory that lies behind this responsibility is that *people give to peers who have given.* People are more likely to give to someone they identify with, and the request has added credibility if the person asking can say, "I've already given. Will you join me?" A board member who has made a contribution will be perceived more as a peer and therefore will be more effective in asking for support.

In this way, fundraising becomes fundamentally about relationship building. Board members working with people who care about historic preservation and who have the ability to give can build a connection between these potential donors and the organization. Board members can be organizational ambassadors, building greater awareness, greater support, and stronger connections to the organization. In this way, it goes well beyond just fundraising and into the broader role of "friend-raising."

Working together, board and staff can effectively fulfill all the functions necessary to raise money. If the organization has the right people with the right community connections, fundraising has great potential. If the organization has staff with the time and talent to organize campaigns, develop informational materials, and provide other support to the board, the team can be very effective. If the board and staff have worked out their respective roles and are ready to work effectively as a fundraising team, the organization stands ready to thrive at fundraising.

In planning for a successful fundraising program, it all starts with people—board members, volunteers, and staff. Nothing is more important to fundraising than assembling the people whose commitment and talents will ensure fundraising success. Board members must know that their job includes building relationships with key community supporters. Volunteers need to believe that the contribution of their time in fundraising will be essential to community preservation efforts. Staff members need to understand their role in the process, which often includes specific fundraising functions as well as supporting board members in their own roles.

For most people who work in community organizations, fundraising isn't the only reason they get involved. For some, it may play no role at all. However, for at least a core group of leaders, it is the most vital role they can play in support of a cause.

Strategic Plans and Other Plans—Defining Where to Go

Great people, as vital as they are to successful fundraising, are only a start. People represent the credibility of the organization, and provide the energy to make sure that fundraising happens. But fundraising is not a single event in the life of an organization, it is a journey. All great journeys need a map. Fundraising needs a map to guide people in doing their work, and that map is the fundraising plan.

A good fundraising plan provides a comprehensive description of where the organization will focus its fundraising energy, who will lead the key activities, and when the activities will take place. The fundraising plan provides a precise guide to each step in the fundraising effort.

Organizations rely on several types of plans, and it can be easy to confuse them. It's worth taking a look at these plans and how they all fit together.

Strategic Plans

The strategic plan is the essential road map of any nonprofit organization, providing a clear sense of direction from a 10,000-foot perspective. The strategic plan answers two critical questions: Where is the organization going? How will it get there?

The answer to the first question is the strategic direction—the vision, values, mission, and goals of an organization. When defined well, the strategic direction makes very clear what the organization is trying to accomplish in the long run. It provides both inspiration and direction to the preservation efforts.

The three-year plan follows that direction, breaking it down into strategies and activities to be implemented over the next several years. Some organizations create shorter plans, others longer, but the framing for implementation usually falls between two and five years. Three-year plans focus at a 1,000-foot perspective, with a clear overview of where things are going but still above the level of very specific details.

Creating a Fundraising Plan

Phase I—Assess Your Fundraising Readiness

- ❍ Analyze current funding activities
- ❍ Analyze related organizational issues
- ❍ Identify relevant trends in the community
- ❍ Research options and opportunities for fundraising change

Phase II—Develop Strategic Plans and Budgets

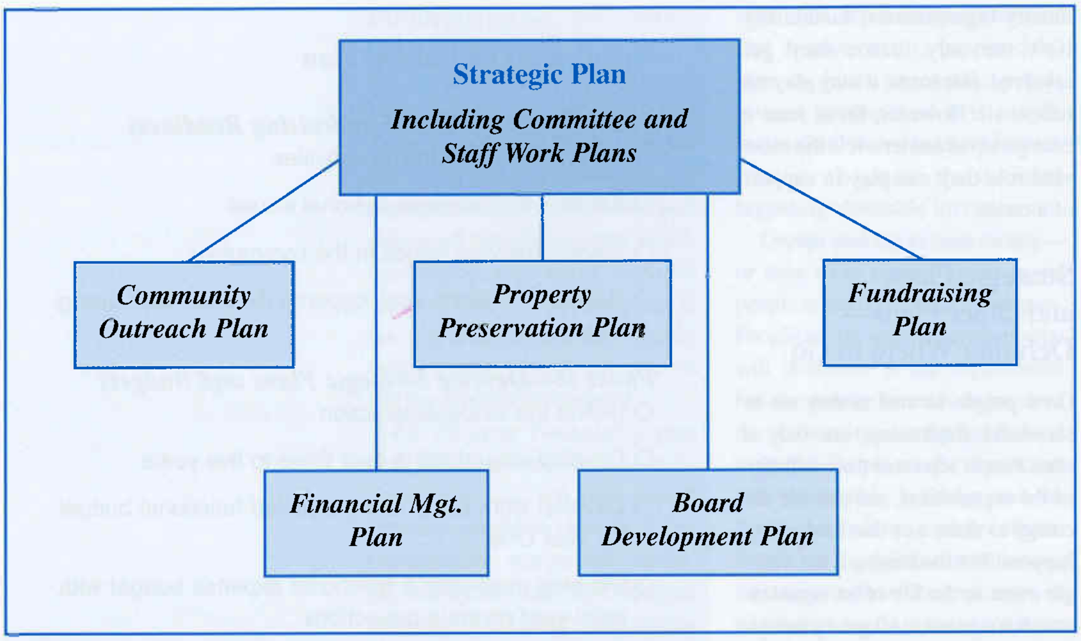
- ❍ Define the strategic direction
- ❍ Develop annual plans over three to five years
- ❍ Develop work plans and a detailed functional budget for Year One
- ❍ Develop multi-year a functional expense budget with multi-year revenue projections
- ❍ Match revenues to expenses based on restriction and promotion

Phase III—Define the Fundraising Approach

- ❍ Define outcomes and strategies for the fundraising program
- ❍ Develop policies to guide fundraising efforts
- ❍ Define implementation approaches

Phase IV—Put It All Together

- ❍ Assemble the pieces in a plan
- ❍ Implement the fundraising plan



A fundraising plan is one of many programmatic plans that supports the overall strategic plan.

The more specifically an organization can describe its program roll-out over several years, the more likely it can understand the costs and the fundraising approach that will be necessary. This three-year implementation detail makes it possible to create a realistic multi-year budget. A more accurate assessment of program costs—and therefore fundraising goals—is possible when an organization defines its plans specifically for each of the next three years.

The fundraising plan is one of many programmatic plans a group may create to support the strategic plan. It provides a reality check to the aspirations of the strategic plan.

Annual Work Plans

Annual work plans get down to the next level of detail. These provide more specific answers to the question of "how will we get there," taking the map down to the 10-foot level. These plans look at all the activities scheduled for the first year of the strategic plan and define three specific details: the tasks involved, who will implement the tasks, and when work on the tasks will get done. The annual work plan also plays an essential role in the budgeting process, providing the details to understand the amount of needed funding. By defining when the job will get done, work plans help to understand cash flow requirements within the budget.

The strategic plan (including three-year program details) and the annual plan are the core requirements for good organizational planning. From this core, other specific plans can be developed to ensure successful implementation. These specific program plans might focus on board development, financial management, or public outreach.

One of these program plans is the **fundraising plan**. It is an especially important counterpart to the strategic plan because it provides a reality check to the aspirations of the strategic plan. The long-range fundraising plan provides a broader look at how the organization will bring in the resources to support the programs in the strategic plan. Until an organization has answered this question, the programs stand merely as good ideas. As one foundation officer noted quite simply, "There is a difference between vision and hallucination." Plans in general, and fundraising plans in particular, can put reality into vision and help to make the effort for effective historic preservation much more realistic.

The Budget and the Fundraising Plan

Fundraising plans are supposed to help an organization raise enough money to carry out its programs. But fundraising plans need to raise more than just "enough" money. They must also raise the right kind of money that meets the broad needs of the organization. To know what kind of money is needed, the organization must develop budgets that help to define those needs. This is the essential link between a fundraising plan and a multi-year functional budget.

A multi-year functional budget identifies programmatic expenses for activities in the three-year plan. As with all budgets, functional budgets describe the costs for implementing these tasks. How they describe these expenses is the difference. For planning purposes, these budgets are *functionally structured* (based on program areas) rather than *line-item structured* (based on accounting codes).

For example, a typical line-item budget (commonly used by to most organizations) explains how much money will be spent according to accounting line-item areas: personnel, travel, printing, office supplies, etc. A functional budget breaks the information down in a different way. It looks at how much will be spent for a functional area: education, advocacy, fundraising, etc.

Functional Budget Work Sheet

Task/Activity	Direct Cost	Indirect Costs	Staff Time x Rate = Staff Cost			TOTAL
Total Project Cost						

Sources and Uses of Funds

Functional budgets define the revenues and expenses for the implementation of the strategic plan. The functions used for the expense areas are often based on the goals and/or strategies of the strategic plan.

The funding requirements for an organization are found in the expense side of the organization's three-year budget. This budget reflects the program priorities established in the planning process. Budget figures for the first year have been defined in great detail and accurately reflect the true costs of implementing the program activities within each function. Future years' budgets estimate expenses using across-the-board increases rather than specific program functional budgets. The overall goal for fundraising is to raise sufficient money to cover the expense in each functional area of the budget over a three-year period.

The expense areas listed below will be covered by a variety of revenue sources. A few of the expense areas will get all of the funding from a single revenue source, but most will combine several streams of revenue to cover the expenses of that program. The appropriate revenues for each program depend on such issues as donor restriction, donor appeal, foundation priorities, existing fundraising strengths and weaknesses, etc. The table on page 7 takes the functional expense areas in the chart below and assigns revenue to them.

	Year One		Year Two		Year Three	
	Amount	Percent	Amount	Percent	Amount	Percent
REVENUE						
Annual Giving	83,528	13%	107,314	15%	120,495	17%
Major Donors	200,000	30%	275,000	40%	367,000	51%
Grants	225,000	33%	221,500	31%	146,500	20%
Fee for Service	8,400	1%	11,050	2%	16,103	2%
Interest	17,226	3%	20,434	3%	24,013	3%
Reserve Draw	131,717	20%	59,312	9%	50,460	7%
Total Revenue	**665,871**	**100%**	**694,610**	**100%**	**724,571**	**100%**
EXPENSE						
Preservation Programs	127,245	19%	134,787	19%	141,202	20%
Stewardship	54,417	8%	60,494	9%	65,240	9%
Public Outreach	111,745	17%	118,296	17%	123,945	17%
Fundraising	206,648	31%	220,528	32%	232,102	32%
Administration	165,816	25%	160,505	23%	162,082	22%
Total Expense	**665,871**	**100%**	**694,610**	**100%**	**724,571**	**100%**

	Year One		Year Two		Year Three	
	Amount	Percent	Amount	Percent	Amount	Percent
Preservation Programs						
Annual Giving						
Major Donors	16,543	13%	36,605	27%	56,629	40%
Grants	110,702	87%	98,182	73%	84,573	60%
Fee for Service						
Interest						
Reserve Draw						
Total Preservation	**127,245**	**100%**	**134,787**	**100%**	**141,202**	**100%**
Stewardship						
Annual Giving						
Major Donors	54,417	100%	47,974	79%	65,250	100%
Grants			12,520	21%		
Fee for Service						
Interest						
Reserve Draw						
Total Stewardship	**54,417**	**100%**	**60,494**	**100%**	**65,250**	**100%**
Public Outreach						
Annual Giving						
Major Donors	69,020	62%	69,359	59%	103,728	84%
Grants	42,725	38%	48,937	41%	20,217	16%
Fees for Service						
Interest						
Reserve Draw						
Total Public Outreach	**111,745**	**100%**	**118,296**	**100%**	**123,945**	**100%**
Fundraising						
Annual Giving						
Major Donors	60,020	29%	121,062	55%	141,403	61%
Grants	71,573	35%	61,861	28%	41,710	18%
Fee for Service						
Interest						
Reserve Draw	75,055	36%	37,605	17%	48,989	21%
Total Fundraising	**206,648**	**100%**	**220,528**	**100%**	**232,102**	**100%**
Administration						
Annual Giving	83,528	50%	107,314	67%	120,495	74%
Major Donors						
Grants						
Fee and Income	8,400	5%	11,050	6%	16,103	10%
Interest	17,226	10%	20,434	13%	24,013	15%
Reserve Draw	56,662	35%	21,707	14%	1,472	1%
Total Administration	**165,816**	**100%**	**160,505**	**100%**	**162,082**	**100%**

This functional analysis of cost tells the organization very different information about the numbers behind the plan.

Of course, line-item and functional budgets can be combined. In these cases, the line-item areas would be spelled out along the rows (top-to-bottom) of the budget. The functional areas are defined along the columns of the budget (left-to-right). In total, this detailed budget helps an organization understand exactly how much money is needed and where it is needed. With this information, a group can state specifically how much money is needed to support the printing budget of the education program, or the printing budget of the entire organization. In the case of multi-year functional budgets, groups can anticipate how those printing budgets will change from year one to year three of the strategic plan.

The first step in creating a functional budget is to decide the level of programmatic detail that will be used. Groups can define these functions broadly (often based on the goals of the strategic plan) or more specifically (focused on the narrower strategies or even detailed programs).

Every nonprofit organization that files a tax return with the IRS does some functional analysis. Form 990 asks every group to account for its expenses for programs, management, and fundraising. This is perhaps the broadest level of functional detail.

For the purposes of the fundraising plan, the group needs to expand these expense categories a bit further, to include program areas such as advocacy, public policy, outreach, and property management. The organization might also break down its fundraising and administrative detail more specifically as well, possibly distinguishing between major donor fundraising, membership development, and events, for example. A group can stay broad or get very specific, but the more specifically the organization breaks down its functional areas, the more complex the accounting system needed to track the information.

The functional budget also breaks down the revenue sources by category. This is a common practice in nonprofit budgeting. Once again, groups need to clearly define their revenues, distinguishing between the sources of revenue and distinguishing between the different characteristics of the various revenue sources. For example, if the fundraising plan is likely to make distinctions between small membership donations and larger donor contributions, the budget will need to differentiate the revenue coming from each source. Distinguishing between corporate grants and corporate sponsorships is another example of greater detail that reflects the differences in how money might be raised.

Once a group has defined the functional areas, it begins to build the budget within these categories. Starting with a one-year budget, the organization defines the program expenses and revenue sources corresponding to the first year in the strategic plan. The first-year budget is usually the easiest because the annual plan provides detailed clues to program cost. Revenues are likely already broken down by source. Extending the functional expenses and revenues over the next several years is more challenging. In creating this next level of detail, the strategic plan should be extremely valuable. The more detailed and specific the strategic plan, the easier and more realistic the budgeting process will be.

The revenue allocation process offers an interesting challenge. To some degree, the allocation of revenues over the three years depends on decisions that come later in the fundraising plan. How much money will the major donor program provide in year three? That depends on what the fundraising plan tries to accomplish in its major donor program. This "chicken-or-egg" dilemma often prevents people from making these initial estimates of revenue. It's okay—groups should take an initial stab at it. After more analysis and input, there will be an opportunity to come back and modify these initial estimates. But another budgeting step remains before the organization can proceed into the details of the fundraising plan.

The next step is to match specific revenues to specific expenses to understand the possible gaps in the revenue picture. This step is one of the most challenging in the multi-year budgeting process. The revenues are distributed to the expense areas to determine if there is sufficient revenue of the right type—such as restricted or unrestricted money—to cover the expenses in the plan. Through this process, a group can understand whether it has adequate unrestricted money, or in the case of a highly restricted budget, the right restricted money, to meet the needs of the plan.

The way to do this is to understand two critical aspects of the expense areas to be covered: the degree to which that expense has restricted revenue to support it, and the degree to which that expense has popular appeal. The restricted part is easy, but the popular appeal question is more challenging. In this step, revenues are allocated based on more subjective criteria such as donor appeal. Knowing these two pieces of information, the revenues can be specifically allocated to cover all the expense areas.

After the restricted funds and the funds designated by the organization (but not restricted by the donor) have been allocated (based on current obligations and likely interests) then the allocation of totally unrestricted funds can fill in the holes in the functional areas. In the case of expenses that have little donor appeal, (such as fundraising expenses) most or all of the revenue for a certain expense area may need to come from unrestricted sources (such as fees-for-services or membership dues). Even if an organization has a revenue surplus, if it has limited unrestricted funding it may have a big problem.

To understand how the allocation works, let's look at an education program with a budget of $47,300 for a given year. The money to fund that program may come from a variety of sources, including grants, major donors, and interest income. To make this allocation decision, first all restricted funds dedicated to education are allocated. Next, an analysis of the funding appeal that education programs have among donors, foundations, and corporations, for example, is analyzed. If it is unlikely that foundations will respond to the education program, then unrestricted revenues (such as memberships) will be needed to cover this cost of the program. If foundations are very likely to support such a program, then the anticipated grant revenue (yet to be raised) can be allocated to this expense area.

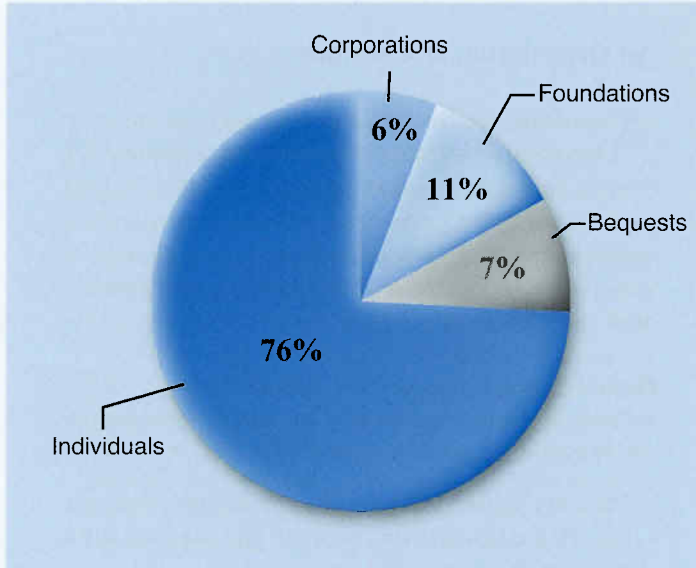
Here's one final important suggestion for developing the functional budgets. When an organization is making all the small decisions in developing these two budget spreadsheets (multi-year expense budget and multi-year revenue allocation budget) many assumptions must be made. These assumptions cover things such as expected growth of membership, what programs donors will most want to support, types of grants most likely to be available to the organization, etc. Keeping track of these assumptions is very important. These assumptions often become the basis of later goals and strategies for the fundraising plan. When making these decisions, it is important to keep a sheet of paper near the computer and to write down every single assumption you make as you move through the spreadsheet. These details will come in handy later in the process.

Where to Find the Money

If an organization is going to get money, it needs to know where to find it. An organization also needs to know how money moves. For most groups, there are several possible sources of money: earned income, contributed income, invested income. The unique income source available to nonprofit organizations is contributed income, money that comes from individuals and corporations that share an organization's vision of the community and choose to invest as a way to make the vision happen. This is the pot of money most often considered when a group is looking to "fundraise." And while there is tremendous competition to get it, this is a pot of money with tremendous opportunity.

In 2005, Americans contributed more than $260 billion to causes they endorsed. This money was split many different ways, with religious groups receiving just over one-third of the total. Nearly $150 billion supported the efforts of the rest of the nonprofit community

It's worth understanding the "tree" on which money grows. In 2005 individuals provided just over three out of every four dollars of philanthropic revenue to charitable groups. Another seven percent came from individuals after their death in the form of bequests and planned gifts.



Corporations and foundations also provided support to charitable causes in no small amount, contributing collectively nearly $44 billion. Yet between them, foundations and corporations accounted for only 17 percent of the total.

Before You Get Started: Assess the Organization's Fundraising Readiness

Every planning process needs to begin by taking stock of the situation. Groups need to know what they have, what they don't have, and what options exist. This information sets the stage for defining the ways to play up strengths, overcome weaknesses, and ride the waves within the community that are essential for fundraising success.

Groups that have engaged in strategic planning likely have done some assessment of their capacity and their working environment. If the fundraising planning follows directly on the heels of strategic planning, much of this assessment work may have already been done.

Fundraising assessments or audits can take many different forms, but fundamentally they ask

An Organizational Assessment

Assessing what is working—and isn't—is important before an organization begins planning. Understanding "why" is especially critical to making good decisions later. A comprehensive organizational self-assessment guide is available from the National Trust (to order a copy go to www.preservationbooks.org), but some sample questions worth asking include:

Organizational Effectiveness Questions

- Does the board have effective working committees, including a fundraising committee?
- Does the planning process draw in stakeholders from beyond the board to provide input and direction to the planning decisions of the organization?
- Are the executive director, board president, and board members clear about their roles, responsibilities, and authority?

Fundraising Effectiveness Questions

- Do a sufficient number of board members participate directly in fundraising activities, including directly asking donors for support?
- Is fundraising a component of board recruiting criteria?
- Do board members provide leadership in making connections to and building support from the community?

what the organization is doing in fundraising, how well it is doing it, and why. Depending on the sophistication of the existing fundraising program, the process can be quite simple or very detailed.

Understanding the "what" question should be fairly easy. An audit should define what types of fundraising the organization has been doing. This can be done simply by assembling the people who are involved in fundraising and capturing what they have been doing to support the organization. While this may seem obvious, often people are supporting fundraising in a variety of ways not well known to everyone within the group.

The "how well" question is more difficult. Defining success is a challenge if a group hasn't previously determined its goal and how it plans to measure it. Ironically, the fundraising plan is often the tool needed to define success and measure it. Without the plan in place, assessing "how well" the group is fundraising can be challenging. In this case, a simple assessment process is fine. Groups doing these assessments need to understand both the tangible benefits (such as cash contributions) as well as the intangible benefits (such as stronger long-term relationships and more positive public image) of their efforts. If, on the other hand, the fundraising plan is in place, it should have clear goals and the means to measure progress toward those goals.

The "why" question is even harder to answer. It takes a clear understanding of the fundraising process to understand why some of the fundraising activities achieved their goals and others fell short. For example, an organization may be sending out direct mail solicitations, but not getting any results. If the group knew what it was doing wrong with these efforts, it likely would not have made those mistakes in the first place.

In these cases, it might be very helpful to get someone from outside the organization to assess why programs are succeeding or not. Volunteers with experience in fundraising, leaders of other community organizations, and fundraising consultants may be available to help dissect the organization's fundraising efforts and determine the nature of its success and failure. They can untangle the complex layers of organizational and fundraising issues that contribute to success or failure. They can identify the priority issues as well as the sequence for addressing them.

It's also important to look beyond the fundraising program and assess some of the other pieces essential to the fundraising efforts. Board engagement, board-staff relationships, stakeholder involvement in planning, and capable information systems are important to an organization's fundraising success. If the board isn't engaged, if a fundraising committee doesn't exist, or if the organization's database is weak or unreliable, fundraising is going to stumble. Understanding what is and isn't working throughout the organization, including an understanding of "why" is important as part of this preparatory assessment step.

Understanding the Environment and Trends

In addition to understanding the organization's strengths and weaknesses, it is also important to understand the environment in which the organization is working. By analyzing trends an organization can identify opportunities that may emerge over time, or threats that may be detrimental to its goals. Organizations can rarely change the trends that affect them, but the more they understand them, the greater their likelihood of responding positively.

Trends include political, economic, social, technological, and philanthropic changes in the community in which the organization operates. The range of questions that could be asked and answered here is huge, and will need to be narrowed to the most relevant for each particular group. The following trends might be included in an analysis:

- Increased scrutiny and IRS oversight of nonprofit organizations.
- Potential changes to facade easement regulations.
- Shrinking public agency budgets.

- Transfer of wealth within the next 20 years.
- More engaged donor base who support nonprofits with their time and their money.
- Growth of the internet as a means to learn about and support organizations.

One final analysis that helps prepare for fundraising planning is to consider any emerging opportunities in the community. Some of these might show up in philanthropic trends, but often they represent one-time opportunities or short-term potentials rather than longer trends. Partnership prospects, special anniversary celebrations, key transitions in community leadership, and other events provide opportunities to make an organization's fundraising programs immediately relevant and attractive to the community. Anticipating these opportunities in the near and long term gives organizations a chance to take full advantage of their benefit. Likewise, understanding trends gives groups understanding of the economic and political climate and its impact on fundraising efforts.

Creating the Plan

A fundraising plan is an important tool to guide the various fundraising activities to support the aspirations defined in the strategic plan. A comprehensive fundraising plan is much more than a statement of the fundraising activities the group will undertake and the timeline for implementation. That kind of work plan is important. The comprehensive fundraising plan, however, is more of a long-term guide for developing and shifting resources coming into the organization over several years. Its focus is broader and more strategic. It defines what the fundraising program should achieve in the next three or five years.

As such, the fundraising plan is directly connected to the strategic plan. It derives its goals from the program costs spelled out in the strategic plan. It expands on the fundraising goals and strategies within the plan and develops more specific approaches. In its completed form, it provides a solid foundation from which more specific implementation steps can be defined.

The basic structure of the fundraising plan includes these elements:

- **Background to the plan**—this might include the context for the plan development, information about the process the organization undertook, and other information useful in understanding what the plan is and does.
- **Budget analysis**—this includes the financial information from the multi-year functional budget.
- **Goals/outcomes**—these are the statements of what the organization hopes to accomplish through the fundraising plan.
- **Strategies**—this defines the general approaches the organization will take to achieve the goals of the plan.
- **Policies**—these are the "rules of the road" for the fundraising program, defining restrictions and guidelines that constrain the fundraising efforts.
- **Implementation**—this provides more specific details about how the plan will be implemented to support the strategies and achieve the goals. This is not a detailed implementation plan for fundraising tasks in a given year, but instead an overview of how implementation will proceed over the three years of the plan.

Fundraising Outcomes

Fundraising outcomes define the results desired by the success of the fundraising program. While "more money" is one desired outcome, others might be just as important.

1. **Increasing the total revenue of the organization.** Every group can do more with more funding. For a small and growing organization, additional funds will do much to ensure a more vital, more proactive preservation effort to protect the most important historic resources in the region. Growing the total capacity of the organization includes increasing opportunities for volunteer involvement, partnership, and other collaboration strategies. However, the bottom line reality is that more money will make it possible for the group to engage more people in its work.
2. **Increasing the percentage of unrestricted revenue.** Unrestricted revenue is essential for program flexibility and to respond to emerging opportunities and threats. For any organization, increasing the amount of money that has few or no restrictions beyond its mission is essential. When restrictions are placed on the funding, the organization wants the funding to be restricted to priority areas within its budget.

Define Goals/Outcomes

Up to this point, the organization has invested a great deal of time in preparing to develop the actual plan. Now it's time to make decisions.

The first question an organization needs to answer is "What are we trying to accomplish with our fundraising?" While this may seem like a very simple answer—more money—in reality it provides an opportunity to explore how the fundraising program can accomplish much more than just bringing in additional funds.

For example, an organization trying to define the benefits or outcomes of its fundraising program might ask some of the following questions:

- Do we have enough money?
- Do we have the right money?

- Does the money come at the right time?
- Does it have the right restrictions?
- Is our funding stable and predictable?
- Does our fundraising support our preservation program in ways other than money?
- Does our program connect us to the community and raise our profile for other benefits?

Fundraising Strategies to Reach the Goals

Once a group understands its fundraising goals, it can begin to articulate the specific strategies that will move it toward those goals. Identifying the right strategies might be the most important component of the entire fundraising plan. Good strategies serve as a bridge that connects the goals with the most appropriate activities for getting there.

Plugging away on the wrong strategy can be frustrating and rarely pays off. Success is more than doing the work right. It also requires that an organization do the right work. As the saying goes, "When your only tool is a hammer, everything begins to look like a nail."

Groups select their fundraising strategies from a broad range of potential fundraising options. It's a big list, and groups cannot do it all. Analyzing the nature of these funding sources offers clues to their appropriateness. Narrowing the list to a select set of options allows organizations to focus their attention for greater success.

The most common fundraising options available to preservation organizations usually fall into the following categories: individual giving, grants, special events, fees, and earned income.

While there are some situations where "one size fits most," there is no universal fundraising tool that every group should employ. Specific circumstances may dictate when one of these choices makes more sense than another. Each organization needs to work its way through this list of options and decide: Will this work for us? Can we make it succeed? Is this how we want to raise money?

The broad palette of fundraising tools listed in the following section provides a starting point for developing more specific strategies. Most groups can't apply all of these fundraising tools to their work. Based on available funding, organizational culture, the personal preferences of fundraising leaders, and other considerations, the group will narrow its choices and focus on those fundraising options that make the most sense for them. And from this list will emerge the specific strategies that will guide the group toward success.

Individual Giving

Direct mail is a very common fundraising tool because it allows an organization to contact a very large number of people for a relatively small cost. Many organizations use direct mail as a membership development tool, including acquisition mailings (asking people for initial support), appeals (asking for an additional contribution), and renewals (asking people to renew their support).

When to Use:

- Building a base of support from individuals.
- Maintaining and renewing support from smaller contributors.
- Educating and motivating contributors about organizational issues and opportunities.

Considerations for Success:

- Direct mail requires an organizational infrastructure to track and manage information about members and people contacted. The limitations of the database often limit the potential of the mail effort.
- Direct mail is efficient, but not particularly effective. In most cases, a return of 1 percent is considered excellent.
- The elements of a successful mail package are very specific and sometimes counter-intuitive. Special attention must be paid to the list source, length of the letter, simplicity of the reply form, and the look of the outside envelope.
- Personalizing small batches of mail—including notes from the board and staff—can help encourage the consideration and response to the appeal.

Phone solicitation is another means to contact a larger number of people at a relatively small cost. Groups make the contacts using volunteers at a borrowed phone bank, or can use a professional group to make the calls. Phone solicitation can be used for all facets of membership development, including acquisition, appeals, and renewals.

When to Use:

- Building a base of support from individuals.
- Maintaining and renewing support from smaller contributors.
- Educating and motivating contributors about organizational issues and opportunities.

Considerations for Success:

- Many people strongly resist receiving phone solicitations. This often translates into a reluctance to engage in such a program.
- Careful recruiting and training for the phone solicitors is especially important. The success of the effort depends on the communication skills of the people doing the calling.
- Even if not used for soliciting contributions, the phone can be a welcomed—and very effective—tool for thanking people.

Personal solicitation is the most effective means for soliciting support, reinforcing the fundraising maxim that "people don't follow ideas; people follow people." Personal solicitation is more effective, but also considerably more time-intensive. It is usually reserved for contact with the individuals with the greatest potential for support. Personal solicitations are often organized into a campaign and can be useful for annual giving, capital campaigns, planned giving programs, and other larger funding goals.

When to Use:

- Asking for investment from donors with the greatest potential for significant support.
- Encouraging individuals to move to a greater level of support.
- Sharing information about the organization that is sensitive or controversial with key supporters.

Considerations for Success:

- Success in personal solicitation depends on the credibility and sincerity of the person making "the ask." Relationship building is an essential component.
- The limitations for personal solicitation are often less about the number of prospects and more about the number of solicitors.
- Good supporting materials can be informative to the potential donor and very helpful to the solicitor.
- Campaigns usually need to be time-specific. Extending a campaign over too long a period is often a mistake.

Web-based contributions are an increasingly valuable tool to support a fundraising program. Organizations often include a place on their web page that encourages website visitors to make a contribution directly. "E-philanthropy," as it is sometimes known, is particularly effective to draw support from those who use the internet as a shopping and education forum.

When to Use:

- As a component of the organization's ongoing communications and fundraising effort.
- As a targeted fundraising tool for the more tech-savvy constituents.

Considerations for Success:

- E-philanthropy requires considerable understanding of both technology and marketing. Critical marketing concepts of branding, targeting specific audiences, message focusing, and mission-orientation are essential to success.
- Effective web-tools need regular updating and refreshing to keep people returning to the website and valuing the organization.
- All other communication tools need to "push" people toward the website. This is an increasingly important communications strategy as well.
- Like all fundraising, e-philanthropy requires patience and relationship building.

Direct deduction programs allow supporters to give directly to the organization through their employer's payroll system or from their checking account or credit card. Payroll deduction programs are often organized through centralized fundraising programs such as Black United Fund, United Way, or Community Share. These programs often work well in government agencies and large corporations, but rarely tap employees in smaller businesses. Sometimes larger corporations will match employee contributions with company contributions. One limitation of this approach is that the organization receiving the funding does not always receive the detailed personal information about the contributor that might be useful for relationship building and upgrading. Direct deposit and credit card payments are regular giving tools that are ideal when a loyal member has moved to the "habitual" phase of giving. These giving tools are sometimes challenging to set up, but simple to manage and usually boast a very high retention rate.

When to Use:

- Soliciting individual support from individuals working for larger businesses and government agencies.
- Leveraging corporate support from a committed group of individual supporters.
- Simplifying giving for your most loyal contributors.

Considerations for Success:

- The extent to which groups participate in payroll campaigns depends on the degree of public recognition the organization has.
- Groups rarely get to make a pitch or state their case directly to the person making the decision to donate.
- Participation in these campaigns usually requires a contribution of volunteer time in organizing and coordinating the campaign.
- Relatively little internal infrastructure is needed to support these programs.
- Direct deposit and credit card programs require a partnership with a local bank to process the transactions. The investment often doesn't make sense without some critical mass of participation.

Foundations are nonprofit organizations in the business of distributing resources to charitable causes. While extremely visible, these sources represent a relatively small sector of the entire spectrum of philanthropy. The amount given by foundations is often connected to the general economy as foundation assets are typically invested in economy-connected portfolios. Foundations usually donate funds in response to a proposal submitted by the group seeking funding, based on a set of funding criteria defined by the foundation. A selection committee (typically the board of directors) makes the final funding decision.

When to Use:

- To support specific projects and significant organizational initiatives.
- For start-up and initiation of programs with potential funding beyond the duration of the grant.

Considerations for Success:

- Foundations typically like to provide start-up or catalyst funding rather than ongoing support. Groups need to find ongoing funding to pick up costs for programs and projects that extend beyond the grant period.
- Foundations almost always have very specific criteria and guidelines for their application process. Groups that fail to follow those guidelines are rarely considered for support.
- Writing the proposal is usually much less important than having an organization with credibility and a plan with integrity to give the foundation confidence in the success of its investment.
- Foundations often have limitations on the duration of their support. Rarely do foundations provide funding to an organization for more than three years.

Corporations with corporate contributions programs sometimes have their own programs for providing grant support to nonprofit groups. These funds are typically segregated from the marketing funds that can be used for sponsorships (see below). Sometimes the giving comes from a corporate foundation separate from, but connected to, the funding corporation.

When to Use:

- To support specific projects and significant organizational initiatives.
- For start-up and initiation of programs but not long-term program funding. Programs with long-term expenses will need to find other sources beyond the duration of the grant.

Considerations for Success:

- Corporate contributions are becoming scarcer as businesses look for marketing value as part of their charitable activities.
- An employee who is already a supporter of the organization to serve as an advocate often is a requirement for corporate consideration.
- Most of the considerations for foundation grants are also a consideration of corporate grants.

Public grants also provide support to nonprofit groups. These funds represent strategic decisions on the part of public agencies to fulfill their mandate by delegating key portions of their work to outside groups. The process of accessing these funds is fundamentally similar to grants from foundations and corporations, but can be a more difficult and lengthy process.

When to Use:

- To support specific projects and significant organizational initiatives.
- For start-up or ongoing funding that supports the requirements mandated to a government agency.

Considerations for Success:

- The application process for government grants is often much more intensive than other grant sources. It can also take someone more fluent in the particulars of the government agency decision-making process.
- Getting sponsorship or endorsement from your elected officials can be valuable in this process. While these funds are not supposed to be politically influenced, they often are.
- Government grants are notorious for not providing all the funding required to complete the project. Groups need to be very careful that they can actually complete the work expected within the budget that is submitted.
- Restrictions on purpose and approach may be greater on these funds to reflect the current realities of public accountability and "political correctness."

Special Events

"Friendraising" events include any activities that help people make a personal connection to the organization. Organized in conjunction with other fundraising activities, these can be very important "fertilizer" that ensures people feel compelled to provide support.

When to Use:

- To build support and connections among potential and current donors.
- As an adjunct to other fundraising activities.

Considerations for Success:

- Larger events are often very time-intensive. Having a strong cadre of committed volunteers can be essential.
- Smaller, more intimate "house parties" can both build connections to the organization and raise money. They are also easier projects to manage.
- Friendraising events need to be defined and implemented first and foremost as relationship builders and not revenue generators.
- The value of a friendraising event often depends on the effectiveness of follow-up fundraising activities, such as personal solicitations.

Fundraising events focus more specifically on drawing financial support from individuals through their participation in some event. The more connected the event is to the mission of the organization, the more leveraged the benefit of the event. Events are usually very time intensive, and face considerable competition from other groups also trying to establish their event in the minds of their donors and supporters. Events include such activities as auctions, formal dinners, races, and "something"-a-thons.

When to Use:

- To build support and connections among potential and current donors.
- As a means of drawing support from people who might not otherwise give.
- As an additional opportunity for supporters to give without feeling like they are "digging deeper."

Considerations for Success:

- Larger events are often very time-intensive. A strong cadre of committed volunteers is essential to these activities.
- Name recognition and organizational loyalty can be essential in order to compete in a community that already has considerable fundraising activity going on.
- Creativity can give an event an edge in the competition for donor participation.
- Events that have significant community support can often leverage corporate sponsorships as additional revenue.

Program events are activities designed to fulfill the mission of the organization, but whose structure can generate revenue. These become potentially effective funding tools to the degree that the events offer value to the participants that is market-competitive. Conferences, training programs, and other activities can generate significant excess revenue if organized efficiently and if registration fees and underwriting exceed the cost of producing the event.

When to Use:

- As a means to draw extra revenue into the organization while delivering programs central to the mission of the organization.
- As a credibility tool to show value to key constituents.

Considerations for Success:

- By definition, these activities need to serve a specific program more than produce revenue.
- Organizational credibility is often a key consideration for participation by members and constituents.
- Setting price for participation is often based on the relative benefits and price compared to other training and conference options available to participants.

Sponsorships link businesses and corporations to an organization to underwrite some or all of the costs of a nonprofit activity or event. Sponsorship investments usually draw from the marketing budget of the business to provide some public relations benefit in return for the contribution to the organization. Corporate decisions to participate in sponsorships are often more business oriented than charitably oriented.

When to Use:

- To underwrite a special event or high-profile project as a means of drawing in corporate support.
- As an approach to tap the more significant resources of a corporation's marketing budget rather than the often smaller charitable budget.

Considerations for Success:

- Organizations need to demonstrate true public relations benefits to businesses if they want to sell a sponsorship as a "benefit" to the business. Demonstrating the number of people who will connect to the organization as part of an event, for example, helps clarify the scope of PR benefit.
- The reputation of the organization is often the primary value to the business sponsor. Likewise, the reputation of the business sponsor is often the most important concern of the organization seeking sponsorship. The mutual association must be positive for the partnership to have value.
- Multiple sponsors may be viable for a single event; likewise, having the same sponsors for more than one event is possible as well. There is, however, always some limit to the PR benefit that can be "sold."
- Sponsorships can be alternatives to advertising, which may involve unrelated business income tax consequences.

Fee-for-Service activities generate income for the organization through services provided based on organizational strengths and capabilities that others are willing to pay for. This can be as simple as charging fees for programs and activities that a group already delivers. These can include consulting services, training programs, and other activities that generate net revenue, but those activities that generate revenue and support the mission are clearly the most appropriate. When groups engage in activities that draw time and resources away from the mission, they are treading dangerous ground that demands careful consideration.

When to Use:

- As a means to draw extra revenue into the organization while delivering programs central to the mission of the organization.
- As a means of capturing revenue while delivering services and programs of value to the community.

Considerations for Success:

- Services that address the core mission of the organization while capturing revenue have the double benefit of program delivery and capacity building.
- Services provided that don't serve the core mission need to be generating sufficient income to justify the diversion from the mission.
- Some activities outside the core mission can be "unrelated business," thereby subject to unrelated business income tax by the IRS.

Endowment income or other returns on investments can provide stable revenue without the need for ongoing fundraising efforts. Funding for endowments that invest larger amounts of capital to provide a steady stream of revenue can be built into capital and capacity-building campaigns.

When to Use:

- As a source of stable revenue to cover ongoing responsibilities such as facilities management or general operating expenses.
- Money for an endowment can be raised as part of a campaign for acquisition or "bricks-and-mortar" improvements. By including the endowment in the campaign, the organization lets donors know that it is thinking ahead to the future.

Considerations for Success:

- Building an endowment element into larger campaigns can be a demonstration of long-term commitment and responsibility, thereby strengthening the "case" for the campaign.
- Endowments can be a tougher "sell" to some people who would rather manage their own capital and contributions than give it to the organization. Effective financial management is the key.
- Endowment-building programs work well as part of a planned giving effort.

Sales of merchandise and promotional items can be a source of revenue, but it is usually small and produces little net revenue. As with fee-for-service income, sales of items that fit within the mission of the organization help to build capacity and support the mission.

When to Use:

- To deliver merchandise or other items that constituents value while at the same time reinforcing some aspect of capacity or mission accomplishment.
- Very common as a public relations effort to build awareness of the organization.

Considerations for Success:

- Calculating the true cost of sales is important to understanding its value. Too many groups don't figure staff time into the equation, for example, and therefore don't realize that some activities produce a net loss.
- Sales of products outside the core mission can be subject to unrelated business income tax by the IRS.

Defining Specific Strategies

With a specific set of fundraising tools selected, an organization needs to understand how it can make those tools perform. None of these options performs "right off the shelf"—they need to be customized for the group. Each tool must be examined to see how it might fit within the organization, what points of leverage will help ensure its success, and who will be responsible for pushing it forward. Groups manipulate these tools to fit their needs and then consider changes to the organization to make the most of the tools. The resulting approaches become the strategies that guide the group in its implementation efforts. Examples of some fundraising strategies are found in the next column.

- ***Invest heavily in capacity-building steps that improve the organization's ability to raise money.***
  The needs and expectations for fundraising in the future exceed the organization's ability to raise money today. The organization must increase its capacity for fundraising by investing in the development of its personnel (staff, board members, and other volunteers), systems, and structure. This strategy would likely involve foundation grant support, a focused major donor campaign (perhaps among a small group of "angel" investors) and one-time dedication of reserve funds.

- ***Develop the capabilities of the board of directors to lead major donor fundraising efforts.***
  The growth of the organization over the next three years will depend on having the people involved who can help lead it to the next level. This includes people with a variety of skills and connections to open doors and follow through with fundraising requests. The organization will grow its capacity for fundraising by training existing board members to be more engaged and effective in their fundraising roles, and by recruiting additional board members and other volunteers who will commit their efforts to building relationships and asking for money. These individuals will be essential to such activities as major donor fundraising and capital campaigns.

- ***Hire dedicated professional staff to support the organization's fundraising efforts.***
  The organization needs to complement current staff functions with a fulltime professional to support fundraising. By building the staff infrastructure to support an executive director who has significant responsibility and capability for fundraising, a development director will enhance the overall level of fundraising anticipated in this plan. New staff members with dedicated skills and a focus on fundraising can work on events, grant proposals, and membership development, as well as provide support to board members and others working on major donor fundraising.

- ***Emphasize long-term relationships in all efforts to raise funds.***
  Fundraising success will require investment and support from donors and other supporters for generations. Therefore, the organization must develop programs that build relationships as the cornerstone of fundraising effectiveness. These relationships will take place through a series of "touches," managed through events, meetings, and other contacts. This strategy may be essential to an organization's effort to build donor loyalty needed for successful major donor or planned giving programs.

- ***Seek multi-year commitments to support the organization's activities when requesting support from donors and grantors.***
  Funders and supporters often are not prepared to make a long-term commitment to support an organization until it has clearly established its credibility. Yet longer-term commitments will make it possible to focus attention on the activities for which the organization was created. Seeking support that includes longer-term commitments may be an important strategy to ensure the "investment" in the organization is a solid one. These commitments may come in multi-year grants or multi-year pledges from individuals.

Policies to Guide Fundraising

In addition to these more specific strategies, a preservation organization needs to determine the policies that will guide its fundraising efforts. These policies are the rules that define where and how the group will raise money. An organization doesn't need a huge number of policies to guide its work. However, it is very important that the guidelines and rules applied to the fundraising program be clear from the beginning. Examples of some fundraising policies are listed in the next column.

- ***Membership Program.*** Anyone who has within the last 14 months given a cash contribution of up to $500, or an in-kind contribution will be considered a member of the organization. The organization will develop a benefits and recognition program for members. Those members whose cumulative contributions exceed $500 within the last 14 months will be classified as major donors and will be given all recognition and privileges associated with their giving level.

- ***Board Fundraising.*** The board will provide direct support in fundraising activities. This support will be coordinated by the fundraising committee, which will make recommendations to the board regarding the appropriate activities and roles for involvement of other board members. A minimum level of involvement by board members will include a "leadership" gift. A "leadership" gift is defined as a "significant annual contribution to the organization based on one's individual financial abilities," with a goal that all board members will become major donors.

- ***Fundraising Plan.*** The organization will renew its fundraising plan annually for the first several years, and then at least every three years on an ongoing basis. The plan will define fundraising outcomes, strategies, and activities based on the programs and priorities established in the strategic plan. The plan will create a framework for all fundraising programs. Each plan will include a review of existing fundraising policies and offer recommendations for revisions and additions. The board of directors will be responsible for developing and approving the plan.

- ***Restricted Grants and Gifts.*** Contributions will be used to support the mission and goals of the organization. The organization will accept restricted contributions from any source, so long as the grant or gift is consistent with the mission, goals, and program priorities established in the strategic plan and fundraising plan. Until a set of suitable sponsorship guidelines have been adopted by the board of directors, any donation given in exchange for an endorsement, sponsorship, or similar commitment to a donor must be approved by the board prior to acceptance.

- ***Investment Policies.*** The organization will invest its endowment funds through the money management services provided by a community foundation. Any reserve fund (separate from the longer-term management of the endowment fund) will be invested as a liquid asset in investments that have no more than a 120-day maturation. All returns on investment will be treated as unrestricted income except when a return comes from a restricted contribution to the organization that includes a restriction on the income received from the investment of that contribution.

Implementation

As the organization develops goals, strategies, and policies, it is closing in on the details of fundraising implementation. It is very important to remember that the implementation elements of a long-range fundraising plan are different than the implementation details of an annual work plan. The long-range fundraising plan is still looking at fundraising at the 1,000 foot level, and implementation information in the plan retains that longer-term perspective. The annual work plan, on the other hand, provides a detailed blueprint for how fundraising strategies will be implemented right down on the ground.

For example, the fundraising plan may describe how the membership program will be structured, including its use of direct mail and phone solicitation. It might even spell out frequency and format of the solicitation mailings. It probably will not address the dates, the tasks, and the people responsible for implementation. That level of detail is reserved for the annual work plan.

All the pieces leading up to this point—goals, strategies, and policies—should clarify how fundraising will evolve over the duration of the plan. The strategies and activities within the plan must demonstrate how revenue coming to the organization will change from the first year to the last. This is part of what makes the fundraising plan so useful. It gives a group a chance to decide what it would like its funding streams to look like in the future, and then describes how it will make the future happen.

Here's an example of how the goals, strategies, and activities in a fundraising plan fit together. Many preservation groups define individual annual giving programs as an important mainstay of their funding efforts. Regardless of their total membership, most of these groups have relatively few people giving at the upper levels of $1,000 per year or more. A goal, a strategy, and several activities that might emerge from this situation could be:

- ***Goal:*** Increase the number of major donors ($1,000+) to 25
- ***Strategy:*** Create a cadre of major donor peers—on and off the board—to cultivate and solicit gifts from major donors.
- ***Activity:*** Host six informal house parties to cultivate (no-ask) members giving at lower levels with the potential to become major donors.
- ***Activity:*** Organize face-to-face requests asking all potential donors who have participated in a house party for a major donor investment.

Implementation details differ for every organization. For most groups, however, individual annual giving, grants, and system development will be consistently part of their plan. These three implementation areas provide sustainable funding, significant investment, and essential infrastructure that can be valuable to any preservation organization.

Fundraising Plan Work Plan

Conduct analysis of funding issues

Analyze current funding activities.

- Conduct a review of current fundraising programs, systems, and resources.

Analyze other organizational issues.

- Conduct a preliminary audit of other organizational issues, including board and staff development, strategic planning, and organizational structure as they relate to fundraising capacity. Summarize this in a report that includes specific recommendations.

Determine long-range needs

Review strategic plan.

- Review plan for implications for long-term program directions. Identify program areas and their level of activity for a three-year period. Make recommendations for possible improvements to the strategic planning process.

Develop three-year budget.

- Determine funding needs for programs in each of the next three years, based on the strategic planning information. Budget forecast focuses initially on expenses and not revenues.

Develop funding source matrix.

- Identify the potential revenues to meet the expense needs of programs for the next three years.
- Identify the mix of revenues that will be applied to each program area.

Identify program options

Review organizational models.

- Look at theoretical models for structuring the fundraising program. Draw on specific organizational development models for examples.

Research other funding programs.

- Look at existing models for the fundraising program. Research the fundraising programs in place for similar organizations, including groups with both preservation and non-preservation program focuses.

Evaluate current funding programs.

- Drawing on the information from the fundraising analysis, develop specific issues that must be addressed to increase the fundraising capacity for your organization. Working with both staff and board members, identify possible strategies for improving these issues.

Develop fundraising strategies and policy recommendations.

- Narrow the list of strategies to the preferred list of organizational policies, including any specific changes to the organizational plan and structure. Develop specific recommendations to be presented to the board of directors for approval.

Write fundraising plan.

- Assemble all of the appropriate information into a final fundraising plan document, including specific fundraising programs, milestones, and strategies for growth. Develop a preliminary implementation strategy and budget, and identify the appropriate roles for board and staff within the strategy.

Adopt fundraising plan.

- Board of directors approves final plan, including work plans and preliminary budget.

Implement funding program

Develop implementation strategy.

- Create a comprehensive implementation strategy for the fundraising program. Coordinate these activities with the other program priorities for the organization.

Develop work plans and budget.

- Create specific work plans for both staff and board members, and develop a detailed program budget for all aspects of the fundraising program.

Begin implementation.

- Begin implementing the tasks and activities within the fundraising work plans. Establish periodic reviews to assess progress and make necessary modifications.

Put It All Together

With all the information gathered and decisions made, the organization needs to gather everything into some format that it calls its "plan." What the plan looks like might depend on who is going to use it.

Depending on the audiences to be approached during fundraising, it is possible that the fundraising plan itself may be a tool to be formatted and shared with funders and donors. For groups that are engaged in capacity-building efforts, demonstrating commitment and credibility with the fundraising plan may be extremely helpful in convincing a foundation or major donor that their investment will lead to much greater returns down the road. In these cases, the final format of the plan may need to be modified slightly to be appropriate for the audience.

In most cases, however, the plan audience is the group that created it; it needs to be clear and compelling to those inside the organization who are likely to use it to guide their involvement in fundraising. Formatting may be more about clarity rather than credibility.

Fundraising plans usually have a life that mirrors that of the strategic plan. One effective strategy for updating a plan is to conduct small review and revision efforts every year, and rework the entire plan every three or four years. Organizations that are new to the planning process tend to need to revise their plans more frequently, while groups that have engaged in planning for years tend to create plans that last longer and work better. The general rule is that the "first plan is the worst plan," and they only get better from there.

When an organization has worked through all the details of its fundraising plan, answered the questions raised by the process and put it into a final format, it has fulfilled its fundraising planning purpose. It now must implement its fundraising program. This may be an obvious statement, but one of the most common challenges facing preservation groups is to move beyond planning to action. A plan can be motivating and clarifying to fundraising efforts. Planning can also be used as an excuse for continued delay. A plan is worth nothing if it is not implemented.

Some say the world is divided up between the talkers and the doers. That's probably an oversimplification, but there is a definite distinction between talking about fundraising and actually getting it done. There is so much detail in the development of a fundraising plan that it can be all consuming, taking away all the energy that is needed to ask people to invest in your cause.

As with all things in life, there is a need for balance. Create the plan but then get it done. Don't let "perfect" be the enemy of "good enough." When your plan is finished, stop planning and start fundraising. A good plan will make fundraising more strategic, more organized, and more successful, but only if you take the final step and do it.

About the Author

Marc Smiley is an organizational consultant working with nonprofit organizations nationwide on what he describes as "the fundamental elements of organizational success," including board governance, strategic planning, organizational structure and fundraising planning. Marc works out of Portland, Ore., as a consultant, trainer and meeting facilitator.