

## FUNDRAISING CONCEPTS

### Lesson 1 – Creating a Strategic Fundraising Plan

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#### Transcript

[TEXT: Young African Leaders Initiative Online Training Series]

[TEXT: Mandela Washington Fellowship Institute Course]

[TEXT: Fundraising Concepts]

Hello, my name is Peter McFarren and I'm an instructor at the Presidential Precinct Institute of the Mandela Washington Fellowship. I have over 30 years of experience working in international development and fundraising. I'm happy to have you join me for this course on Fundraising Concepts.

In this course we will take a more in-depth look at the principles of fundraising. This course includes five lessons and will focus on creating a strategic fundraising plan, the components of a fundraising plan, marketing and communication strategies for fundraising, fundraisings for nonprofit organizations and fundraising for profit-making organizations.

[TEXT: Creating a strategic fundraising plan]

So let's talk about the importance of a strategic fundraising plan and go over some of the basic overviews and actions.

A fundraising plan must go hand in hand with your organization's mission, vision, goals and objectives. Its fundamental success relies on you and your team cultivating relationships on the personal, professional and institutional level. It is through the building of relationships based on trust and shared common interest with prospective donors or investors that a fundraising campaign can be successful.

It is crucial to recognize that the requirements of public and private funders differ. Public bodies and charitable organizations are usually interested in how a project will enhance the lives of others. Corporate sponsors are obligated to earn a return on an investment and enhance their reputation and brand. Individual donors want to make an impact, leaving a legacy or taking advantage of tax benefits a donation may bring.

So who do you want to find? Seek investors or partners that are smart, strategic and without reproach. You need a clean and transparent record, and no conflicts of interest with your board, management team, investors and strategic partners. Your organization's financial and legal matters must be in order. Donors and investors fund stable organizations that can legally receive funds, spend them wisely, be successful and have an impact. I have found that having a good track record will help attract additional support.

Your management team plays a key role in successful fundraising. Your management structure needs to include clear reporting and auditing, as investors may ask to review records. Your



marketing and communications team needs to develop a plan that plainly and concisely explains your mission, vision and product. Spreading the exciting news about your company not only attracts clients but, more importantly, investors. Everyone in your organization must help build your fundraising network. Your staff, colleagues and board members should also be building relationships that will help you secure funding or partnerships. You never know when you may meet someone who can help or may want to invest.

Expanding relationships and cultivating donors can involve sending out proposals and fundraising appeals, identifying grants or funding organizations, telephone solicitations and crowdsourcing. What strategy you pursue will depend on the nature of your organization and the opportunities that exist. Take a look at fundraising strategies and techniques that other organizations are using. You may find good ideas on what to do and what not to do.

As you move forward, do your homework. Investigate the interests of a potential donor or investor; find out what causes or programs attract them. For example, the Bill & Melinda Gates Foundation and the Global Fund support public health initiatives, but not environmental programs. So if your business idea impacts climate change, they aren't the right partner for you. If you're working to end malaria, there's common ground, and you may want to reach out to them.

The same applies to what funding or partnership options are available for your organization. A good source of information is the chambers of commerce that have offices in your country. Talk to local organizations that might want to invest in local causes. Research international aid, bilateral and multilateral organizations. Learn how to use search engines and resource materials that can be accessed often for free through the Internet. Many organizations publicly share projects that they fund on their websites or list them in tax filings.

Timeliness is an important factor for any business. Your fundraising strategy and plan needs to be sensitive to the timelines and priorities of potential donors or investors. Making contact with a potential funder and then waiting months to follow up will destroy the credibility of a fundraising effort. Be aware that you may only have a brief window of opportunity to present your idea or project to a donor or investor. Be ready to let them know the specific value proposition that awaits them when they come on board.

Next, let's look at the components of a fundraising plan.

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