Chapter

03 | PLANNING

## 1.	Overview

For fundraising and donor management to be successful, the roles of those involved must be clear. Policy-makers (board), decision-makers (management) and implementers (staff) must know their respective roles and have the means to carry out their roles.

## 2.	Key actions

### a.	Designate roles of staff / board members / volunteers

☑ **The check list below indicates possible roles of the board, management and staff.**

Action	Who is responsible?		
	Board	**Management**	**Staff**
❶ **Leadership and governance**			
◆ Set overall direction and policies.	✔		
◆ Develop plan describing strategy and tactical implementation.		✔	✔
◆ Check that plan is linked to vision and purpose of the organisation.	✔	✔	
◆ Check that plan is linked to revenue strategy and organisational capability.	✔	✔	
◆ Establish systems for nominating and recruiting board and committee members with fundraising responsibility.	✔	✔	
◆ Establish fundraising committee structure and clear reporting lines by the committee(s) to the board.		✔	
◆ Align committees' purposes and membership with the overall strategy.		✔	✔

Action	Who is responsible?		
	Board	**Management**	**Staff**
◆ Define clearly fundraising staff / fundraising committee roles and document them.		✓	✓
◆ Define who is the authority for making day-to-day decisions.		✓	
❷ **Financial Management**			
◆ Develop multi-year budget forecast.		✓	
◆ Present annual programme budgeting and fundraising targets to the board.		✓	✓
◆ Review budget, fundraising targets and cash-flow plan to ensure organisation is operating within available resources including reserve positions.	✓		
◆ Compare financial and fundraising results with budget.		✓	✓

b.   Determine governance structure

Good governance "is becoming an increasingly important criterion in assessing whether to donate or volunteer". Governance "refers to the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation"[1].

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[1] The Charity Council. (2007). Code of Governance for Charities & Institutions of a Public Character (IPCs). Retrieved 19 Mar 2008, from *https://www.charities.gov.sg/charity/index.do*

Roles of board, subcommittee and staff in fundraising

❶ Board

The NPO needs resources to fulfil its mission, and providing resources to achieve the mission is one of the critical responsibilities of the NPO board. Board members mobilise resources through their personal wealth, through their access to those with wealth, and to volunteers who can help to raise funds.

The board may choose to set up a fundraising committee[2]. This will help when:

◆ Current board members need more fundraising expertise or contacts

◆ There is a specific project for which funds need to be raised

◆ Reaching out to a specific source of fund, e.g. corporations

◆ Providing ex-board and strong supporters opportunities to do more

Besides helping to provide resources, the board is responsible to ensure good governance and management (including fundraising practices and transparency), as stated in the Code of Governance for Charities & Institutions of a Public Character.

❷ Fundraising committee

◆ Work with the board and Executive Director to determine short and long term funding needs.

◆ Identify and enlist leaders from the corporate and other sectors to serve on the committee.

◆ Make personal donations and / or motivate others to do the same.

◆ Organise fundraising activities that take into consideration the talents of those on the committee.

◆ Review progress of the fundraising goals and make recommendations to the Board.

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[2] Enhanced tier, Code of Governance for Charities & Institutions of a Public Character

❸ Fundraising staff

Some board members and staff think that hiring fundraising staff will save them from further fundraising tasks. But while staff may be able to do some of the fundraising work of the board or fundraising committee, there are still roles and tasks that must be carried out by the board or committee.

c. Develop fundraising strategy, sources of funding and communications plan

❶ The fundraising strategy is a plan that sets out:

◆ The funding needs of the NPO and the method to meet these needs

◆ The timeframe within which to achieve the targets

◆ Possible funding sources for each of the methods

There are 3 steps involved in developing a comprehensive fundraising strategy.

Long-term strategic plan	Medium-term business plan	Short-term operational plan
Answers "why do you need to fundraise?" Incorporates the programme and fundraising direction for the specified time-frame (3 to 5 years) that will meet the organisational mission. For example, a fundraising direction to build a regular-donor base for the organisation.	Answers "how much do you need to mobilise?" Articulates the resources needed for meeting the strategic plan and related infrastructure needs (18 months to 2 years). For example, to raise regular donors through a mass-marketing campaign that includes direct mail and web-based donor recruitment.	Answers "how will you meet the fundraising target?" Provides the activities to be undertaken for meeting the fundraising goals on an annual basis. For example, setting up of a website that has online donation facility; developing a list of names and messaging for the direct mail appeals.

❷ Possible sources of funding[3]

Source	Positive characteristics	Other characteristics
Individual donors	◆ May be the largest source of giving ◆ Regular source if the relationship is well-managed ◆ Other opportunities to involve them as volunteers, advocates, committee, etc.	◆ Cost of acquisition is high, low return per individual ◆ Harder to develop except with mass marketing / direct appeal, which is risky for the inexperienced ◆ If not using direct appeal, need significant assistance from the organisation's board and volunteers.
Large and/or family foundations	◆ May be source of large sums of money ◆ May fund ongoing operating expenses ◆ Clear guidelines, process ◆ Most likely to research your request.	◆ Lengthy process ◆ Proposals may be more lengthy ◆ More difficult to access through personal influence.
Large businesses (multinational and large local companies)	◆ May be source of large sums of money ◆ May be tied to volunteer involvement ◆ Source of cause-related marketing.	◆ Large sums of money may not be on-going ◆ Staff may or may not be accessible ◆ Must be within their guidelines ◆ Less likely to contribute if not headquartered locally or have no public consumer base.

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[3] Sources such as Community Chest and government funding are not included.

Source	Positive characteristics	Other characteristics
Small businesses (small and medium enterprises)	◆ May be approached informally ◆ May have neighbourhood focus.	◆ Personal contacts are key ◆ Smaller amounts of money ◆ Narrower range of interests.
Religious and civic organisations	◆ Often looking for group projects.	◆ May offer in-kind services ◆ Need to fit their service focus, neighbourhood or religious outlook.

Below are some examples of fundraising methods[4] for consideration.

Method	Description
Capital campaign	Intensive fundraising efforts to meet a certain financial goal in a specified period of time for one or more major projects, such as the construction of a building. Contributors may be wealthy individuals, foundations or corporations which are inspired by the organisation's vision or are motivated by the naming rights.
Endowment campaign	Campaign to allocate funds specifically to create or supplement a fund. The principal is protected and the income may be spent on operating expenses. Contributors may be wealthy individuals who understand the need for building the sustainability of the organisation in order to meet its mission.
Grants	Significant donations to a NPO for specific programmes. Contributors may be individuals, corporations and foundations.
Mass marketing	Direct solicitation of funds by mass-mailing (including email or other electronic means) or telemarketing to potential individual donors.

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[4] The methods are not mutually exclusive. For example, mass marketing may be used for annual giving programme.

Method	Description
Planned giving	Pre-arranged gift, such as a bequest, life insurance policy or gift annuity. Contributors are individuals who share the organisation's vision, and / or who want to take advantage of tax planning.
Regular or annual giving	Fundraising programme that generates funding support to help sustain yearly budgets or general operations. This includes membership programmes.
Special event[5]	Activities organised by the NPO or other supporting organisations to raise funds.
Sponsorship	Deals that the NPO and sponsors (e.g. corporations) enter into with clearly defined benefits to each party.
Gift-in-kind	Donations of free or discounted goods and services. Contributors are usually businesses and professionals in the community.
Fee for service	Charges for services an NPO already provides (or can provide) to clients who receive services provided.
Merchandising	Sale of goods by the NPO.

❸ Formulate communications plan

When a NPO seeks donations, it is working in a context different from that of a commercial sale, since those who donate to the NPO may not be the ones who consume the NPO's goods or services.

An effective communications plan aligns messages with communication channels and audiences.

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[5] NVPC's study on fundraising and volunteer management issues faced by Institutions of a Public Character (IPCs) found that organising "special events" was rated as the most effective method in terms of the absolute dollars raised. National Volunteer & Philanthropy Centre. (2007). Institutions of a Public Character (IPCs). Retrieved 19 Mar 2008, from http://www.nvpc.org.sg/Library/Documents/ResearchReports/projIPCpublic%20(FINAL).ppt#1753,1,Institutions of a Public Character (IPCs)

Communication channels may be produced internally or externally. With technology, an item delivered in one channel may be made available in other channels. For example, a speech delivered orally may be uploaded electronically as a sound file, a video, or the text of the speech could be posted online. External channels are mainly the news media that may cover an NPO's activities. The size of the organisation and its perceived importance to the community will affect how hard or easy that coverage is to come by.

Below are some examples of internally and externally produced channels.

Internally-produced channels	Externally-produced channels
◆ Print, e.g. brochures, newsletters, direct mail, annual reports ◆ Electronic, e.g. email and website ◆ Oral, e.g. meetings and telephone.	◆ Print media, e.g. daily or weekly newspapers, and magazines ◆ Broadcast media, e.g. television and radio stations ◆ Third-party web-based forums.