

# PLANNING AND BUDGETING FOR FUNDRAISING

Planning your fundraising activities cannot be done in isolation but must be an integral part of the planning for the whole organisation.

Planning can help your organisation to:

- Clarify its purpose
- Be proactive rather than reactive
- Set goals
- Work and strategise to achieve those goals
- Develop teamwork
- Assess and use resources, human and financial, effectively
- Monitor and evaluate progress
- Cope with change in your environment

Part of your overall plan will be your marketing strategy and part of that will be your “fundraising plan”. One of the most important points about fundraising is that its purpose is also to “friendraise”. Sometimes your organisation may not make a huge profit but would gain enormous public respect which will in time turn into dollars if managed correctly.

Any plan must be:

- S** Specific
- M** Measurable
- A** Achievable
- R** Realistic
- T** Timebound

The starting point is to define the needs of your organisation; next define possible funding sources bearing in mind that some of these may be inappropriate e.g. the Cancer Society would not be likely to accept funding from a cigarette manufacturer, similarly some religious groups will not accept funding from Lottery because of the way their funds are derived.

The next step is to work out your strategy for approaching the funders.

The next step is to fully understand your organisation and a SWOT analysis can be a valuable planning tool.

## **SWOT ANALYSIS** SWOT stands for:

**S** Strengths  
**W** weaknesses  
**O** opportunities and  
**T** threats.

There are many methods of doing a SWOT analysis but if you have not done one before try this method. At a meeting of key people in your organisation put the following headings on a whiteboard or large sheet of paper:

**STRENGTHS      WEAKNESSES      OPPORTUNITIES      THREATS**

Then allow people to contribute their thoughts on each heading. Your finished document may look something like this:

<b>STRENGTHS</b>	<b>WEAKNESSES</b>	<b>OPPORTUNITIES</b>	<b>THREATS</b>
Long history credibility Committed staff Strong membership Secure premises Qualified staff	Weak committee Outdated technology High staff turnover Unclear image	Volunteers Increasing members	Lack of funding Competition

This matrix identifies the current position of the organisation and allows you the opportunity to explore each point individually and incorporate any necessary changes into your plan.

## **BUDGETING FOR YOUR PROJECT**

Once your plan is finalised then prepare your budget for each planned activity. You need to be very clear about what you intend to do, how you intend to do it and when you intend to do it, how much it is expected to raise and what are the other benefits to the organisation eg increased names on your database, increased public relations or profile.

The six steps to the budgeting process are:

- 1 Description of the project and available funds.
- 2 List all the budget items
- 3 Cost each item out
- 4 Total the estimated cost
- 5 Decide whether this total is reasonable or needs adjustment or revisiting
- 6 Present your budget to the board for approval.

Direct costs are easy to document, however indirect costs

- staff time
- equipment use
- supervision and support
- volunteer expenses
- premises costs

are not so easy but very important.

There are many ways of calculating these central costs but the most common way is on a percentage basis. If the project worker uses one-quarter of the office space allocate one quarter of the office costs (rent, rates, heat, power etc) to the project. Likewise if the project worker uses one quarter of the manager's time in support, supervision or meetings allocate one-quarter of the manager's salary to the project.

The three most common mistakes in budgeting are:

1. The forgotten costs - toll calls, photocopying, computer repairs, cell phones
2. Under-stated costs - be realistic
3. Hidden costs - office space, supervision etc

**The following is a budget checklist:**

**PROJECT TITLE:**

**Employment costs/salaries**

ACC

Insurance

**Recruitment costs**

**Volunteer expenses/training costs**

**Project costs:**

equipment

printing/stationery

post/telephone

travel/transport

training

evaluation

technical advice/consultancy

dissemination of results

other

**Overhead costs:**

office occupancy

(rent/rates/heat/light)

management

administration

cleaning etc

depreciation

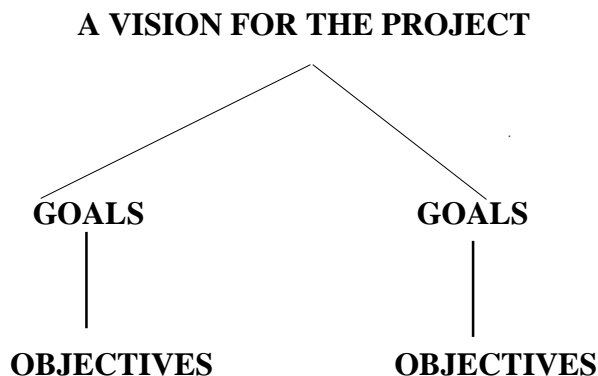
Other

**TOTAL**

(This checklist has been adapted from *Writing Better Fundraising Applications* by M Norton and M Eastwood)

You now have a target for your fundraising project and you can now create your fundraising plan.

Your plan should have:

**FURTHER READING**

The Complete Fundraising Handbook by Sam Clarke

Writing Better Fundraising Applications by Michael Norton and Michael Eastwood

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