CIVIL SOCIETY EMPOWERMENT

Fundraising

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PASSIA
Palestinian Academic Society for the Study of
International Affairs

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Based on a PASSIA Training Course

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PASSIA, the Palestinian Academic Society for the Study of International Affairs, is an Arab, non-profit Palestinian institution, with a financially and legally independent status. It is not affiliated with any government, political party or organization. PASSIA seeks to present the Question of Palestine in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavors that its seminars, symposia and workshops, whether international or intra-Palestinian, be open, self-critical and conducted in a spirit of harmony and cooperation.

PASSIA's *Civil Society Empowerment through Training and Skills Development* program has been designed to provide training seminars for Palestinian NGO professionals, practitioners and university graduates, with the aim to improve their operational abilities. It is hoped that this will enable them to deal more efficiently with the tasks ahead in their civil society.

This publication contains the proceedings of the Training Program on *Fundraising and Public Relations*, which was conducted in May 2001 by local and foreign experts in the field.

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INTRODUCTION

Financial resources, and the ability to raise funds from various sources, are essential for organizational success whether public sector or civil society organizations. The effectiveness of fundraising and the actual existence of organizations are often closely linked. The pool of capable people with the necessary writing and promotional skills required to strengthen and present their organizations in an effective manner is still limited in Palestine. Currently, there is no formal training available.

The purpose of this training program, which comes as part of PASSIA's *Civil Society Empowerment through Training and Skills Development* program, was to impart knowledge on how to write successful proposals, able to compete in the struggle for funding from the limited donor pool. At the same time, the program sought to introduce fundamental public relations skills that are no less important in fundraising endeavors as they are in other promotional activities of an organization.

PASSIA's training programs consider human resources as the fundamental pillar for the development of Palestinian civil society. They aim to impart a solid theoretical foundation as well as essential practical skills in areas relevant to the present and future role of Palestinian civil society organizations (CSOs).

The training program of *Fundraising and Public Relations* trained civil society employees to deal more effectively with both the public and constituencies and to utilize media venues to serve their goals. The course focused on developing basic writing skills with an emphasis on techniques for delivering clear, essential information in an engaging, professional and compelling manner. Students were challenged to think objectively from a donor's perspective and encouraged to apply the lessons learned to their particular working envirohment, including critical assessment of their organizations' mandates and goals.

The overall course objective was to enhance the capacity and effectiveness of the participants to plan, develop and write fundraising proposals and undertake promotional activities.

Each of the seminars PASSIA runs as a part of this training program includes three interrelated activities:

1. *Preparation.* Approximately three weeks before the actual training program begins, participants are provided with preparatory reading material gathered by the PASSIA Project Team in coordination with the trainers and lecturers. The participants are also required to write a short paper on an issue related to the course subject.

2. *Intensive Training Seminar.* Trainees attend a five-day lecture program conducted by local and international experts. The lectures range from theoretical concepts to functional skills, exercises and case studies, whereby the participants are continuously encouraged to apply what they have learned to the institutions with which they are involved.

3. *Follow-up Program.* The intensive seminar is followed by two workshop days, concentrating on skill enhancement. The major goal is to link and apply the skills learned to actual issues of concern in the participants' working environment. Participants prepare for the workshops by completing practice-oriented writing assignments.

Civil Society Empowerment: Fundraising

In the following pages the proceedings of the aforementioned course, which aimed specifically at practitioners dealing with fundraising, and took place from April-June 2001, are presented. This will serve as a brief but multifaceted introduction to the issues addressed during this course. The intention is to give the reader both an introduction to and how-to-instructions for topics such as proposal writing, donor approach and organizing/handling fundraising events and issues.

As a handbook PASSIA hopes it will allow for the widest possible dissemination of the course material and instructions amongst the Palestinian civil society community. The aim is to provide a practical tool that will empower a large number of NGO and other practitioners with knowledge and skills from which they can clearly benefit.

The PASSIA Project Team
September 2001

1 An Introduction to Proposal Writing: Identifying & Defining Priorities

Jennifer Barsky[1]

Proposals, and proposal writing, are the basis of any project. Proposals are at once a means of securing financing and, if well conceived, a guideline for success. Each of its individual components must be seen as part of the project's conception, implementation and evaluation. A successful proposal provides the foundations of a successful project.

Though mastering the art of proposal writing comes through experience, there are certain skills that if mastered, can contribute to success. Strong proposals meld elements of creativity, order, professionalism and imagination. Most importantly, they inspire and inform.

Basic Definition of a Proposal

First and foremost, a proposal is a means to obtain funding. It is a written document outlining a specific project, event or activity to be submitted to a potential donor or funder. As a communication tool, it is the means through which your organization will convey the needs of the communities you serve, the value of the services you provide and the goals to which you aspire. It may take the form of a prepared application or an original document. Regardless of its form, however, most proposals will contain specific ingredients and be formatted based on an agreed upon standard.

Building the Foundation for Success

Proposal writing is a process that entails considerable planning and preparation. Like the project or event proposed, it is critical that the proposal be well thought out, the purpose and methodology clearly and concisely outlined, the goals and objectives well-defined and measurable, and all relevant information included. It is also an opportunity to

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work through any potential problems, barriers or unforeseen consequences. Most importantly, the proposal must be seen as an exercise in determining long-term strategies for effective project execution and where applicable, sustainability.

Before sitting down to write the proposal, the project team should run through the project from inception to completion, taking into consideration as many of the potential obstacles and outcomes as possible. Brainstorming in this manner will not only increase project refinement but will also enable the writer to better identify potential funders and preempt their questions or concerns.

Questions that must be clearly answered include but are not limited to:

- Why this particular proposal?
- Does the proposal fit within your organization's defined mission?
- How did you determine the *beneficiaries'* needs?
- How did you discover and identify potential donors?
- What did you consider the *donors'* needs to be? How will the project impact upon the donor's mission?
- Where did you learn about the history of donor award patterns?
- What are the *donors* offering? Is it sufficient to cover proposal needs?
- What is *your* organization offering?
- Why is *your* organization the best suited to execute the project?
- Did you identify potential partners?

Proposal writing must be seen as both a technical skill and an art form. How you present the information is equally important as who it is presented to. It is necessary to impress with your presentation -- donors must be able to clearly detect a tangible benefit. This benefit is in the form of either a process or a product (outputs).

Partnership

The relationship between the non-governmental, nonprofit organization and the donors is one of partnership. Nonprofit organizations have ideas and the capacity to solve certain problems, but no dollars with which to implement them. Foundations have the financial resources but lack the resources needed to create and implement such programs. Subsequently both parties must invest both time and money into the relationship to ensure a successful partnership ensues. Unlike other business enterprises, dollars contributed to the nonprofit sector have no value until they are attached to a solid program. Occasionally, donors with considerable funds do not find a project that adequately fits their mission and the money eventually evaporates.

The most effective way to challenge the status quo is to establish a lasting relationship with a fund or foundation. When writing a proposal it should be proposed not as an individual project but rather as a lasting partnership with continued benefits to be derived by all those involved: community, organization and funder. It is critical to demonstrate clearly what your organization can offer – a particular expertise and/or service – and what is expected of the funder – financial and/or technical expertise. If approved, you will enter into a partnership with that donor and how you maintain, develop, and implement that partnership can be a key determinant of your success as an organization. You will need to pay careful attention to nurturing that partnership over the long-term in the hopes of guaranteeing future funding and donor flexibility. If the donor perceives a partnership has been established based on confidence and mutual benefit, it will more likely be willing to listen to innovative project ideas, more lenient with budget run-overs and more easily accessible for advice on future funding options.

Proposal Writing as Part of a Process

Writing a proposal is part of a process that involves careful and effective planning. Successful proposal writers understand and recognize that planning, research, outreach and cultivation of contacts represent roughly 60 percent of the work. The remaining 20-30 percent is taken up in writing the proposal and roughly 10-20 percent in the evaluation phase.

When approaching a donor, the more you know about their organizational and history, their staff – particularly directors and board members – and their budget, the more you can gear your proposal to their needs and their mission. Much of this information is readily available through the internet, annual reports as well as personal visits and phone calls.

Again it is important to stress the partnership: your organization has the projects, they have the resources. Funders would not exist without you the implementing organizations; their role is simply to disburse funds in the name of a particular cause. In this relationship, you are equals, something which must be stressed throughout the partnership process.

Once a proposal has been submitted and an answer given, the next stage will be follow-up. If the proposal has been refused, do not hesitate to call the donor and ask for an explanation. Their feedback can be used to tailor future proposals as well as determine whether to approach them again. Internalizing lessons learned is critical to ensuring scarce time and resources are utilized efficiently

Investment in the Future

From the funders' perspective, an investment in the future does not revolve solely around a given project but also seeks to build the capacity of the implementing organization as well as the beneficiaries.

WHAT IS A PROPOSAL?

A proposal should clearly address and demonstrate the following five components.

1. *Program presentation*

A written statement outlining a particular program, activity or project that is to be undertaken. It is a communication tool to reach people with whom you may not have any direct contact. It is where you should introduce both your organization as well as your idea.

2. *Request*

Request for funds should be clearly expressed. Do not be afraid as it is implicit in the proposal that funding is sought. However, the tone with which that request is made is critical in commanding respect. A strong proposal makes a strong request for funding.

3. *Persuasion*

Seeking to persuade the funders to support you and to legitimate your proposed project relies on demonstrating your organization's credibility as well as ethical and fiscal responsibility. How you present your organization and project, evaluate your capacity and present your budget will go a long way in determining your success.

4. *Promise*

The proposal is a non-binding contract attesting to your credibility, or that of the organization. In this regard you should stay away from rhetorical or inflammatory language and ensure you are not making promises with which you cannot comply.

5. *Plan*

A solid proposal will serve as a strong plan for moving forward. If well conceived it will provide a set of guidelines for the organization and project implementation. When creating the plan you must address every detail: specify areas to be dealt with; tasks to be carried out; the number and type of staff that will be needed; the organization of the staff; starting and completion dates; required equipment and facilities; and costs of each item in the budget. A good proposal leads to overall benefit for later program management, evaluation and completion.

Before finalizing any proposal always take account of your team's opinion(s) and let a member of your organizational team review the proposal and suggest comments.

Types of Proposals

A proposal will likely fall into one of the five categories listed below.

Program Proposals relates to a particular set of services to benefit individuals, families, groups or whole communities.

Research Proposals undertake to study a problem, group or organization or to evaluate a service.

Planning Proposals relate to projects aimed at providing planning and coordination for a particular problem or area of attention.

Training Proposals seeks funding to provide training and education programs or projects.

Technical Assistance Proposals offer assistance in establishing and implementing programs, research, planning, training or administration.

2 Strategic Planning - An Overview

Jennifer Barsky

Strategic planning and fundraising go hand in hand. Identifying what the mission is, what your long, medium and short-term fundraising priorities are and building the proposal are all part of an overall strategic plan. All key officers and staff in your organization should be able to provide answers for the following questions:

- What are we raising money for?
- Do we care only about the total dollars we raise?
- Are we interested in adding to the donor base?
- Do we wish to increase public awareness of the organization?
- What is the time frame for our mission?
- Can we wait five years before a major donation comes?
- Do ethics play a role in where we are going?
- How important is our reputation?
- Does the mission of the entire organization fit with the mission of the fundraising operation?

In terms of the overall project there should also be group input to answer the following questions relating to the strategic component of the plan:

- How are we moving to the next step?
- Is there a need to hire somebody? Or is there already someone on the staff?
- What is the program currently in operation?
- How successful have past programs been?
- How costly have they been?
- What are other nongovernmental organizations (NGOs) or nonprofit organizations doing to raise money?

- Would those techniques be useful for our organization?
- In what areas is there competition between us and other fund-seekers?

Budgets

Before finalizing any budget figures, the strategy for using financial resources must be understood and expressed by the fundraiser. Questions that must be answered include:

- What is the blueprint or timetable for action?
- Is the budget to be done yearly, monthly or is it managed day by day?
- What is the optimal way to allocate the financial resources?

Always create budget outlines and detailed plans of action for each individual program.

Control of Funds

Monitoring and evaluation throughout, before and following a project will serve to keep you on track. However, remember that if such monitoring is done internally it can undermine your credibility so it can be helpful to bring in external monitors. Depending on the type of the program that is implemented, the following points will need to be studied as a means of empowering this control process:

- Is there a central authority figure?
- How often should projected results be checked against actual results?
- Who will check?
- What criteria to be used?
- How are grants reported?
- Are there clear performance indicators?
- How many dollars are raised?
- Are new donors properly detailed?
- What is the number of prospective funder's contact hours?

Prior determination of which accounting cycle the proposal falls under will also help maintain consistency and avoid any future confusion.

What Defines a Good Fundraising Program?

1. Knowing the history of your organization, because you are not just selling a program, you are selling your organization, your credibility, and your expertise.

2. Finding a way of making contact, common ground between that will enable you to reach that person and for them to see your program as positively affecting him personally.

3. Having and achieving annual fundraising goals. Keep goals realistic and on track and your organization continuously informed.

4. Having a master calendar with both plans and predictions for how the fundraising process will be conducted.

5. Having/developing 3-5-year fundraising projections, which represent your organization's vision of the future.

6. Maintaining an ongoing program to acquire, retain and upgrade donors. This involves continuous awareness of the long-term organizational goals.

7. Knowing who your supporters are and knowing who they aren't. This will affect your performance. For example don't show your proposal to persons who do not like you, as they might show it to somebody whom you don't want to see it.

8. Maintaining a reliable database of prospects and supporters that is easy to use and provides all relevant information needed.

9. Using all fundraising strategies appropriately, seriously and professionally.

10. Willing to spend money, when needed, to solve problems.

3 Crafting a Successful Proposal: From Conception to Delivery - A Step-by Step Approach

Jennifer Barsky

There are a variety of possible formats and methods to writing a proposal. Differences will depend on the type of project, activity or program funding is being requested for, the amount of funding required and the donor being approached. In some cases, a simple letter proposal may be sufficient while in others a complex and lengthy application will be required. The following is a step-by-step outline that will guide you through a common approach to soliciting project funding. It is based on a proven method with a long-standing track record of success developed by *The Foundation Center*, a non-governmental organization dedicated to helping organizations in their fundraising activities. It should serve as a guide only; your organization's own master proposal should be tailored to fit your organization's individual funding needs and the funders requirements.

Developing a master proposal requires gathering the information necessary to build a solid foundational document, which be constantly utilized to support future proposals. This requires background information in several areas: *organization*, *concept*, *program* and *documents*. You will need to assess your organization, develop your concept, think critically about the program and uncover all necessary budget and supporting documents.

The Master Proposal: A Step-by-Step Approach

- ***Step 1:*** *Set funding priorities*

  This first step is to determine the amount of money to be requested, the time period in which the project will be operational; the long-term or short-term sustainability and organizational requirements of that project as well as the needs and type of project favored by the funders. Your agency's priorities must be carefully mapped out and streamlined according to your mission statement and goals. Once assessed, you need to determine whether your organization's funding needs can be translated into strong proposals and which type of funder will be most likely to supply the appropriate financing. Plans or proposals can then be developed into written funding proposals.

- ***Step 2:*** *Drafting the 'basic' or Master Proposal (MP)*

  Maintaining a master proposal will provide your organization with flexibility and a rapid response when funding opportunities arise. A carefully conceived MP can be tailored or expanded in the event a proposal is needed quickly. As a reference point, it will serve as a strong foundational framework upon which to build future proposals and maintain continuity in strategy and presentation. Subsequently, it should comprise detailed background information on the project – with a strong focus on organizational expertise – and persuasively convey your organization's credibility.

- ***Step 3:*** *Packaging the proposal*

  All proposals must be tailored to meet the requirements and expectations of a specific funder. Proposals must always be presented in a manner that is professional, clear, clean and concise and contain the necessary documentation including a cover letter, the proposal body and appendix where applicable. Though this does not rule out style or creativity, the focus must on simplicity with all information easily accessible. The slightest diversion from this could dissuade a funder from reading the document and taint future opportunities. Professionalism must be maintained.

- ***Step 4:*** *Researching and Identifying potential funders*

  Identifying the sources of funding most likely to support your proposal will save a great deal of time and resources. Some points to take into consideration are the funder's:

  - *geographic focus*: If funders have never financed projects in your region before, it is unlikely they will do so in the future; and
  - *thematic focus*: Do not try to obtain funding by injecting a paragraph that will fit the proposal into a donor's interest portfolio. If you can demonstrate a clear but unconventional impact on the funder's broader foci, it may be best to consult the donor prior to submitting the proposal.

- ***Step 5:*** *Strategize / Identify Strategies*

  There is no question that the greater your network of contacts, the greater your chances of success. Devise a clear strategy for building an extensive but relevant database but an even clearer strategy for reaching these contacts. Do not simply seek to sell potential funders on your idea, market it to them by targeting their needs.

STEP 1: Setting Funding Priorities

Institutional Readiness

Prior to engaging on any fundraising strategy institutional readiness must first be assessed and achieved. There are three main points to keep in mind:

1. *Mission statement*: You must have a written mission statement that is clear, concise and compelling. It should be supported by documentation outlining how programs have fulfilled these goals.
2. *Nonprofit status/deposit agency*: Make sure all administrative and bureaucratic requirements are met and readily available.
3. *Credible program/plans*: Success depends on the credibly of your organization, the programs you have already in place and the projects you propose. Be prepared to defend these and to provide ample proof of your expertise and effectiveness.

Credibility: Building a Solid Foundation

Credibility in the eyes of both funder and constituent community should be of primary concern. It will be particularly difficult to demonstrate if your organization is relatively new or only just starting out. If this is the case, careful attention must be paid to plotting a clear and unambiguous course. For older, more established organizations it will depend and be built upon the following organizational characteristics:

- *Effectiveness*: Funders invest based on past achievements, they will therefore want to know what programs are already in place and may even seek demonstrable results based on site visits. Is the organization doing what it said it would do? How efficient is the organization in carrying out its programs? With the increasing number of nonprofit organizations working in similar fields, it is critical to demonstrate effectiveness in obtaining results. Though a clear correlation between goals and outcomes may be difficult to prove, it is important to be able to demonstrate some tangible results from the organization's programs and projects implemented. An organization must be able to clearly demonstrate its effectiveness in terms of relevant indicators, fiscal responsibility, utilization of resources, administrative and operational procedures, project conception and implementation and overall ability to accomplish its identified mission. Documentation and case studies can be instrumental in this regard.

- *Accountability*: How responsive is the organization to the concerns of its constituents? Is it working diligently? An organization is accountable when it is answerable for its actions to the 'beneficiaries' it was established to serve, and to its funders. Accept responsibility for *any* unintended consequences and work hard to avoid them. An organization that does not fulfill or adhere to its mission will likely lose credibility. To avoid this the organization must utilize funds efficiently and exclusively in the service of its institutional objectives while maintaining detailed financial records.

Funders will seek plans that are exciting and achievable and will assess them largely based on their risk tolerance. They will look for a clear sense of direction and concrete plans to implement the project, seeking constant reassurances along the way. The following considerations are thus fundamental with regard to assessing, building and maintaining organizational credibility:

- *Realistic mandate and concentration*: Reasonably assess your organization's abilities to effectively implement the proposed goals. Your expertise must be obvious and relevant therefore do not branch off into other programs unless you plan to update your organization's mission and expertise.
- *Careful selection of workers*: Know whom you are hiring and what their experience or level of expertise is.
- *Consultation with communities*: Make sure to involve the community and to respond to their own needs and priorities. Identification and inclusion of stakeholders is critical to both the success and long-term sustainability of your programs. It is also a key point funders seek when evaluating proposals.
- *Organizational procedures*: Reporting on a specific project allows you to evaluate, monitor, update information and maintain contact with constituents. Good organizational procedures and structures allows and encourages feedback and accountability at all stages enhancing both credibility and professionalism.
- *Internal democracy and accountability*: Keeping careful track of the flow of funds in and out of the organization is critical to success. Make sure sufficient procedures and safeguards are in place to ensure accountability and sufficient transparency.
- *Commitment and perseverance*: Once money is obtained, continuous follow-up is required; your ability to sustain transparency, reporting and contact will clearly demonstrate your level of commitment and professionalism.

- *Transparency – accuracy of information*: Make sure that stakeholders know and are clear what you are doing at all times. If your agency cannot effectively supply information and objectively evaluate project results, seek outside assistance.

Building Partnerships

Once assessed, priorities should be set against those of funders; if priorities do not match from the outset a partnership cannot be effectively developed. Do not seek to chase funds but rather use your organization's needs as a starting point to decide on program that will fit theirs. Any effort to reshape your needs might distract from your mission and undermine your credibility. Your first priority is to the community and goals you have committed to serve.

At this early stage a planning session should be held, which includes:

- *Brainstorming*: Thinking creatively about the fundraising approach to be employed. Involve as many people in the organization as possible and encourage them to share opinions and experience.
- *Identify priorities*: As much as possible, a consensus on these priorities should be sought. It should be clearly accepted that all stakeholders will work according to these priorities.

Responding to the Result

Responding to the result in an effective and timely manner must be built into the process. Regardless of the response, responsibility must be assumed and the next step taken. Your organization should already have prepared for and developed a strategy for any scenario. If the response is negative, follow-up with a letter or phone call to learn the reasons behind the decision. Gather as much information as possible and then integrate that learning into the proposal. Depending on the response, it may be important to involve particular stakeholders in the learning stage including the director or board members. Do not be afraid to share this learning internally as it may be critical to your organization's long-term survival.

If the response is positive, be prepared to act. It is important to demonstrate from the outset your organization's credibility and professionalism. Promises *must* be fulfilled in a timely manner. This will also help build a partnership based on mutual respect and high expectations.

STEP 2: Developing a Basic or Master Proposal

The Framework

Executive Summary:	Umbrella of your case and summary of the entire proposal	1 page
Statement of Need:	Why this project is necessary	2 pages
Project Description:	Nuts and bolts concerning how the project will be implemented	3 pages
Budget:	Financial description of the project plus explanatory notes	1 page
Organization Information:	History and governing structure of the nonprofit; its primary activities, audiences and services	1 page
Conclusion:	Summary of the proposal's main points	2 paragraphs

■ Executive Summary

The executive summary provides a "snapshot" of what is to follow. It constitutes the most important section of your proposal. It presents your organization, summarizes the key information and sets the tone for the rest of the proposal. It will also immediately identify to the funder whether or not your proposal fits within their guidelines and expectations.

If the executive summary is thought of and approached in this way it will be of great benefit when drafting the eventual cover letter for the proposal. Both the executive summary and cover letter will set out to express a condensed and yet comprehensive summary of your proposed program. Prior to submission, either of these documents can be modified to eliminate replication and emphasize where appropriate. Regardless, both of these critical documents stand to benefit from work effectively undertaken in drafting the executive summary.

Components:

The executive summary includes a presentation of the advantages of the program that is offered and makes a strong case for the project itself. It must demonstrate to the funders that the project reinforces the overall direction of the organization in question and convey a good sense of how the project fits into the philosophy and mission of the funding agency.

It must also clarify the nature of the program and how it will be conducted, outline the project timetable, identify financial resource and staffing requirements as well as identify anticipated outcomes and evaluation and monitoring strategies. Key actors should be enumerated with their positions defined.The role of the beneficiaries, if any, should also clearly be spelled out.

Though it is important to provide a general sense of project expenses, this is not the place to present any detailed time-scale or costing plans as the overall program is not yet fully presented. Nonetheless be clear in the executive summary about the scale of funding required and plans for meeting future financial needs where applicable.

Be certain to include:

- *Problem*: A brief statement of the problem or need convincing the funder that it is compelling (1-2 paragraphs)
- *Solution*: A short description of the project – how many people will benefit, how and where it will operate, for how long and who will staff it – volunteers, the current staff, newly recruited staff or consultants from the outside (1-2 paragraphs)
- *Funding Requirements*: An explanation of the amount of grant money required and plans for future funding (1 paragraph)
- *Organization and its expertise*: A brief statement of the name, history, purpose and activities of your organization and its capacity to carry out the project. Include only what is relevant to the project proposed (1 paragraph)

■ The Need Statement

The 'need' statement lies at the heart of the proposal. The reader must immediately understand what is required and agree with the magnitude of that need. Remember problems sell! There should be a clear problem to be remedied and your proposal should provide a clear solution.

Never, however, emphasize the needs your organization over those of the beneficiaries of the proposed program.

Main Components
Make sure that there is an apparent relationship between your mission and purpose which remains consistent with the organization's scope; do not propose a project that is far removed from your organization's mission just to obtain funds. This can be lethal to your organization; if identified by the grantmaker it could damage future partnerships and if not, could result in project failure with serious repercussions to your organization's credibility.

Tips on Drafting a Need Statement

- *State the statistics*: Be sure that these are accurate. They must not be based on assumptions or undocumented assertions. Use statistics that are clear, well contextualized and documented. When using statistics, always show your sources.

- *Use people's stories:* The more 'human' the base upon which you build, the stronger your case will be. Let the reader feel the impact that this project will have on individuals. Injecting a human face to the proposal will help produce emotional support for the project. This can be critical in making the proposal stand out, particularly in the final moments when the funder must decide between several, similar projects.

- *Focus your explanation on local need and be sure to give the reader hope*: try at all times to focus on the positive and how it will be brought about. A careful balance must be struck between persuading the reader that the specific problem or need is acute while at the same time avoiding overstatement and overly emotional appeals. You must then demonstrate how your program deals differently with the problem to any others without criticizing the work of others before you. Any mention of other organizations should reflect that you are, or seek to be, on good terms with others operating in the field.

■ The Project Description

This is the body of the proposal. In this section be wary of giving the reader any surprises; anything found here should already have been addressed in the executive summary.

This section comprises four subsections:

1. Objectives
2. Methods
3. Staffing/Administration
4. Evaluation

Objectives

The objectives are the measurable outcomes of the proposed program. They must be S-I-M-P-L-E!

Specific	What will be different when project is finished?
Immediate	Timeframe. Why should the project be funded *now*? How long will it take to achieve?
Measurable	What do you expect as proof of success. What qualitative and quantitative data will you gather? What standard of comparison will you use to measure your project?
Practical	How is the objective a solution? What are the experience, skills, qualifications, resources and personnel your organization has to carry out the objective
Logical	How the objective is systematically and effectively contributed to? Do the objectives and goals relate to the sponsor's priorities and goals? How?
Evaluated	How much change has to occur to be deemed effective? What are the criteria for success? What impact will the project have?

Most project objectives can be classed into four types. It will be important to determine which class your project falls into when determining how later to track and evaluate progress or achievement.

- *Behavioral*: Related to human action. This might be a training program that could change the way the participants deal with a particular problem such as alcoholism or child malnutrition.
- *Performance*: Related to enhancing the expected effects of a specific program, timetables or proficiency.
- *Process*: The manner in which something occurs is an end in itself – identify the best practices for the future betterment of this process.

- *Product*: Production of a tangible item. For example, a manual created to be used in the future. The item in question must not be for sale.

Methods

The methods section describes those specific activities that the program intends to be undertaken in order to meet and achieve the objectives. It should answer the following three questions: How? When? And why?

- *How*: How the given methods will achieve the stated objectives.
- *When*: The order and timing for the tasks involved in the methods. You might provide a timetable that helps to map out the sequence of scheduled tasks.
- *Why*: You may need to defend not only the chosen methods, but also the proposal itself and the organization, especially if there is something unique or about the program proposed.

The 'methods' section convinces the reader of your organization's abilities and credibility by presenting a scheduled method and describing an appropriate degree of planning, expertise and readiness.

Staffing / Administration

You must identify the number of staff involved in the proposed program, their qualifications, proficiency, educational background and any practical experience they may have that will affect the salary and overall project costs. When detailing the paid staff, be certain to note whether they will work full or part time. Identify the staff that are already employed and those who are to be recruited specifically for the project. Make clear who is responsible for financial management, reporting and project outcome(s). Involving volunteers can often be an effective way of demonstrating your awareness of the importance of cost-saving.

Evaluation Plan

An evaluation plan should be built into the proposal. Few projects go exactly according to planned, therefore it is important to demonstrate to the reader you have evaluated alternative methodologies and means to solve potential problems. Indicators and alternative ways of measuring outcomes – in qualitative and quantitative terms – and formulated as an ongoing evaluation process should be built into the proposal.

Including this component demonstrates seriousness, professionalism and stresses that you are willing to be evaluated and monitored. It also shows that you have a good idea about how this will be accomplished and provides you with a sound management tool for your program. A good evaluation strategy will ease project implementation and provide early warning mechanism for developing problems.

Evaluation Measures

There are two standard measures of formal evaluation: *product* and *process*. Evaluation revolves not only around what the outcomes are, but takes account of how they are reached. The findings of this "checks and balances" system should be disseminated internally and potentially shared with a wider audience. Willingness and preparedness to do so should be made clear to the proposal reader.

Finally, make sure that the evaluation process is realistic. In some cases, like those touching on human rights and labor issues for example, you may have to show your preparedness to hire an external evaluator in order to guarantee objectivity. An alternative method is to use volunteers such as university interns. Not only will this demonstrate cost savings but will also expand the beneficiary base as the work will provide volunteers the opportunity to build experience.

■ **The Budget**

Building a budget will require streamlining the needs of a variety of people within the organization who will be impacted by the project, determination of all associated costs – staff time, administrative costs, transportation, office space utilized – as well as how and where each item will be acquired. It must be a simple, one-page document dealing clearly and realistically with project expenses. It thus is important to work out all the program details and timing, determine acquisition strategies and discuss organizational needs prior to trying to work out the budget. This last task is particularly difficult if your organization has only limited experience in executing similar projects. It is thus advisable to involve all stakeholders early in the process and solicit opinions and advice of contacts who may be able to provide guidance.

Be sure to include all known expenses, ensuring staff and administrative costs are not overlooked. In some cases, it may be necessary to justify particular line items using footnotes to explain how the figures were developed, particularly if they appear high, unusual or otherwise draw the reader's attention. Careful drafting of the budget will not only enhance your credibility in the eyes of the reader, but may also be employed as future 'checkmarks' in the evaluation process.

An ***Expense Budget*** should include:

- *New costs* – staff, material, facilities – as well as any ongoing expenses incurred by your organization for items that will be allocated to the project.
- *Overhead costs*, those costs not directly attributable to the program outcome. These generally amount to roughly 20 percent of total project costs. Rarely will funders provide financing for daily operational costs so be sure to budget for these elsewhere.

Individual items in an expense budget should be summarized on worksheets. This worksheet can help you to keep track of how numbers are developed and can be invaluable for monitoring and reporting after once implementation begins.

SAMPLE WORKSHEET – YEARLONG PROJECT

Item	Description	Cost
Executive Director	Supervision	10% of salary ($50,000)=$5,000
Project Director	Hired in month one	11 months full time at $35,000 = $32,083
Office space	Requires 25% current space	25% x $20,000 = $5,000
Overheads (internet, electricity, etc.)	20% project cost	20% x $30,000 = $6,000

Simplifying

All costs should be grouped into subcategories, which break down significant costs only. Be reasonable, however, since not all costs require subcategories. Break down both *personnel*, which might include salaries, benefits, consultants, even supervision and occupancy and *non-personnel* costs, for example, travel, equipment and printing. The latter may also include telephone, utilities and other general operational expenses. Both subcategories should be related to the operation of the project. Estimating expense will likely require speaking with relevant personnel and on occasion, estimations.

Finally, be sure to analyze the final budget objectively. It should neither be too lean nor too high.

Support and Revenue Statement

A Support and Revenue Statement is used if:

- grant(s) support has already been awarded. The total grant support already committed should be deducted from the "Total Expenses" line to give you the "Amount to Be Raised" or "Balance Requested.
- you expect income generation. Specify expected amount, for example "Attendance Fee", or "Training Manual" which should then be deducted from your shown expenses/costs.

Budget Narrative

This is used to explain unusual line items. The narrative can be presented either as "Notes to the Budget" (footnotes) or as a separate text. In the case of, for example, income generation it is better included as a straight text paragraph outlining its relation to your program and accounting.

■ Organization Information

This section of your proposal demonstrates the organization's ability to carry out the project. It should come at the end, as an appendix either as a prepared statement, brochure or fact-sheet and should not exceed two pages. Basic information that should be included is:

- When the organization came into being
- Its mission and how the proposal subject fits into that mission statement
- The 'audience' or beneficiary' you serve including numbers, special needs and problems
- Organizational structure including details about staff, function of volunteers, composition of board
- Programs and activities
- Expertise, especially as it relates to the proposal subject

■ Conclusion

A concluding paragraph or two drawing positive attention to the future is imperative. This is also where you should outline any potential follow-up activities and even "sell" the next project if appropriate. Alternatively, you should state how the project would continue in the absence of grant support, herein raising the issue of your project's sustainability. "Conclude your conclusion" with a final appeal, reiterating what you want to do and why it is important; make this a strong re-statement of the facts and the need for funds.

[redacted]

Thoroughly check everything before putting it in the envelop; make sure that it has been read, edited and revised, that it is clear, page numbers have been added and that everything is in the right order. Make sure that you are acting in accordance with acceptance dates, taking into consideration the postage time and leaving yourself a safe contingency period. Finally, make sure that they receive it.

The 'Document Packet' should contain the:

- Cover letter
- Cover and Title Pages
- Table of Contents
- Appendices

Do no include anything that was not specifically requested unless it is clearly relevant, such as a particularly supportive press article.

Cover Letter

The cover letter is the final document to be written but it is by no means the least important. In some cases, it may actually be the most important. It should be arranged in strict accordance to a standard format and printed on organization letterhead.

It should be:

- Humanizing – this is your one chance to communicate in a more personal manner
- Compelling
- Clear, concise and succinct

If your proposal does not fit exactly into the foundation's guidelines, explain why you have chosen this particular methodology. Refer to any earlier contact without exaggerating. Clearly indicate what is included in your proposal package and cross-reference these items with the donor requirements.

Cite the name of the project, making sure that it stands out. Tell them what it will accomplish and inform them of the dollar amount requested. In your conclusion request a meeting or a telephone appointment and always indicate your willingness to answer questions. The letter should be signed by a member of the board of directors or the executive director, never a member of the fundraising team.

In summary:

- Indicate the size of the request.
- State why you are approaching this particular funder.
- Mention any prior discussion of the proposal that you have had. Note references but do not name-drop.
- Describe the contents of the proposal package.
- Briefly explain the project. Do not 'quote back' funder words.
- Offer to set up a meeting and provide additional information

Cover Page and Title

The cover page has three functions:

1. To convey specific information to reader
2. To protect the proposal
3. To reflect professionalism

Personalize the proposal by naming the funder, as well as the name of your organization. Note the title of project, which should be short, to the point, serious and significant, without duplicating existing project titles Be sure to include key contact information.

Table of Contents

The table of contents gives the reader an idea where they can find what they want/need in your proposal. If you are using subheadings, place them in a table with the page numbers.

Appendices

The appendices are basically the reference tools and supporting documents. They should be stapled separately, and, if numerous, have their own table of contents

Possible inclusions:

1. A board list: indicating name, business / affiliation
2. Non-profit status documentation
3. Financial information which might comprise your annual report, operating budget for current fiscal year and a list of donors from the past fiscal year by name and size of donation. This is especially relevant when you have had big donors
4. Resumes of key staff

Finally, do not bind your documents; use only staples and keep the bundle to three sections – cover letter, proposal and appendix.

STEP 4: Researching and Identifying Potential Funders

Where to Seek Funds

Though virtually millions of dollars in funds are given out every hour, it does not mean that it is easy to tap into this flow. Any donor agency will receive thousands of applications of which almost 80 percent are rejected. Indeed, the odds are against you; with competition flourishing it is becoming increasingly difficult to win funding. Fundraising presents a serious challenge with failure threatening the continuity of projects and even organizational survival. Thus it is important to recognize that success is based not only on merit, but also is determined by political, personal, ideological and other donor concerns. Knowing your donor base is critical to success. Success in obtaining funds will depend in large part on establishing a record of effort and achievement over time that has resulted in a firm base of support.

For newly created organizations, the first operational period – roughly one to six months – may prove the most difficult financially since it will take time to establish a track record and build credibility. During this time, time may most effectively be building on personal contacts and resources to obtain funding. A modest focus on local sources of income such as wealthy individuals or business within the community served or religious institutions can go a long way in raising seed capital or in covering initial costs but are usually insufficient as an organization becomes institutionalized. Using the funds to implement pilot projects rather than full programs may be an efficient way to capitalize on smaller amounts of funding and to establish the track record necessary to attract larger grants for expanding organizational structure.

Once an organization has been established and its credibility acknowledged, funding sources increase and diversify. For longer established organizations, one of the greatest impediments to securing funds is actually lack of knowledge about funders and how best to approach them not opportunity. There are a number of potential source-types depending on your local conditions, however, it is important to keep in mind that some of these may be inappropriate or inaccessible:

- *Monies from private individuals:* Approaching such sources requires a heavy concentration on networking. Recruiting important local personalities to your Board of Directors and hiring a well-respected director can be instrumental in obtaining and maintaining contact with such individuals. However, it is important to tap into as many of your organizations' staff as possible. One never knows the connections they may have and are willing to capitalize on. Therefore, be certain to make staff aware of funding priorities and to explore potential options with them.

- *Corporate donations*: increasingly, corporations are beginning to recognize the importance of funding community projects in areas in which they are working. Many have established internal groups, foundations or philanthropic branches expressly for this purpose. Though corporations do occasionally fund unsolicited projects, this is unlikely unless they are already familiar with your organization or have some prior partnership experience with you. It is important to keep in mind the motivation underlying the funding and that reputation is paramount. When approaching corporate donors, make sure to stress credibility and underline results.

- *Membership dues:* Rather than asking for a donation, turn interested individuals into annual members. By becoming a membership organization with a large enough group of members committed to paying regular dues, the organization can develop a stable base upon which to build other sources of support. This will help guarantee greater continuity in funding and increase member dedication to your organization's long-term success.

- *Fees:* Fees can be a particularly effective means of supplementing income if your organization has established a degree of area expertise. Fees might be charged for training or the sale of materials – manuals, training documents, newsletters or arts and crafts. Other approaches include renting out facilities or holding conferences or other events. These can be particularly effective if they attract national or international representatives that can put you in touch with your local donor base.

- *International sources*: Sustaining an organization based on foreign foundations, governments or religious institutions has both its advantages and drawbacks. The obvious advantage is that international funding represents a significantly larger pool of money that, if accessed, can guarantee longer term funding. It may also help offset local donors and the appearance of local actors, interest groups or communities exerting undo influence on the organization's activities. Among the negative repercussions, however, of foreign support include tight restrictions and requirements, manipulation of mission and a focus on project versus institutional support.

- *Government subsidies*: Similar to foreign funding, acceptance of government funding must be carefully weighed alongside other options. Prior to accepting funds, motivations and repercussions must be assessed. When accepting government funds it is particularly important to ensure independence is maintained.

How to Research Funders

Conducting research is essential to finding the most likely funders and to making the most effective use of your time and resources. You must develop a well-targeted approach; know the most likely funders and specific interests of each grant-maker. It is also important to list all the subject areas your project may fall under prior to beginning your search. However, it is equally important to remain realistic. Never stretch the project beyond its reasonable reach.

There are several places to look for information. Most libraries maintain collections of fundraising guides and directories, which list grant-making institutions worldwide. In particular, *The Foundation Center* maintains several libraries at its various American offices dedicated to fundraising. They also maintain one of the most extensive donor databases available, much of which can be accessed via their web site at www.fdc.org. The site also links to many relevant internet resources.

The funders themselves can also be a good source of information. In addition to consulting their web pages for company information, you should request a prospective funder's annual reports. These will provide detailed information on their individual giving patterns and budgets as well as important information on their activities and mission; this will assist you in demonstrating knowledge of the donor and that you have complementary objectives. Some funders may also have email or mailing lists through which they provide updated information on their activities and calls for proposals.

Do not hesitate to ask donors that have already provided your organization with funding to suggest other like-minded funders. They may even be willing to provide an introduction or letter of recommendation. Other NGOs, known either through individual contact or networks, may be able to provide similar information as well as share their experiences with particular donors.

Knowing your Options

Of the previously mentioned sources, the three primary options are foreign or national foundations, government agencies and corporations. Each option presents both opportunities and drawbacks. When deciding which strategy to pursue, it is important to keep the following questions in mind:

- Is there an obvious relationship between your project, your organization and the grant-maker's objectives?

- Can the project be described in a way that is appealing to their priorities without distorting your own priorities?
- Do key elements of your project match the organization's guidelines (geographic, target population, type of service)?
- Does the grant-maker have deadlines and award dates that can realistically fit your schedule?
- Does the grant-maker offer funding in keeping with your needs?

Foundations

There are four main types of foundation and each is appropriate only in certain cases:

1. *National / General Purpose Foundations*, like the Ford Foundation or Rockefeller Foundation.
   a. Pilot or demonstration projects. Do not hesitate to ask for funding even when you are uncertain of what the outcome might be. These types of foundations have large amounts of funds to disseminate and generally a long established familiarity with different project types and outcomes. They are thus more likely to have a higher risk tolerance and to reward creativity.
   b. High visibility projects. These might include larger scope projects with impacts on an international or regional scale, such as research about poverty alleviation, which can be widely disseminated and at the same time relate to their general thematic goals. A program with high visibility is a program, for example, that may be implemented in Palestine, but have benefits for the entire Middle East.
2. *Community Foundations*: The majority of projects funded are local in scale and designed for localized benefit.
3. *Special Purpose Foundations*: These are primarily corporate foundations. They are widely divergent in their focus and are characterized by low operational experience. They will seek projects that will enhance their image and often those that can be translated into effective media campaigns.
4. *Family foundations*: These are small and normally controlled by the donor family. They are frequently quite limited in their granting policies and often apply specific geographical boundaries to their granting.

Government Agencies

Obtaining funding from government sources, whether international, national or local can be a frustrating and resource consuming experience. They often require a multi-stage review process, submission of frequent, detailed reports and a long review process. Further, government grants are often tied to existing programs and require considerable amounts of paperwork and bureaucratic wrangling. This can make tailoring programs to fit their needs excessively difficult and daunting.

The three primary sources of government funding are:

1. *Contracts*: These are usually awarded based on an open bidding process.
2. *Formula and Block Grants*: These are restricted to fulfilling specific formulas based on various economic and demographic variables.
3. *Project Grants*: These are generally short to medium-term and require lengthy pre-approved forms to be filled out. When seeking this type of funding it is critical to meet the announced program guidelines, restrictions and deadlines.

Corporations

As previously mentioned, increasing pressure on corporations for social accountability has resulted in a corresponding increase in corporate donations. Corporations are also moving slowly away from charitable donations to a partnership approach based on providing resources to local non-governmental organizations able to effectively implement projects on their behalf. This type of philanthropy conceived of as purchasing or "buying" benefits is growing and becoming more focused. As international organizations change their own funding priorities, you can expect corporations to follow suit.

Local Sources

Many organizations often focus their attention on seeking funds from international agencies and foundations, overlooking the possibilities of obtaining organizational support locally through human, material, and financial resources.

Involving local sources can serve to deepen local interest and commitment of those who donate. In some cases, it can also be a prerequisite to seeking international funding. Many foundations view local support as fundamental to establishing the organization's credibility within the communities in which it operates.

Using local resources also helps to maintain independent agenda setting. Since they may have a greater understanding of local realities and knowledge of who and what they are funding they will likely be more flexible in assigning funds and less apt to interfere in your agenda. Local funding also allows you to avoid dependency on international funders and thus to utilize funds for institutional support not just specific projects as is commonly required for international funds.

A considerable amount of time and money can be saved if local volunteers and services can be utilized. Volunteers can relieve the administrative burden or in some cases, provide professional services such accounting, medical or legal assistance. Free material resources in the form of office space, facilities, computers or furniture can also add up to larger overall benefit.

Local Fundraising Strategies

Local fundraising strategies include:

- Membership organizations – generate dues
- Subscription and sale of organizational reports, newsletters and other publications
- Charging a fee for training sessions
- Holding street fairs, bazaars and auctions
- Organizing a raffle or lottery with a prize
- Sponsoring exhibits, concerts, sporting or other events with fee
- Renting a facility for a seminar or speaker with fee
- Street and door-to-door solicitation
- Income generating projects

Foreign Funding Strategies

As previously mentioned, while it is always important to know your funder, it is even more so in the case of foreign donors. Prior to accepting funds, know where they get their money from; how they approach their particular mission; are your goals compatible; and how their reputation will impact your organization. The answers to these questions can greatly influence decisions of other funders and even your ability to effectively implement your own programs.

The ***Disadvantages*** *of Foreign Funding*

Some potential disadvantages to foreign funding:

1. *Institutional vs. Project support*: Most international funding is geared toward specific projects. Donors are generally unwilling to provide general institutional support required to implement project successfully such as overhead costs including salaries, office space or equipment. And in cases, where they are willing to support such infrastructural costs, they may place unreasonable conditions based on local circumstances.

2. *Sustainability*: As with other donors, priorities and objectives shift over time, making long-term planning and financial commitments unlikely. It is not uncommon for political concerns to travel around the globe trailing funds behind them. There has also been a trend on the part of donor countries to decrease foreign aid in favor of domestic spending.

3. *Failure to support income generation*: Though encouraging self-sustainability many foreign funders are restricted in their ability to support income-generating activities. This may be due to mission or even legal restrictions against funding profitable activities.

4. *Reporting requirements*: Many international funders require detailed record keeping and financial reporting that may be difficult for institutions with limited resources and capacity to fulfill. Funds may come in installments with each different installment requiring time consuming reports. They may also require provision of receipts that may not be the custom in the country of operation.

5. *Donor influence on organizational agendas.* Donors with long standing experience may try to influence the mandates or activities of the NGOs they fund. This strings attached strategy can often place a straightjacket on NGOs when they are trying to implement programs in the field. Further, donors, though they may have long standing experience in the field and are thus able to provide constructive suggestions, they may be out of touch with local realities.

6. *The "apolitical" requirement*: NGOs often find themselves operating under difficult political circumstances. Even if affiliated with local or national political organizations, they still may be forced to appear apolitical despite a clear involvement in politically sensitive debates.

How to Deal with Constraints

Dealing with these constraints may require creative thinking. For example, your organization can either make a strong case of institutional support or build that support into each project budget by factoring time, space and materials required.

Further, by expecting specific accounting and auditing requirements as well as evaluation procedures, these too can be factored into the budgeting and planning stages. Develop your accounting procedures to accommodate their needs but always insist on non-interference. If you have particular documenting difficulties, such as pending legislation for registering as a non-profit organization, explain the situation prior to accepting any grant. Likewise political components to your work should be addressed it openly.

Most importantly, do not accept aid unless you are sure that you are capable and willing to adhere to the given criteria. If you lack the capability to execute the project in terms of staff, expertise or space it may be difficult to account for the money; a risk that should not be taken in order to safeguard your professionalism and credibility. An organization that turns down funds due to concerns is unlikely to jeopardize future funding from the donor. An organization that accepts funds it cannot handle will almost certainly.

STEP 5: Strategize

Differences in a Fundraiser's Approach

From the outset, fundraisers can chart two very different approaches to their fundraising strategies: that of marketer or salesman. However, if they truly want to improve their chances, they have to stop selling their projects/idea and start marketing them instead.

The fundamental difference between the two approaches is that a salesman is mostly interested in selling, while a marketer is most concerned with building customer satisfaction. While the marketer tailors his/her 'product' for his/her client and then researches the market, a salesman does not take the time to assess the customers wants, or the best way to approach him/her, but instead looks for a potential buyer and if unable to sell his/her product, continues looking for another.

In the case of fundraising, a salesman will:

Develop an idea for a project, write a proposal for it and locate funding sources by word-of-mouth, based on previous experience or in one or two directories. He will then submit his proposal to those sources and wait for their decisions.

A salesman does not ask what the customer will want nor do the proper research.

The Marketing Approach

The marketer understands and knows his market, determines who the potential customers are and what customers want before directing his product towards that market. In that sense he designs a product and sales approach tailored specifically towards that prospect. A fundraiser has to write his/her proposal in a way that targets the existing market, while at the same time remaining aware that the market will probably keep changing depending on any number of political, economic or social factors. These changes can greatly alter funders' priorities and thus must be consistently monitored.

The marketer should keep in mind that a foundation or federal program has goals of its own. He must think how the funder is going to benefit from his program, and how that program will further the *funder's* goals, not just those of his own organization or of the specific program. Careful consideration must be paid to what the partnership will accomplish for those individuals or organizations contributing the money, not just what it will do for the implementing organization. So, actually a marketer must:

1. *Examine attitudes toward strategic funding.* To achieve this, emphasis must not only be placed on proposal preparation but on those steps that come before and after.

2. *Learn about the sources of grant funding.* This includes assessing the needs and desires of each funding source.

3. *Structure the organization for grant success.* Consider how, within that organization, team members can best utilize existing resources to make the proposal successful.

4. *Develop grant-winning ideas.* Present ideas with measurable results and tangible benefits so as to prove that your project is worthwhile.

5. *Determine fundability:* Show how funds will be incorporated into the organization and demonstrate that you are both a suitable and convenient organization for funding.

6. *Research the field and pinpoint the most likely grant prospects.* Develop a database of organizations with similar funding priorities and goals

7. *Manage initial contact with funding source.* Interaction with the funder is important in shaping how the eventual proposal will fit their format and guidelines. Effective research and good cultivation of funding sources means building strong personal contacts with the funding official(s).

8. *Write individually tailored proposals.* Tailor the Master Proposal to fit the particular funders' requirements.

9. *Follow-up after submitting proposals.* Maintain professional but friendly contact via phone, email or letter.

10. *Succeed in the interview or on-site-visit.* Be prepared and make sure appropriate individuals within the organization are put forward to meet with the funder.

11. *Deal with the decision of the funders effectively.* Ensure procedures are in place to respond to any response.

12. *Develop continual grant support:* A fundraiser should spend at least 50% of his time and energy preparing to write further grant requests.

4 FUNDRAISING AND BUDGETING

John Moore[1]

Financial resources, and effective use of such resources, are essential for the success of any organization. Whether a grassroots NGO, a private sector business, or government ministry, budgets remain the heart of operational scope and capacity. As such, the creation, allocation and monitoring of budgets typically represents the most contentious issue for institutions.

The importance of financial management for NGOs cannot be overstated. NGOs, by definition, are not profit seeking and depend solely upon external sources for operational funding. In other words, financial waste due to mismanagement or corruption has a multiplier effect – any funds not used effectively represent a loss in NGO capability and put at risk relationships with current and potential donors.

As stated, NGOs are dependent upon external sources of funding, thus fundraising plays a central part in the life of any NGO. Fundraising must be performed in a diligent, professional and *CONTINUOUS* manner. Key concepts and points to remember while strategizing for fundraising activities are as follows[2]:

- Multiple sources of funds (foundations, governments, international organizations, local vs. foreign)
- Multiple fundraising strategies
- Multiple proposal formats depending upon fundraising purpose (Program, Research, Planning, Training, Technical Assistance)
- Effective fundraising keys on the proposal writer's understanding and clear expression of an organization's – and specific project –

[1] John D. Moore is an international consultant providing management services to private, public, and non-profit organizations. He has been involved in project management for the last eight years. From 1993 to 1996 he worked with Gulf Eternit Industries (GEI), and from 1996 to 1999 as project and crisis manager with the US State Department and Department of Defense.

[2] This is a review of the principles discussed in the May 25-28, 2001 seminar modules conducted by Ms. Jennifer Barsky, Mr. Mirabo Shammas at PASSIA; Ms. Barsky is a Development Consultant currently based in New York City, Mr. Shammas is the Financial Officer at Birzeit University.

mission; it is important to assess whether targeted donors have similar missions

Budgeting: Key Points

Budgeting plays a role before, during and after a given fundraising activity. Fundraising activities are honed by creating budget estimates to assist in setting financial targets; estimates set minimum financial requirements that fundraising activities must achieve. At the same time, budget estimates act as a guideline for project planning and monitoring. Planning is conducted in accordance with financial limitations – you can't spend what you don't have!!! Monitoring is enabled by the continuous comparison of real project financial data with original estimates; comparing with the planning benchmark reveals both progress and problems, while giving insight into the effectiveness (were estimates close to real financial outlays?) of the estimation process. When combined with project schedules, budgeting based on outlays expected for a given task or time period further enhance monitoring and evaluation of organizational activities.

Budgets take various forms, each with different purposes. Yet the primary purpose of budgeting is to ensure effective, efficient use of financial resources to achieve project success. The following concepts and thoughts are helpful when considering budgets.

- Budgets are blueprints for action and the foundation of organizational and project mission
- Budgets requires both quantitative and qualitative analysis
- There are different types of budgets (Operating, Cash, Capital, Simple, Complex)
- Budgets are not difficult to create, but require attention to detail (capture majority of expenses up front)
- Budget trends over time are helpful in projecting future expenses
- Budgets are a basic tool for planning and monitoring performance
- Sound budgeting processes enable financial transparency, build trust with donors, and assist in the smooth, effective management of projects and programs

On both the fundraising and budgeting aspects, it is essential to justify proposed schedules and expenses. Footnote all explanations and assumptions detailing the logic behind each estimation (i.e., past experience, comparative data / trends, economic indicators such as inflation, etc.) – this is ESSENTIAL! Numbers do not appear like magic, there should be detailed reasoning for each deadline and budgeting allocation.

Fundraising and Budgeting: The Linkage

As pointed out during the seminar, and in our discussions today, the process and purpose of fundraising and budgeting are linked. You cannot implement a budget without finances raised by fundraising activity. In turn, funds raised cannot be effectively exploited without sound financial management centered on the budgeting process.

PRACTICAL EXERCISES

The following exercise is designed to test your ability to use the basic fundraising and budgeting principles covered during the original seminar and reviewed today.

Situation

You are a project manager with the public relations department of a small local NGO based in Ramallah, West Bank, Palestine. Your organization is dedicated to the development of human rights awareness in the West Bank. As such, the project you are currently working on deals with the publication of English-Arabic language booklets on the Al-Aqsa Intifada for dissemination inside Palestine as well as select organizations in Europe and the US. You are in charge of fundraising.

It is your duty to estimate the overall budget and allocate specific line items in order to plan your fundraising campaign. Please state, in Excel or MS Word format, what key line items (area of expense) you envision for the project. This is meant to be a draft only, and is a tool to guide further revision and honing of the project's financial picture. Along with the budget, please create a fundraising concept for the project; make sure to state your strategy for targeting and subsequently convincing donors that your project is worthwhile. A written description with an attached breakdown of line items is to be submitted; do not exceed four single spaced pages.

Exercise Expectations

Focus on the process of fundraising, what are the steps in creating a fundraising campaign, and what is required in a project budget. A possible approach is:

- Create mission statement and state funding priorities

- Give a summary statement outlining your proposal. Include project scope, customers, duration (justify duration – why so long / short?), and key scheduling points (milestones).
- Create a list of donor targets, explaining how / why each was chosen.
- State how you would package the finished fundraising proposal to achieve fundraising campaign objectives.
- State methods for contacting and "winning over" potential donors.
- State how to respond to positive and negative donor responses.
- Explain the monitoring and evaluation program for project implementation

After outlining your fundraising methodology, estimate the budget required for the fundraising campaign. You should have a target goal for fundraising activities. Explain each allocation. This format assumes totals for a fixed period of time.

The following example of a budget shall only serve as a guide. Your budget should be different!

Account Title	Fundraising	Overall Project	SubTotal (US$)
Human Resources			
Salaries	3000	12000	15000[3]
Employee Benefits	2000	8000	10000[4]
Office Administrative[5]			
Rental	1000	4000	5000
Telephone	500	2500	3000
Supplies	500	2500	3000
Equipment	500	2500	3000
Media	2000	3000	5000
Office Functional			
Training Seminars	2000	8000	10000
Conferences/ Meetings	500	2500	3000
Travel	2000	8000	10000[6]
Other Expenses	500	3500	4000
Total Projected			73000

[3] Based on salaries for previous year (US$ 8,000) plus an expected rise in the cost of living.

[4] Based on maximized use of contract employees to reduce benefit requirements by the NGO.

[5] Based on real quote received by real estate firm and past experience.

[6] Based on two trips to Europe, two trips to the US, and trips in the West Bank to Hebron, Nablus and Jericho.

APPENDICES

APPENDIX 1

'TOOL BOX' OF MEDIA MATERIALS[1]

NGOs and other nonprofit organizations dealing in sometimes complex and controversial issues need to use a wide range of materials and activities to get their message across to the media and target publics such as donors. Many of the following pieces could be transmitted by e-mail, as well as by fax, mail or hand delivery, according to the accepted practices of your local media. Posting them on your website is another way to extend their use among your other publics and coalition groups:

1. **News Kits:** Supply all the basic information a reporter needs to write a story - and no more than that. It should look professional, showing that the organization knows what it is doing.

   News kits can be used in conjunction with a news briefing/conference or sent around to media outlets with a cover letter 'pitching' a story on your issue/organization. The parts of the kit, usually assembled in a pocket folder, should be well organized and easy to read but do not need complicated designs/printing. Any interesting graphs or figures should be put on a separate sheet, with the source clearly visible. Charts are only useful if they prove one's case. It is important to explain what tables and graphs indicate in words, remembering that in many cases, the people addressed may not be able to make use of them. You could also provide an 'electronic news kit' on computer diskette. Translate your own kit parts, which may include some or all of the following: **news releases, backgrounders, fact sheets, case studies, photos with captions or a videotape, statements, brochures** and **other publications.** You should make sure that every piece in the kit has an identifier - 'News Release', 'Background Information', etc, - and always use your letterhead for the first page of every paper and number the pages.

2. **News Releases:** Provide timely information about events or issues the public would want to know about. The news release should be the most condensed and most important bit of the news kit. Concentrate the main news (who, what, where, when, why, how and so what?) in the first sentence/paragraph, allowing the editor to decide whether to print part or all of the release or to assign a reporter to the story. Use your letterhead,

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[1] Compiled by Kathy Sullivan from various sources, November 1998.

write 'News Release' and the release date, and give the name of a 'contact' with day and evening phone numbers for the reporter to follow up. Bear in mind that the longer the release goes on, the less interesting it looks to the reader.

3. **Backgrounders:** Explain your issues or program goals in more detail so that the reporter can place the news item within the context of the ongoing discussion of the topic. Think of it as the written equivalent of a 'briefing.' Assume no prior knowledge on the part of the writer: quickly map out the development of your issue and highlight areas of controversy, importance or urgency. You may need more than one backgrounder if you have a highly complicated issue/event that should be broken down into parts. You may need to include a 'timeline' of important dates/events, for example, or may reprint letters or statements from some of your program beneficiaries (with their permission).

4. **Fact Sheets:** Help reporters skim useful and relevant data. Use a 'bullets' format and give the facts in numbers, figures and human terms; try to show the evolution of a problem/achievement. ("During the past seven years, the number of displaced families seeking shelter more than doubled, from 100,000 in 1990 to 230,000 in 1997." "Three out of four children (74 percent) admitted required medical attention for malnutrition or chronic illness.") Timelines can be very useful so if working in human rights, for example, one may include a chronology of critical events in human rights in Palestine, putting all the important dates and events. You may include several fact sheets covering different aspects, in the same kit.

5. **Case Studies/Short Features:** Give examples of how the big issues/problems play out at a more micro-level: a single person, a family, an institution, a community, country, etc. This might involve some interviewing, whereby 'yes and no' questions should be avoided if one wants to get some good quotes. Select illuminating stories that put a human face on the problem or clearly demonstrate the beneficial results achieved through your programs/approach. Write them in the style of a feature story. Let program beneficiaries speak for themselves, in their own words, wherever possible. Be prepared to give reporters access to the people featured; they may want to do their own take on the case study.

6. **Statements:** Respond to breaking news or provide reporters with a 'canned' quote they can insert into a broader story. Should be released quickly (within an hour or so after the news event). Not more than one or two pages long, they should be attributed to a named spokes-person for your organization (or, even better, for the constituency as a whole), and should be highly quotable. Take a clear position, spell out the consequences of the event for your constituencies/clients, and propose the next course of action. (Including them in news kits provides quotes for insertion in a news story.) Anticipate things: if you know that some big de-

cision is about to be made, prepare your position in advance, and, having drafted it, sit down with your superior/s in order to tie up any loose ends.

7. **Photos with Captions:** Encourage the press to use your story; on a busy news day, could win you a photo story with a deep caption instead of having the whole kit end up in the trash. May be tied to case studies (see above). Provide sharp black and white photos or color with strong contrast. Clearly label original photos on the back or print them on glossy paper with captions/credits on wide white margins. Identify all persons, places, activities in the photos, with dates. Photos often end up in photo files and may show up months or years later... to illustrate an entirely different story!

8. **Video News Release:** A new phenomenon that provides footage for TV broadcasts, which makes it more likely that your event/issue will be covered now or later. You hire a company to produce the master video for you and provide broadcast format cassettes for the use of TV stations/satellite channels. (Issues-oriented videotapes also can be effective fundraising tools with individual, corporate and community group donor prospects, for coalition-building meetings, and for general PR purposes.)

9. **Brochures/Other Organizational Publications:** Provide a more glossy presentation of your organization, program or issues. Considered as background by reporters, not news, but may give them ideas for future stories. Don't expect to see your promotional brochure quoted in the paper. It is not always good to spend a lot of money on a brochure when you ask people for money, but it should always look professional. Sometimes it is better to send a simple newsletter four times a year, rather than a glossy annual report.

10. **Calendar Announcements:** Alert the general public, through the media, about an event in which you want their participation. May be directed to a special section of the paper. Usually half-page in length and written so they can be used exactly as sent. Give a catchy or provocative slant to the announcement heading, followed by text on who, what, why, where and how much (if a ticket/fee). In a cover letter/fax, tell the editor from what date you would like them to start running your announcement and when they can stop. Radio/TV also may use calendar announcements if you adapt them for the spoken word - see 'public service announcements' below.

11. **Public Service Announcements:** 'Free advertising' for nonprofits and charitable groups who are 'serving the public good.' Used, for example, for the release of a new publication. Check the regulations/guidelines with your local radio and TV stations. Usually are sandwiched between regular programming and paid ads on a space-available basis. They should be provided as three little versions of the same announcement timed to fill 20, 30 and 60 seconds (labeled that way). You must condense your information and start with a catchy line, maybe ask a question. ("Would

you like to give your youngest children a better chance to succeed in school - and life? Join the NGO X for a demonstration of how parents can be their babies' first teachers (on date, at time, at place). Call (telephone) for more information.") Read the draft announcement aloud for timing and to make sure there are no awkward phrases. PSAs not only draw an audience for your programs but create a better image and higher profile for your organization in the community.

12. **Publication Announcements:** Notify the media (and other organizations that can help disseminate the news to important target publics) that you are releasing a new publication that is relevant to their interests. Usually about one page long, they should be written for printing verbatim. Provide a synopsis of the publication, who should read it/who needs it, and details of how to order it. If you have a quote or two from very well-known experts or respected community leaders commending the publication, use them in the text. (If you are releasing a major study, poll or report, you should use a news release format, not a publication announcement, and should hold a launch or news briefing event.)

13. **Media Advisories:** Alert the media that you have an important event or potential story coming up so that they can prepare to cover it properly. E-mail, fax or deliver them to news editors and key reporters three to ten days before your event, depending upon how complex it is. (If you want extensive TV coverage of a multi-faceted event, you need to allow more advance time.) Keep the advisory to one page. Stress the most provocative, controversial or glamorous aspects of your event, along with the basics: who, what, when, where, why. Note any special photo or video opportunities, mention VIPs or experts who will speak and be available for interviews. Don't give away the 'news' ahead of time (e.g., poll results) but do convince the editor it's worth covering. ("X, the oldest and largest NGO in Palestine working on issue Z, will release results of its November 1998 survey of Palestinians' attitudes towards..., the first survey on this subject since..., conducted in cooperation with YYY University.") You must name a contact editors can call for more information.

14. **Letters to the Editor:** Respond immediately - preferably within 24 hours - to an event, statement, op-ed or letter, which has been printed/aired by the media outlet. Letters should be brief, logical and quotable. Attach a one-paragraph biography of the person signing the letter (your boss) to give editors background and enhance the writer's credibility as a commentator on the issue. Target one outlet only - do NOT send exactly the same letter to more than one newspaper at the same time. Do not write to *The Jordan Times* about something that you have read in *The New York Times.*

15. **Op-Eds** (which does not mean opinion editorial, but opposite the editorial page): Traditionally appear opposite the editorial page under the byline of the person submitting the piece. Should provide original commentary on

a current issue of public interest, preferably something already being covered in the news. (Can also be used to draw attention to a problem/issue that has been ignored but needs to be very compelling.) Most papers prefer about 650-word-long articles; some will accept more. This is not a news article; it should take a position and support it with facts/experience. Attach a short biography of the person submitting the op-ed and give his/her title and affiliation with your organization. You could send these to more than one outlet at a time but not to more than one in a certain category/market. For example, you could send the same op-ed to a major American daily, a major UK daily, a major Israeli daily and to a Palestinian paper, depending on the target audiences you want to reach. Often it is more effective to select only one outlet, informing them that this is offered 'exclusively' and following up within a few days to know if it will be used. If declined, you can offer it elsewhere.

.16. **Editorial Memos/Meetings:** Request in writing that the newspaper/station itself comment on an issue of importance to the public in an editorial capacity. Provides background on why the issue commands such attention and asks for a meeting with the editorial board to provide them with a more complete briefing. The meeting is a lobbying visit to convince the media outlet to take a position (hopefully, in line with yours), and provide them with needed information/contacts. Good editors will also seek out your opposition for balance before committing to a position.

APPENDIX 2

SELECTED INTERNET RESOURCES

GENERAL SOURCES ON (NGO) MANAGEMENT

http://www.clearinghouse.net/
(Links to guides on Fundraising, Grants, Non-Profit Organizations, Public Services; click sub-category Business & Employment)

http://www.cybervpm.com/resource.htm
(Volunteer Program Management Resources)

http://www.not-for-profit.org/
(Nonprofit Resource Center with a comprehensive directory of links and information on issues such as Fundraising & Philanthropy; Volunteers & Human Resources; Advocacy & Public Relations; Board & Organizational Support; Management Consultants; Publications; Research & Policy Studies)

http://comnet.org/net/
(Gateway to sites for the nonprofit community, organized by resource topics such as Education, Government, Grants & Funding, Health Care Services, Human Services, and Political Activism)

http://www.casanet.org/
(Articles, survey results, program management tips and information on Volunteering; topics include Board, Program and Resource Development; Personnel and Financial Management; Evaluation)

http://www.ncnb.org/
(Dedicated to building stronger NGO boards; focus on NGO Governance)

http://www.escape.ca/~rbacal/articles.htm
(Online articles on Nonprofit Management Problems, Solutions & Issues; Training, Development, Learning & Human Resources; Defusing Hostility & Cooperative Communication; Change Management: Teams & Team Development, etc.)

http://www.mapnp.org/
(The Nonprofit Managers' Library: materials and links on topics such as Administrative Skills; Boards; Communication Skills; Finances; Fundraising/ Grant Writing; Marketing/PR; Management & Leadership; Training & Development; Personnel & Policies; Program Evaluation; Strategic Planning)

http://shortguides.com/nonprofit
(Information and resources about nonprofit organizations, including funding, management, technology, philanthropy, volunteerism)

http://www.idealist.org/
*(Database on NGOs worldwide, including publications, materials, programs and links. See **http://www.idealist.org/tools/tools.htm** for a list of resources for starting and managing a nonprofit organization. Categories: Financial Management; Foundations; Fundraising; Government Relations; Lobbying; Management; Personnel Management; and Public Relations).*

http://www.tmcenter.org/library/links.html
(Extensive list of links and resources for Nonprofit Organizations)

http://fdncenter.org/
(Includes an online library – see **http://fdncenter.org/onlib/onlib.html** - with links to nonprofit resources; Material on Grant Seeking; a Guide to Funding Research and Resources; a Proposal Writing Course; Literature on the Nonprofit Sector; and Common Grant Application Forms)

http://www.jsi.com/idr/idrmast.htm
(Links, information and reports from the Institute of Development Research, an independent nonprofit research and education center)

http://www.oneworld.org/euforic/
(Resources on Capacity Building and Institutional Development)

http://www.worldlearning.org/
(Educational services NGO with a people-to-people approach that undertakes proj??ects in International Development, Training and Capacity Building, NGO Management, and Democratic Participation in Development Countries, Newly Independent States and Societies in Transitions)

HUMAN RESOURCES

http://www.nwlink.com/~donclark/hrd.html
(Website for Human Development Resources, including articles, online Training Guides, links to Training, Human Resource Development, and Learning Information)

http://www.nbs.ntu.ac.uk/staff/lyerj/list/hrpub.htm
(Internet publications on Human Resource Management)

http://www.tcm.com/trdev/
(Training & Development Resource Center for Human Resources)

http://www.astd.org/
(Website of the American Society for Training and Development with information, tools, articles and links to training, performance, evaluation etc.)

FUNDRAISING

http://www.fundsnetservices.com/main.htm
(Comprehensive website with everything on fundraising)

http://ctb.lsi.ukans.edu/tools/EN/part_1012.htm
(Information on getting funds and managing grants and financial resources)

http://www.fundraising.co.uk/
(Everything on Fundraising: information, links, strategies, agencies)

http://www.iknow.org/Fundraising.html
(Interactive Knowledge for Nonprofits on Fundraising and relate issues)

http://www.networkforgood.org/npo/fundraising/
(Resource base for online fundraising with information on strategies, donors, etc.)

http://nonprofitzone.com/fndrsg.htm
(Database with a library of articles and answers on all sorts of fundraising-related issues)

http://www.mapnp.org/library/fndrsng/np_raise/np_raise.htm
(Comprehensive guide to grant-writing and other fundraising issues)

http://www.nonprofit-info.org/npofaq/keywords/5j.html
(Fundraising FAQs with detailed information)

http://www.uvm.edu/~reshmpg/miners~1.htm
(Online guide to proposal planning and writing)

http://www.silcom.com/~paladin/promaster.html
(Elements of a grant proposal)

http://www.epa.gov/seahome/grants/src/msieopen.htm
(Grant writing instructions with tutorial, examples and references)

http://www.cof.org/foundationnews/0300/secrets.htm
(Tips on proposal writing)

http://www.kn.pacbell.com/wired/grants/write.htm
(Resources to gain the necessary background knowledge to write a good proposal).

http://www.slu.edu/eweb/grants.htm#Creating%20a%20successful%20 proposal
(Online handbook on seeking external resources, funding opportunities and crafting a grant proposal)

http://www.utexas.edu/courses/stross/ant392n_files/grantproposalinks. htm
(Links for information on how to write grant proposals of several kinds)

http://npguides.org/grant/grant1.htm
(Grant writing guide with sample letters, budgets and proposals)

http://www.research.umich.edu/research/proposals/proposal_dev/pwg/ PWGCONTENTS.HTML
(A complete proposal writer's guide)

http://www.unl.edu/nepscor/newpages/noframes/pubs/winners/writing. html
(Comprehensive instruction on how to plan and write a proposal)

http://www.fundraisingdepot.com/cgi-bin/webc.cgi/index.html
(Fundraising information and resources)

http://www.learnerassociates.net/proposal/
(Instructions on how to write a funding proposal and actual examples of a completed proposal)

http://www.psassociates.com/PropWrite99.htm
(Proposal writing tips, techniques and articles archive)

http://members.dca.net/areid/proposal.htm
(Practical guide for writing proposals)

PUBLIC RELATIONS

http://nonprofitzone.com/pr.htm
(Database with a library of articles and answers on all sorts of PR-related issues)

http://www.mapnp.org/library/pblc_rel/pblc_rel.htm
(Comprehensive guide to Public and Media Relations)

http://www.triangle.org/howto/pr.pdf
(Complete online public relations manual)

http://www.triangle.org/howto/pr.pdf
(Online tutorial on effective presentations)

http://www.online-pr.com/
(Online resources to PR and media relations with list of references)

http://www.tipsandtricks.com/pr101.htm
(Lots of tips and tricks on PR essentials and strategies)

http://aboutpublicrelations.net/basics.htm
(Comprehensive list of PR related articles, websites, and other resource material)

http://publicrelations.about.com/cs/publicrelations/
(About.com guide to PR with resources on organizing media events, generating free publicity, writing press releases etc.)

http://www.sonic.net/~cuclis/
(Site with expert information on PR and publicity campaigns, and related marketing materials for businesses and organizations).

http://www.prmadeeasy.com/
(Information on PR strategies and training)