

Module 1: Basics of local fundraising

Summary
This module introduces several different reasons why local fundraising is important for an organization and provides a quickscan to assess your own situation.
Why
When CSOs (civil society organisations) increase and diversify their income via community philanthropy, they become stronger, more autonomous and shift the power from foreign donors to the community, where it belongs.
What you can expect
First watch a few introductory videos to understand the benefits of local fundraising. Then, with tools, analyse your organisation's current situation and feel confident about developing your own fundraising strategy.
Knowledge and Skills
You will learn key reasons for raising funds locally and map the actual and the desired financial situation of your organisation.
What you get
Know how:
<ul style="list-style-type: none"> • various reasons for starting with local fundraising
Exercise:
<ul style="list-style-type: none"> • a quick scan where your organisation stands in relation to diversifying its sources of income
Level & duration
Beginners level, 30 minutes

Why Raise Funds and Mobilise Support Locally?

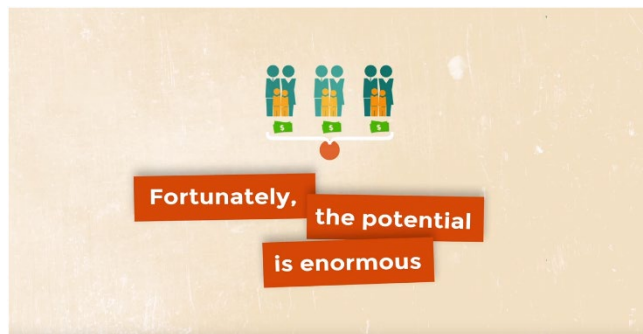
Video: Introduction Why raise funds and mobilise support

The text spoken in this video:

The world is changing rapidly. So is the worldwide landscape of development aid. International funding to civil society organizations in the global south is changing and in many cases decreasing. The threats are many. The need is clear.

Aid agencies are changing their thematic and geographical focus. There is large-scale withdrawal of grants to emerging economies like India, Brazil and South Africa. At the same time the pressure on civil society is increasing. It's space to operate as an independent development actor is diminishing in many places. Local fundraising contributes towards a greater sustainability of organizations to fulfill their mission and vision. It results in less dependency on one donor or funding source, less vulnerability to pressure from government, deeper relationships with the community, a greater sense of ownership and pride and it builds trust.

This leads to greater autonomy, more freedom and more equality. Fortunately, the potential is enormous.



The potential for domestic resource mobilization in cash, in kind and in volunteer time is rapidly increasing. To start with: middle classes in countries like India, Brazil and Kenya are growing and are becoming an increasing

source of income and other forms of support for CSOs. Emerging economies are surging ahead in giving for example more Indians donate money to charity in a typical month that anywhere else in the world. Brazil ranks number eight in total number of people giving money to charity. Kenya ranked 33rd out of a 135 in the world giving index. You could say that Kenya already has quite a strong giving culture.

India has surpassed the USA with as many as a hundred and fifty seven million people volunteering in a typical month and has first ranking.



Brazil ranks nine in terms of the number of people volunteering.

The size of the middle class in India is comparable with the entire population of the USA which still is the most important market for fundraising worldwide.

Countries like India and Brazil are moving from being recipient countries to becoming donor countries.

Also, in emerging economies the corporate sector is booming.

More and more companies take their responsibilities towards society through corporate social responsibility.

Therefore, companies are also a growing potential source of income for NGOs. In India for example, the law requires large companies to spend at least two percent of their net profit on corporate social responsibility and in Brazil corporate giving has been growing constantly over the past few years. In addition, new technologies and particularly social media offer new exciting low-cost ways for advocacy, involvement and fundraising. Social networks are effective tools for CSOs to involve donors and the public. And, as traditional methods for sharing but also new programs have proven, more people themselves often also have a possibility to contribute.

To summarize:

There is a great need to mobilize local resources with understanding of the local context and knowledge of the potential support base. There are also good opportunities for mobilizing local resources in cash, in kind and in time.

The location of the video:

<https://youtu.be/kLrt3yDs9h8>

To summarize:

- need to mobilise local resources
- understanding the local context and knowledge of the potential support base
- cash
- support
- time

Stories of change: the impact of raising funds locally

Don't take our word for it: hear what others like you have to say!



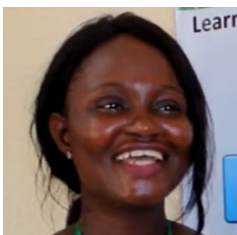
Sarah Pacutho, Team Leader, Civil Society Strengthening, Uganda National NGO Forum

"Sometimes, fundraising is not about money. In-kind resources can be just what you need. Change the Game Academy changed my thinking about fundraising. I thought that fundraising could only be done from rich countries, but now I know that it can also be done successfully locally." [\[video\]](#)



Mwachi Tatwa, director Hongera Foundation – Bungoma

"Many international donors are now winding up their projects. Embrace the challenge of local fundraising." [\[video\]](#)



Isatu Mansaray, Youth Dream Centre, Sierra Leone

"Local fundraising is fun, it is creative, it connects you with your stakeholders. What I like the most, is the idea of 'friend-raising'. We find sponsors that support us with ICT: laptops, mouses, internet, that's of great help to our students." [\[video\]](#)

Diversifying sources of income

This presentation shows the need to diversify. It speaks of different levels and sources of income, finding the right funding mix, income balance and minimising risks.

Video: Need to diversify

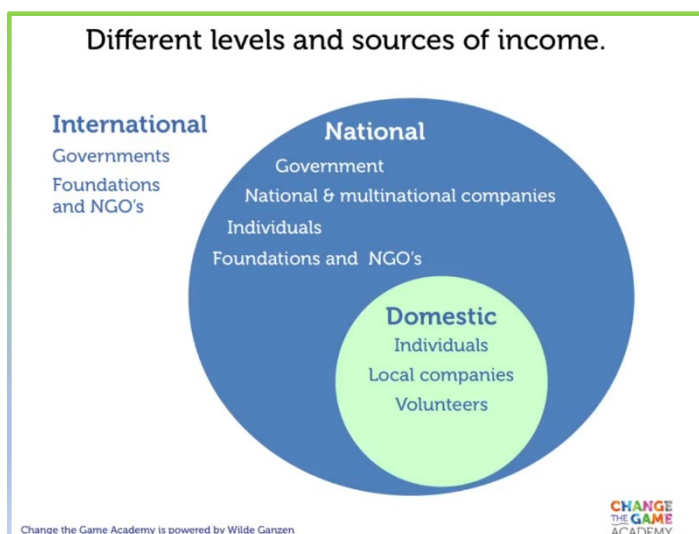


When you think about starting with local fundraising one of the first questions you ask yourself is: why would I start doing this? And the major reason to do so very often is that you are seeking to increase your overall income by tapping into new sources of income. Maybe you have already learned in your daily realities that your income has suddenly declined, for instance because a grant has not been renewed. So if one of your income sources goes down in a major way, then your entire project budget goes

down. This has taught you that getting all your income from one source or just a few sources sets you at quite a big risk. Because the result may be that the projects that you want to develop and want to implement may possibly not take place.

Different levels and sources of income

You have seen that there are several sources of income, and also different levels. You have the international level, where sources can come from abroad. You have the national level and the domestic or regional level. And in each of those levels money can come from different sources. So looking at the domestic level it can come from:



- . individual donations – individual donors who support you with one off donations or ongoing donations;
 - . local companies
 - . volunteers who give you their time.
- On the national level you can receive income through the government, through corporations, again through individuals and of course there may be foundations and ngo's who support your work. And at the international level it may be governments again , but then from abroad, from other countries. It may be foundations again, international foundations and ngo's and it can even be supranational sources, like from the World Bank for instance or from the EU.

We may conclude that finding the right funding mix is a key goal for every fundraiser. The right balance can be slightly different for each individual organisation, but in general, you should try and minimize your risks. You do that by avoiding to become overly dependent on one income source. If you have 70% coming from one source of income you know that you are running a risk for a stable and sustainable future income. Balancing your income sources evenly is an important strategy to mitigate these risks and to secure a solid and healthy foundation for your funding towards the future.



The location of the presentation:

<https://youtu.be/MgiWEMCrJZ0>

What is (effective) fundraising?

Video: **What is fundraising**

Fundraising occurs all around the world. Where social need is high and resources are scarce, fundraising often occurs with great creativity. So what is fundraising? Fundraising means to engage and mobilise people and organisations in order to support social change with money, services, goods, knowledge, time, and moral support. Therefore fundraising is more than raising money: it is about mobilising resources of all kinds. Fundraising is also an invitation for people to participate in contributing to a positive change in society. Funds enable an organisation to accomplish something that is important, both to itself and to the donor. It makes people feel part of the community they live or work in. Fundraising is NOT begging or harassing, it is not forcing people to do something they are not interested in doing.



Effective fundraising is fun and gives donors a good feeling and fundraisers too!

EXERCISES

How sustainable is your organisation

The videos you just watched told you about the importance of raising funds locally and spreading your funding. Check your knowledge in the exercise below: fill in either 'more' or 'less' on the dots in the text. You should use 'more' 5 times and 'less' two times! The complete text is at the bottom of this file.

More or less ... ?

Having ... diverse resources makes your organisation ... dependent of other parties.

Generating income from ... local and regional sources makes you ... dependent on foreign funders and ... in control of your own resources.

To summarise: you'll be able to steer your own agenda ... if you have ... local, regional and national sources of income.

Well done!

Now apply this principle to your own sources of income and answer the questions below.

- Does 70% or more of your income come from international sources? Yes/no
- Do you depend on one or two big donors for your income? Yes/no

If the answer is:

2x yes: The income position of your organisation is vulnerable you rely on a few large donors and your donors are mainly foreign. It is time to invest in local fundraising and attract more and diverse donors. The good news is: you started the right course! We will support you to be more effective in fundraising amongst companies and individuals, writing fundraising plans for projects and events, improving your fundraising communications and building strong relations with donors. Congratulations, you have already taken the first step in the right direction!

1x yes/1x no: Your organisation is on the right track: you do not rely on one or two big donors. You have a diverse donor base, which makes you less vulnerable to their decisions. On the other hand, you need to further invest in local fundraising. Good news: you have already taken a step in the right direction by starting this course! You will profit from the modules on fundraising with individuals and companies especially. Also, the module Action plan for a local fundraising event will help you to expand your local income base.

1x no/1x yes: Your organisation is on the right track with respect to local funding sources. On the other hand, you need to invest in attracting more donors to become less dependent. Good news: you have already taken a step in the right direction by starting this course! You will profit from the modules on fundraising with individuals and companies especially. Also, the module Strong relations with your donors will help you to diversify your income stream.

2x no: Congratulations, you are doing well Your organisation has a good basis for growing its income and diversifying its risks. You will further profit from this course by learning on effective fundraising with individuals, companies and communicating well with your donors. Also, the module Strong relations with your donors will help you to maintain your funding. Finally, the module Effective documentation helps you to report back to your local donors.

Detailed analysis of the sustainability of your organisation

You can make an even more detailed analysis of the sustainability of your organisation. To do this, you fill in all your sources of income in a table.

You can decide whether you want to do this exercise or save it for later.

Step 1: Actual sources of income

A vital part of fundraising is understanding the current income pattern of your organisation. The framework below helps you to do so. This understanding links directly to fundraising targets and methods.

Fill in the amounts of the different sources of income for your organisation. Fill in '0' if you do not have any income from a particular source.

NOTE: When following this course online, the numbers will add up automatically, please in this case do it manually.

Name of organisation

Currency

Period*

	Money value	%
Local Community Sources		
Individuals*	<input type="text"/>	
Local companies*	<input type="text"/>	
Other*	<input type="text"/>	
Sub Total		<input type="text"/>
National Sources		
Government sources*	<input type="text"/>	
Individuals*		
National and multinational companies*		
Foundations and NGO's*		
Other*		
Sub Total		<input type="text"/>
International Sources		
Governmental (f.e. European Union)*	<input type="text"/>	
Foundations and NGO's*	<input type="text"/>	
Other*	<input type="text"/>	
Sub Total		<input type="text"/>
Total		100%

*Period	Use your fiscal year, in which you plan, make budgets and report yearly
LOCAL COMMUNITY SOURCES	
*Individuals	People that contribute to your cause that live in your community, city or region
*Local companies	Commercial organisations from your community, city or region
*Other	All contributions that come from your community, city or region, e.g. the county government or city council
NATIONAL SOURCES	
*Government Sources	Contributions from e.g. the Education Department of your county's government when they supply you with teachers
*Individuals	People that contribute to your cause that live outside your community, city or region
*National and multinational companies	Commercial organisations with a national or international reach
*Foundations and NGO's	National charities with international offices
*Other	All contributions that come from within your country
INTERNATIONAL SOURCES	
*Governmental	E.g. the European Union, UNICEF and other departments of the United Nations
*Foundations and NGO's	International charities with offices in more than one country

Step 2: Summary current sources of income

Local community and national sources ... %

International sources ... %

Now apply this principle to your own sources of income and answer the questions below.

- Does 70% or more of your income come from international sources? Yes/no
- Do you depend on one or two big donors for your income? Yes/no

If the answer is:

2x yes: The income position of your organisation is vulnerable you rely on a few large donors and your donors are mainly foreign. It is time to invest in local fundraising and attract more and diverse donors. The good news is: you started the right course! We will support you to be more effective in fundraising amongst companies and individuals, writing fundraising plans for projects and events, improving your fundraising communications and building strong relations with donors. Congratulations, you have already taken the first step in the right direction!

1x yes/1x no: Your organisation is on the right track: you do not rely on one or two big donors. You have a diverse donor base, which makes you less vulnerable to their decisions. On the other hand, you need to further invest in local fundraising. Good news: you have already taken a step in the right direction by starting

this course! You will profit from the modules on fundraising with individuals and companies especially. Also, the module Action plan for a local fundraising event will help you to expand your local income base.

1x no/1x yes: Your organisation is on the right track with respect to local funding sources. On the other hand, you need to invest in attracting more donors to become less dependent. Good news: you have already taken a step in the right direction by starting this course! You will profit from the modules on fundraising with individuals and companies especially. Also, the module Strong relations with your donors will help you to diversify your income stream.

2x no: Congratulations, you are doing well Your organisation has a good basis for growing its income and diversifying its risks. You will further profit from this course by learning on effective fundraising with individuals, companies and communicating well with your donors. Also, the module Strong relations with your donors will help you to maintain your funding. Finally, the module Effective documentation helps you to report back to your local donors.

Step 3: Future sources of income

Based on your current income pattern how would your ideal income pattern look like in the future?

It is important to develop a fundraising strategy that leads to an optimal mix of local community, national and international sources. The following table can help you define your own ideas about the ideal situation. Make sure that your fundraising strategies are realistic. It does not make sense to target international donors, for instance, if your organisation does not have sufficient track record or scale yet.

Fill in the ideal amounts of the different sources of income for your organisation for the future. (The first column is the same as the one you filled in under step 1!)

NOTE: When following this course online, the numbers will add up automatically, please in this case do it manually.

Name of organisation	<input type="text"/>			
Currency	<input type="text"/>			
	Money value	%	Future Sources of Income	
			Money value	%
Local Community Sources				
Individuals	<input type="text"/>		<input type="text"/>	
Local companies	<input type="text"/>		<input type="text"/>	
Other	<input type="text"/>		<input type="text"/>	
Sub Total		<input type="text"/>		<input type="text"/>
National Sources				
Government sources	<input type="text"/>		<input type="text"/>	
Individuals	<input type="text"/>		<input type="text"/>	
National and multinational companies	<input type="text"/>		<input type="text"/>	

Foundations and NGO's	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sub Total	<input type="text"/>	<input type="text"/>	<input type="text"/>
International Sources			
Government (f.e. European Union)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Foundations and NGO's	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sub Total	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	100%	100%	

Step 4: Summary

Here is a summary of your current sources of income and your future ideal.

NOTE: When following this course online, the numbers will be filled in automatically, please in this case enter the sub totals for step 3 manually.

	2008-2018	Future Ideal
Local Community and National Sources	<input type="text"/>	<input type="text"/>
International Sources	<input type="text"/>	<input type="text"/>

You could also print one or more copies with an empty column 'Your future ideal', ask colleagues to define their ideal and discuss the result with them. This can help you reflect what is needed.

In order to meet your future ideal income pattern, you have to develop different fundraising strategies that help you achieve this.

In module 2-6 of this course you will learn the basics of effective fundraising that help you to get started. Unfortunately, those are not available in pdf. You need to create a (free) account and follow them online.

Correct text of the exercise on page 7:

More or less ... ?

Having diverse resources makes your organisation dependent of other parties.

Generating income from local and regional sources makes you dependent on foreign funders and in control of your own resources.

To summarise: you'll be able to steer your own agenda if you have local, regional and national sources of income.

Ready to learn more? These are the other modules we offer!

- Module 2: Effective fundraising with individuals
- Module 3: Effective fundraising with companies
- Module 4: Fundraising plan for a project
- Module 5: Action plan for a local fundraising event
- Module 6: Effective fundraising communications
- Module 7: Strong relations with your donors
- Module 8: Develop and improve your website
- Module 9: Effective documentation

You will find them on www.changethegame.org, registering required!

Module 1: Basics of local fundraising

Congratulations, you have reached the end of this module!



My learnings: