

FUNDRAISING CONCEPTS

Lesson 2 – The Components of a Fundraising Plan

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Transcript

[TEXT: Young African Leaders Initiative Online Training Series]

[TEXT: Mandela Washington Fellowship Institute Course]

[TEXT: Fundraising Concepts]

Hi, I am Peter McFarren and welcome back to Fundraising Concepts.

We've spoken broadly about the need for a strategy with your fundraising plan. Now let's look at the components of that plan.

[TEXT: Components of a Fundraising Plan]

As you embark on the process of funding an existing or new organization or project, you most likely are starting with a great idea and are an entrepreneur at heart. This involves being creative and persistent, building a solid team, taking risks and having a solid plan. Going through a SWOT analysis to identify your business' strengths, weaknesses, opportunities and threats can be very useful.

Let's discuss the key components of your fundraising plan.

First, include an executive summary detailing the mission, vision, goals and objectives of your organization. How are these items reflected in your fundraising strategy and efforts? If they're not, it's time to make some revisions to your fundraising strategy so that it reflects your organization.

Second, include your organization's legal, management and financial structure. It should be professional, efficient and transparent.

Third, clearly lay out your strategic objectives on a timeline; these can be used as points of reference from which measurements may be made to assess how you're doing at any given time. For example, how many people will your product or service serve and by when? How will you measure results? You cannot ask for money if you're not clear about your goals and objectives. Investors want to see what their money has accomplished. Pointing out how you're achieving your objectives is a good sign to an investor.

The timeline and budget for your organization and fundraising plan is the fourth component of your plan. What funds are needed? What will they be used for? What is the return on investments that will result from your organization or project? Identify your capital and operating expenses, fixed and variable costs, assets and liabilities. This information will be crucial to convince donors or investors that your project or organization is viable, sustainable and a great proposition. Have a clear understanding of potential cash flow and how you will cover expenses.



You can run a business without profit, but you can't run a business without cash flow. You need cash flow to be sustainable.

The fifth component of your plan is marketing. You'll want to include a description or bullet points of how you will market your company. Depending on the size and nature of your organization, consider doing a market study.

So the key components are the executive summary, the organization's business structure, the list of goals and objectives, the organization's timeline and budget, and an overview of the marketing strategy. These may sound like a lot of components, but each one will build a stronger foundation for your fundraising and the success of your organization.

As you secure funding, make sure you keep your investors and donors informed on the financial and operational aspects of your work. They should receive regular reports and be invited to events you organize. Of course, you want to be sure you comply with the requirements donors or investors have. Even if you need to work with professionals, like an accountant, to provide the donors with what they require upon investing, donor stewardship is very important in the resource mobilization process. You need to keep their trust.

Before moving on to the next lesson, I have a task for you: Prepare a one- to three-page summary to describe the idea, project or organization you need funding for. Be concise, clear and convincing. Research funders that support ideas like yours, particularly those interested in your location or sector. The window of opportunity only opens for a brief moment! You must be prepared.

In the next lesson we'll look at getting the word out to potential investors and donors with marketing and communications strategies.

Go to www.yali.state.gov for more information and resources related to this course.

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