



# Using a Fundraising Review Process

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## Start with your strategic plan

Fundraising objectives should always be closely linked to the overall aims of the organisation, and seek to meet the charity's strategic objectives. Occasionally a source of 'tactical' funding may be relevant, however this should still be reviewed in light of how closely it fits the mission and objectives of the charity.

A fundraising strategy then seeks to answer these key questions:

- Where are we now?
- Where do we want to be?
- How are we going to get there?

## Fundraising Audit

A fundraising audit is a structured review of current approaches, asking questions like:

- What are our fundraising strengths, what is working well for us?
- Where are we less effective?
- How much are we raising, and what is it costing us?
- What are the external factors affecting our current funding streams?
- What are our competitors doing?

## Fundraising objectives

The strategic objectives of the charity will indicate whether and how the organisation wants to grow, develop or change its activities and services. By comparing the success or otherwise of your current fundraising approaches to these plans, you can identify what the priorities are, where the 'gaps' in future funding will be, and what kind of investment you might need to make for long-term success.

## Diversifying income

Many charities find their current approach to fundraising threatened by changes in the funding environment, in particular a reduction in statutory grants and contracts. There are also more opportunities opening up, for example for smaller charities to develop individual support, and a growing appetite to explore the possibilities of earned income. It is likely therefore that in your fundraising review, you will need to evaluate alternative approaches to income generation.

## Funding options

A typical breakdown of funding sources may use categories of 'voluntary, statutory or earned'. However a more comprehensive approach considers both sources *and* types of income as the table overleaf lays out\*.

This provides a useful way of both categorising your current funding and identifying potential options. To assess alternative approaches, you can then ask a series of questions:

### What are your Assets?

- Consider for example your supporter base, your networks, skills, resources
- Define your 'product' as widely as possible – not just your charitable aims and expertise, but any other expertise you have that is potentially 'saleable'
- What makes you stand out against your competitors?
- What kind of image does your charity have? How strong is your case-for-support? How are you perceived by potential supporters and funders?

### What does the territory look like?

- What are the external trends affecting any particular fundraising approach?
- What are other organisations doing? Are there other charities we could partner with?

Taking each potential new approach at a time, you can then assess how well it fits with your organisation, your readiness and the potential 'market'. Identifying any major 'show-stoppers' enables you to rule out approaches that are unlikely to be fruitful, and concentrate your effort and resource on the 1-2 new options likely to bring the greatest return.

It is also important to remember that any new funding approach is likely to take significant time and investment of resources, so a good long-term planning process is vital to success.

	INCOME TYPE		
	VOLUNTARY	EARNED	
INCOME SOURCE	<b>Grants &amp; donations:</b> Income freely given, usually as a grant, donation or legacy, for which little benefit is received by the donor	<b>Charitable activities:</b> Fees for goods & services provided as part of the charity's mission	<b>Activities for generating funds:</b> Fees for goods & services provided to generate funds
<b>Individuals</b> The general public	Donations, indiv sponsorship, legacies, membership scheme without significant benefits	Fees for services provided as part of the charity's objects; membership subscriptions with significant benefits	Fundraising by charities where benefit is received in return: e.g. charity shop, raffle, lottery, fundraising events
<b>Government</b> Central Government and its agencies e.g. local authorities, CCGs	Grants from Government funded schemes	Public sector fees, payments for contracted services	Trading with public sector to raise funds
<b>Voluntary sector</b> Charities such as trusts and grant making foundations	Grants from charitable trusts	Services provided under contract that are in line with the recipient charity's mission	Trading with other charities to raise funds
<b>Private Sector</b>	Corporate donations and gifts-in-kind	Sub-contracting, other services provided under contract	Corporate sponsorship
<b>National lottery</b>	Grants from national lottery distributors		
<b>Investments</b>			Proceeds generated from investments

\* source NCVO almanac 2016