

Template



# How to Create a Fundraising Plan

Set goals and find fundraising success with our easy-to-use template.



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# About This Guide

According to Heather Yandow's [2014 Individual Donor Benchmark Report](#), the secret sauce for raising more money is to have a fundraising plan. In the survey results from 87 nonprofits, the only correlation between fundraising efforts and fundraising success is whether or not the organization had a fundraising plan.

Because having a defined plan is essential to fundraising success, we hope this guide helps you get organized and focused on setting fundraising goals and planning out your activities to meet those goals.

Every new fiscal year deserves a new fundraising plan. A good fundraising plan serves as your roadmap for the year. It doesn't need to be complicated but your plan should answer these four questions:

1. How much do you need to raise this year?
2. How does that fundraising total breakdown between unrestricted and restricted purposes?
3. How will your different sources of funding contribute to that goal?
4. How will fundraising activities help you hit your goal?

If you've never created a fundraising plan before or if you want to refine or restructure a fundraising plan, this guide is for you. We'll walk you through the steps, formulas, and exercises you need to create a proper roadmap that will help you hit (or exceed!) your fundraising goals. Let's jump in and start working on your fundraising plan right now.

This plan was developed by Barbara O'Reilly, founder of Windmill Hill Consulting, with additional help from Liz Ragland, Senior Content Associate at Network for Good.

# Determine Expenses + Expected Income

## Let's Talk

The first step to building a good fundraising plan starts with a discussion with your senior staff (executive director, board, development director, senior leaders). During this discussion, you should determine your anticipated overall expenses and how much funding is needed to support operations. It's important to get everyone on the same page when it comes to expenses so that you avoid unrealistic fundraising expectations and goals.

Be prepared to talk about the context of your current and previous fiscal years to determine how to factor in fundraising trends you've experienced. Include one-off events, bequests, or other anomalies that may not be sustainable or are guaranteed future sources of funding.

## Get Answers

Here are questions you should ask during this meeting with senior leadership:

- What are our organization's projected expenses for the next fiscal year?
- How do the projected expenses break down between core operating costs and current programmatic needs?
- Are there "wish list" program ideas (such as a new initiative, creating a scholarship/award fund) that can be presented as seed funding opportunities to donors?

In addition to talking about expenses, sit down with appropriate staff members and discuss expected income:

- Are there multi-year pledge payments that are expected this year?
- What about endowment earnings?
- Earned income from programs?
- Are there any known individual, foundation, or corporate grants that have a high likelihood of success?

Understanding what's expected through committed sources will help you better calculate your fundraising goal.

## Make Some Calculations

After you've had these discussions, you should be able to calculate your goal for the year:

The total projected expenses minus expected income totals your fiscal year's "left to raise" fundraising goal.

If you can, think about adding up to 10% over that goal to encourage growth and stronger sustainability. This helps you start to grow a financial cushion for your organization.

# Analyze Your Fundraising

Now that you have a goal in mind, analyze your fundraising results from the current and past four fiscal years. Also review costs associated with fundraising activities. Learn and grow from what you know now. Asking yourself these questions gives you an opportunity for self-reflection and to be honest with how well you've done in the past:

- Have your past goals fully covered your organization's expenses? If not, what other sources of income do you need to factor in?
- What have been philanthropic trends among similar organizations? For nonprofits generally? The annual [Giving USA](#) report can help you answer these questions.
- What fundraising trends has your organization seen over the past five years? Have you reached your fundraising goals each year? What contributed to your success? What held you back? What could you do differently?
- How did your fundraising revenue breakdown and what were your fundraising expenses for each donor type?
  - Annual Fund (mail and email appeals)
  - Corporate gifts
  - Foundation grants
  - Major gifts
  - Events
  - Membership dues
  - Other

It's important to get a broader philanthropic view since you are not fundraising in a vacuum. Don't worry about spending too much time finding the exact answers to these questions. You want to have more of a general sense of how donors have behaved and what it can mean for your organization.

# Set Your Course

Understanding how (and where) funds have been raised in the past helps you map out a solid plan to build your fundraising goals and strategies this year.

## How Much Will You Raise?

Using the last few years as a guide, think about how much revenue you can expect from your main sources of funding to reach your projected goal. Include funds expected from:

- Individuals (Major Gifts and Annual Fund)
- Foundations
- Corporations
- Events
- Online/Direct Mail Appeals

(Do include the expected income you calculated earlier that helped you determine your “left to raise” fundraising goal).

Using fiscal year totals (especially the most recent fiscal year), aim for an increase (10% is a conservative growth rate) over last year’s total raised. Does it add up to your overall budget goal for next year? If not, where do you need to factor in potential growth?

Fundraising success isn’t just about meeting your goal. It’s about understanding how and where to focus efforts to grow your current universe of donors and prospects. In addition to revenue from each of these main groups, also consider:

- Total number of donors – you want to maintain that number of donors next year.
- Total number of new donors to acquire – how many new donors did you acquire this year? (Aim to acquire at least this many this next year)
- Total number of donors that lapsed (two fiscal years prior compared to last fiscal year) – What can you do through communications and outreach strategies to regain their support next year?
- Revenue from fundraising events – Will this year’s event schedule be the same? Were there any events that were one-off and will not be repeated next fiscal year?

Use this template to help you organize all the information:

### Funding Income/Expenses By Source

Source	Type	Last Year's Income	Last Year's Expense	Current Year's Income	Current Year's Expenses	Next Year's Income	Next Year's Expense
Individuals	Annual Funds						
	Major Gifts						
	Online						
	Direct Mail						
	Events						
Foundations							
Corporations							
Events							
Other							
<b>TOTAL</b>							

### Fundraising Metrics

Category	Last Fiscal Year	Current Fiscal Year	Next Fiscal Year
Total Number of Donors			
Total Number of New Donors			
Total Number of Lapsed Donors			
Average Gift Amount			

[Download these templates in Excel!](#)

## How Much Will It Cost?

What will you do to engage donors this year and how much will you need to spend to be successful? Consider direct mail, email, and online fundraising costs. What resources did you use to get grant proposals submitted?

Be sure to look at your response rates from direct mail and online campaigns. What worked well and what didn't? It's helpful to review what performed in past years and what didn't so you can make changes to what you spend and have the budget to test new strategies to increase revenue this year.

Once you have outlined the potential fundraising activities, determine your fundraising expenses:

**Fundraising Activity**

Projected gross income	\$
Total expense*	\$
Net income	\$

*\*Expenses include staff time, consultants or other services, design, printing, postage, travel/transportation, food and any other costs*

Now don't keep these numbers all to yourself! Share them with senior staff so there are no surprises. Everyone should be aware of your projected activities and what they will cost.



# Summarize Your Plan

It's time to put together your roadmap! Your roadmap will be the one place that stores your financial and non-monetary goals and the tactics to reach those goals.

Start the plan by providing a snapshot of how much you need to raise broken down by the fundraising activities you have been analyzing. Who will you target with these campaigns and when will they launch? How much will each of these activities cost?

Structure it like this:

Activity	Goals (\$ and # of donors)	Audience	Strategies	Timeframe	Cost
Direct Mail Appeals	\$75,000 200 donors (including 25 new donors)	LYBUNTS, SYBUNTS (previous XX year), and Prospects	3 direct mail solicitations: Follow-up by phone calls	March, August, November	\$15,000
Personal Solicitations	\$100,000	Identified # Major Gift Prospects	Personal cultivation and solicitations by Board and Staff Leadership	Entire Fiscal year	\$25,000
Annual Garden Party	\$60,000	Past attendees, Major Gifts Prospects, Current Donors, and LYBUNTS/SYBUNTS of \$500+	Invitation mailed: follow-up phone calls, face-to-face soliciting: newsletter announcement	January-May	\$10,000
Open Houses	\$15,000 15 new donors	New Prospects (non-donors), Lapsed donors (more than 3+ years)	3 site visits with staff and volunteer leadership. Special mailings with invitations: newsletter articles: personal invitations by board	February, June, September	\$3,000
<b>Total</b>	<b>\$250,000</b>				<b>\$53,000</b>

## Setting Goals Beyond Dollars Raised

In addition to financial goals, what other quantitative goals will you set that will strengthen your fundraising? Think about broader fundraising growth and improvements. Here are some ideas:

- Increase board participation rates
- Boost volunteer giving
- Test strategies to acquire new donors
- Grow monthly giving program
- Upgrade current monthly donors
- Improve email open rates
- Grow direct mail response rates
- Launch planned giving society

After you've set the bigger picture, you can focus on the specifics for each of your non-monetary goals by setting objectives, strategies, and creating an action plan to launch these ideas.

## OBJECTIVES

Objectives are measurable and give an idea of what needs to be done to achieve the goals you set forth. Here are some examples:

- Grow monthly giving base by 10%
- Raise \$5,000 (a 5% increase) in unrestricted funding to cover operating expenses
- Recruit 15 donors to join the planned giving society
- Increase year-end online giving by 10%

## STRATEGIES

Strategies are the actual actions you will take to reach your objectives. There can be multiple strategies under each objective. Here are some examples:

- Segment our March appeal so that we specifically ask for monthly gifts from donors who have given 2+ years in a row but aren't yet monthly donors.
- Find 5 opportunities and submit applications specifically for grants that cover operating expenses.
- Conduct 5 phone calls every month to major donors who have been giving for over 10 years to ask them to consider planned giving.
- Launch a social fundraising campaign during #GivingTuesday to generate more in online revenue

## ACTION PLAN and TIMELINE

Start assigning roles and responsibilities to bring your strategies to life. Include a checklist of steps that will take place, and mini-calendar for those actions. Here's a sample draft of what your action plan might look like for getting a peer giving platform set up by #GivingTuesday.

Objective: Increase online giving at year-end by 10%

Strategy: Social Fundraising campaign during #GivingTuesday

Action plan and timeline:

- Have Emily talk to our Network for Good rep about social fundraising + purchase software by October 1
- Have Emily draft messaging, campaign overview by October 15
- I will call 20 loyal supporters to explain the model and ask them to commit to being social fundraisers by October 20

- Have Greg test and implement the software by November 1
- Have Greg train at least 10 loyal supporters on how to use the social fundraising tool by November 15
- Confirm participation by Thanksgiving
- Send reminder email to all participants
- Have Greg and Emily on a call on #GivingTuesday to answer fundraiser questions and keep momentum going
- Celebrate and thank fundraisers
- Send out customized thank yous to all donors, reach out to new donors with our welcome kit and opportunity to tour our facilities.

## Building for Tomorrow

Now that you have a plan in place, it's time to look at what you can do to keep the giving momentum going by investing in cultivation and stewardship. Cultivation lays the groundwork for the future by adding prospects to your donor base and inviting them to become active donors to your organization. Stewardship (or donor relations) strengthens relationships with current board members, donors, volunteers, and other friends to build a greater understanding of how they can help you achieve your mission.

When it comes to cultivation and stewardship, you are most likely already doing it without defining these activities in that way: Annual reports, newsletters, special webinars hosted by your key program leadership, holiday and birthday cards are all examples of ways to leverage communications to enhance your relationships with your donors.

# Track Your Progress

Fundraising progress should be part of every board meeting and a regular discussion with staff. Being open about progress helps recognize campaigns that fell short of their goal early enough so you can brainstorm ways to make up the difference. To effectively track fundraising progress, you need a donor database that can help you keep an eye on your progress. If you haven't yet invested in a donor database, or are struggling to keep up with all your Excel spreadsheets, give us a call and we can introduce you to a system that works for small and medium-sized nonprofits.

**A good fundraising plan is like a recipe.** It spells out the exact mix of targets, strategies, roles, and responsibilities so everyone can work towards the same goal. By taking an annual stock of your fundraising wins, challenges, and resources, you can create a realistic roadmap that will help you grow the financial sustainability of your organization.

## About Barbara

Barbara O'Reilly, Principal and Founder of Windmill Hill Consulting, brings to her clients more than twenty years of fundraising experience at major non-profit organizations including Harvard University, the National Trust for Historic Preservation, Oxford University in England, and the American Red Cross.

Since becoming a consultant in 2009, Barbara helps non-profit organizations create impactful donor-focused relationships through strategic development planning and coordination of annual funds, capital campaigns, individual and institutional major gifts, and donor engagement.

For more information on how Windmill Hill Consulting, LLC can help you build dynamic relationships with your donors, contact (703) 972-2406 or [baoreilly@verizon.net](mailto:baoreilly@verizon.net).

