Module 6:
Board Handbook for Fundraising

Version 1 – May 8, 2002

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FUNDRAISING

I Introduction

Why is Fundraising Vital to VON?

Fundraising is one of the most important activities for a non-profit organization to undertake. In regards to the VON, fundraising is central to the advancement of the charitable role of our organization – our very essence, our roots. Although fundraising is not a new role to VON, our ability to better share and strengthen our knowledge in this area will serve us well. As for our cause, VON's responsiveness to community needs is our raison d'etre. Our ability to bring care to those in need as well as bring relief to those caring for others, is our mandate.

Purpose of Handbook

The purpose of this handbook is:

- To help branch boards understand their role in relation to fundraising;
- To provide branch boards with a process for developing their fundraising plan;
- To provide branch boards with helpful suggestions to assist them in their fundraising efforts;
- To outline various factors for branch boards to consider as they engage the services of fundraising volunteers.

Fundraising requires commitment from people. The first place to look for this commitment is within the board. After all, the board is the vital link between a non-profit organization and the public. Board membership in itself represents a significant level of commitment. The fundraising process demands a deepening of this commitment. Once in place, the organization has a powerful asset for reaching out into the larger community for gift support.

Some of our boards may already have experience in conducting fundraising whereas for others, this will be a new skill to learn. When the subject of fundraising is raised among a group, there are some common misconceptions that surface. It is important for our boards to have these misconceptions clarified.

One of the most common misconceptions about fundraising is that asking for money is essentially begging. This is not the case. **Fundraising is not begging** and this fact needs to be communicated to boards. No organization is able to function without money. Raising funds is one of the most natural activities a board member can engage in to demonstrate his or her own enthusiasm about the organization and its programs. Giving money to a cause is equally natural. The **first rule of fundraising is to ask**; few people make a contribution without being asked for it[1].

The role for the entire board in relation to fundraising is defined within the Local Board Terms of Reference and is as follows: Establish strategies to meet the financial resources required to maintain current branch programs and support new, charitable programs to respond to unmet needs in the community. The roles and responsibilities of the Fundraising Committee are provided within the Terms of Reference (see Appendix A). For reference purposes, definitions that clearly delineate the differences between VON's charitable, not-for-profit, and for-profit programs and services are provided in Appendix B.

Note: For those VON branches who employ a full-time fundraiser, the responsibility of this individual shall be to support the branch boards in their fundraising endeavors under the direction of the Branch (Executive) Director.

III   What to Consider When Planning to Fundraise

Fundraising does not simply involve going out and asking people for money. There is a tremendous amount of planning that needs to take place. Fundraisers must know what they are raising funds for, how much money needs to be raised, how they are going to go about raising it, who they will approach for donations, etc. All of these factors are taken into consideration and planned for during the development of the **fundraising plan**. It is said that for every hour devoted to planning, four hours of conducting or setting up for the activity is saved. The key point to remember is that adequate planning will be the greatest determinant of how successful you will be in fundraising.

Understanding Terminology

Fundraising Plan – Before you undertake any fundraising efforts, you need to create a well-thought-out fundraising plan. This written document highlights all the activities intended to generate revenue for your charitable programs and services in the next 12 months[2]. A sample table of contents to guide the Fundraising Committee in writing the fundraising plan is located in Appendix D.

Although the Fundraising Committee has the responsibility to develop a fundraising plan, their work does not take place in isolation of the branch board and other board committees. Any fundraising undertaken by the Fundraising Committee must be in accordance with the strategic plan developed by the Strategic Planning Committee (i.e., if one of the goals is to develop a hospice, the Fundraising Committee needs to know how much funds are required and are able to communicate this to potential donors). Also, when advertising the event, the Fundraising Committee can tap into the resources of the Community Relations and Advocacy Committee. Finally, if it is recognized that the Fundraising Committee needs members who possess a different skill set or needs educational training, this can be communicated to the Board Development Committee to be taken into consideration as they plan board development activities. These examples are provided to illustrate the level of collaboration that needs to take place between the board committees to ensure that they are all working towards the same mandate.

Stage One – What are the goals of your Branch Board?
Prior to engaging in any type of planning, the board as a whole must have set strategic goals and developed strategies to meet these goals. Otherwise, the everyday task of fundraising will have no direction. Indeed, the board's strategic goals and goals for fundraising must be set at the same time; each affects the other. In other words, the fundraising plan is dependent on what the board plans to do. The board as a whole should carefully answer the two questions[3] below:

1. What charitable programs and services do we currently provide?
2. What charitable programs and services do we plan to provide in the future?

The first task of the Fundraising Committee, then, is to review the **strategic plan**, goals and strategies of the board. These must be taken into account as the Fundraising Committee begins to develop a fundraising plan.

Stage Two – Research

To help you create an effective fundraising plan, you first need to conduct research to look inside and outside your organization. Research gives you the perspective and insights you need to forge ahead in creating a custom-tailored fundraising plan. In conducting this research, the Fundraising Committee should consult with staff, volunteers, and the board as a whole. Use the following questions[4] to help you jump-start your research.

- How much money is needed to fund specific charitable programs and services?
- What local fundraising trends can you spot in your community? What's working and not working with other local non-profits? What types of events are best practice organizations using (e.g., IWK)?
- What is your fundraising history? Describe the types of events/activities, duration, amounts raised and from where, resources used, time of year conducted, etc.
- What are your non-profit's fundraising strengths and weaknesses? Look critically at all the assets your organization has (e.g., each board member, each staff person, talented volunteers, existing donors, partners) and determine how those can help you raise funds.
- How can you make the most of technology in your fundraising program (i.e., computers, Internet, fax, telephone, etc.)?
- Who are your potential donors and what are their interests?
- What return can you expect on the dollars and time you invest?
- What are other VON branch boards doing and where are they succeeding in fundraising?
- What currently limits your fundraising efforts?

Stage Three – Develop the Fundraising Plan and Budget

Once the Fundraising Committee has a clear picture of where the board as a whole stands in terms of resources, needs, constraints, and capabilities, you can now begin to create your fundraising plan and budget. At a minimum, your fundraising plan should include the following components:

- **Goals** – Why do you want to raise the money? What do you want the funds to accomplish in your non-profit (i.e., what charitable programs and services do you want to support)? You must identify the need(s) your fundraising plan hopes to satisfy. People will want to know what it is they are being asked to support (See Appendix E for an exercise to help you clearly communicate your goal). As previously noted, the fundraising goals must be tied to the goals and strategies identified in your board's strategic plan. If not, you'll waste time and resources – and damage your non-profit's credibility. To pave the way for fundraising success, you must keep your fundraising goals consistent with the goals and strategies identified in your board's strategic plan.

- **Objectives** – What type of funding will you seek? What amounts? From whom will you solicit these funds? What type of event/activity will you conduct? How many fundraising events/activities will you conduct in the next 12 months? Some questions that will need to be thought about include:
    - How can you make the most out of your fundraising efforts? Do you want to invest your efforts into only a few fundraising activities with anticipated large returns? **OR** Do you want to invest your efforts into many fundraising activities, each with only a small expected return?
    - What investment (human or financial) is required for each activity? What is the expected benefit for each activity (financial, image, etc.)? How do these compare (ratio of costs to anticipated revenues)?
    - Should you keep on doing the same activities that you've been doing over the past X number of years? Although past experience and materials in organizing a particular fundraising event is helpful, the amount of funds that are raised will eventually decrease, as people grow tired of the same event.
    - Should we explore the possibility of working on a fundraiser with other VON boards (e.g., provincial/regional walk-a-thon)? Should we explore the possibility of working on a fundraiser with other groups and split the proceeds?

  You must make your fundraising objectives as specific and measurable as possible. This will make the evaluation stage easier (For a list of some of the potential sources of funding for boards to consider, refer to Appendix F. Some of these events/activities have proven to be more successful than others and a listing may be found in Appendix G). At this point in time, it may also be beneficial to select an individual to take charge of each fundraising event. Such an individual may come from within the board membership or may be a volunteer recruited by the board for this task.

- **Strategies –** Specifically, how will you accomplish your fundraising objectives? What resources do you need to accomplish these objectives (i.e., funds, manpower, supplies, space, transportation, etc.)? Who will be responsible for each strategy? This "meaty" section of your fundraising plan includes all the nitty-gritty details that specifically explain what needs to be done and who will do it.

- **Timeline –** How long will each fundraising event/activity last? When will you conduct each element of your various fundraising events/activities? How long will it take to complete each strategy? Include deadlines for all the key elements of each fundraising objective and strategy. Regular monitoring of your deadlines will give you a quick update to see if you're on schedule.

While it is the responsibility of the Fundraising Committee to formalize this fundraising plan, throughout the development process there must be a constant sharing of information and feedback between the committee and the board as a whole.

VON Context

The following fictitious example is provided to illustrate how the goals, objectives, strategies, and timelines of the fundraising plan fit together.

A branch, through the strategic planning process, identifies a strategic goal as being to improve end-of-life care for those who are facing death by establishing a hospice. They have determined that they require $50,000 for start-up costs and $25,000 per year to keep the hospice running. The **fundraising goal** would be to raise the funds necessary to establish and maintain the hospice ($75, 000 needed for the first year). The **fundraising objectives** would be the events/activities that the board will undertake to raise these funds. For example, the Fundraising Committee has chosen to raise the $75,000 through holding a walk-a-thon, conducting a direct mail campaign, selling cookbooks and calendars, and submitting grants to the United Way, municipal government, and a local foundation. For each of these events/activities, the Fundraising Committee has set a goal for the amount of money to be raised by each. A board member or volunteer would be asked to be and identified as being the person in charge of each event. Next, the Fundraising Committee would develop **fundraising strategies** for each of the objectives. That is, who or what is needed and who is responsible for meeting each strategy. Here is where the recruitment of volunteers and "champions" will come into play. Volunteers have an important role to play in implementing any of the fundraising events/activities (see following section for a discussion on fundraising volunteers). Finally, the Fundraising Committee then decides the **fundraising timelines** related to each event/activity. That is, when will it take place, how long will it take to plan, when should preparatory tasks be completed by, etc. Throughout this entire process, there would be a constant sharing of information and feedback between the Fundraising Committee and the board as a whole.

Within the budget, the Fundraising Committee must identify the projected revenues for each of the planned fundraising events/activities and the expenses incurred for these events/activities as well as the expenses for the planned charitable programs and services. A template for a budget is provided on the following page.

Expenses – Charitable Programs and Services	Projected (Past Year)	Actual	Projected (Upcoming Year)
Wheels to Meals/Luncheons Club			
Volunteer Visiting			
Palliative Visiting			
Adult Day Program			
Volunteer Transportation			
Seniors Check-In			
Seniors Help Line			
Total Budget			

Fundraising Event/Activity	Expenses	Estimated Gross Revenue	Net Profit
Three Newsletters			
Golf Tournament			
Planned Giving/ Bequests			
Special Events			
Donor Wall			
In Memoriam Program			
Foundations/ Grants			
General Donations			
Other			
TOTAL	$	$	$

Stage Four – Implementation
Now that you've outlined the who-what-when-where-why of your fundraising plan, it is time to put it to the test.

The Fundraising Committee must mobilize the fundraising team (i.e., fundraising volunteers) and arm them with the training, resources and support they need to implement the plan. Make sure your team is well prepared before they embark on any fundraising effort.

Conducting the plan involves implementing strategies, delegating tasks, allocating resources, motivating fundraising team members and following-up as needed. It is important for the Fundraising Committee to periodically check the progress of the fundraising plan and the progress of each event/activity to ensure your efforts are on target. Situations might change, dictating that your fundraising plan might need to change, too. Remember, your fundraising plan serves as a guideline, but its contents are not etched in stone. Keep your plan flexible to adapt to change. It would be important to identify in the timelines as to when and how often this "check-in" would take place.

Stage Five – Evaluation

The final aspect of the fundraising plan will incorporate evaluation as the end stage. You need both periodic and year-end evaluations. How did you do this year? What worked? What didn't? What would you do again next year? What would you change, add or delete from next year's plan? What strengths did you capitalize on? What weaknesses would you improve upon?

Within the fundraising plan, provide a detailed explanation of when and how you plan to monitor and evaluate your fundraising efforts (See Appendix H for sample evaluation activities). Check to see if you have achieved your objectives. As stated earlier, the more specific you make your objectives, the easier it will be to evaluate them.

It is also important to look at achievements that might not be considered successes. For example, if a goal was to raise $100,000 and only $80,000 is raised, it is not considered a *success*. However, if only $64,000 was raised during the previous year, the *achievement* is a 25% increase in funds raised over the previous year.

[Note: This section was adapted from Nuts & Bolts. (2000). *How to develop an effective fundraising plan.)*

The preceding paragraph highlights an important issue that may need to be addressed by our branch boards. What happens if a grant that the branch board had counted on receiving falls through? What happens if the anticipated revenue from a fundraising event is not met? These types of situations would require the Fundraising Committee to reexamine the fundraising plan. They would need to determine if there could be additional events planned and estimate how much of the shortfall these additional events could cover. However, it may be the case that the Fundraising Committee is unable to plan sufficient events to cover the entire shortfall. In such scenarios, it will be the responsibility of the board as a whole to decide how to respond to the shortfall (e.g., decrease in the delivery of charitable programs or services).

It is important to note that, as the fundraising plan is put to action, the Fundraising Committee must ensure that a record is kept of all of the details involved in organizing a particular event (e.g., contact information for whom to approach, when to approach them, what volunteers are involved in the event, etc.). It may be helpful to ask the individual in charge of the event to keep this record. If the event is to take place on an annual basis, this record becomes vital. It will help future organizers of the event in their planning efforts.

IV   Fundraising Volunteers

The Fundraising Committee is responsible for developing the fundraising plan. The Fundraising Committee must also recruit fundraising volunteers who will then be charged with the responsibility of implementing the fundraising plan. That is, these fundraising volunteers will be tasked with the responsibility to organize the event/activity, develop the necessary materials, contact potential participants, and canvas for sponsorship and donations.

Recruitment
Where does one recruit fundraising volunteers? First of all, the Fundraising Committee can look within their immediate circle of friends and family members to see if there is anyone who would be interested in volunteering for one or more of the fundraising events/activities. Although it is stipulated within the mandate of the Fundraising Committee that it will seek out the necessary human resources to support specific fundraising initiatives, in reality, the responsibility for recruiting fundraising volunteers lies with the entire branch board. Every board member should be able to name three individuals whom they believe would be a good candidate for being a VON fundraising volunteer. Outside of this immediate circle, the Fundraising Committee can then focus on recruiting volunteers from other community organizations, welcome wagons, schools, or places where people gather (e.g., church meetings). Some comprehensive lists to help the Fundraising Committee in their search for fundraising volunteers are located in Appendix I.

Prior to recruiting any fundraising volunteers, the Fundraising Committee must first understand what it is they want these volunteers to do. The Fundraising Committee must clearly understand the purpose, responsibility, qualifications, reporting relationships, and time commitments for each fundraising volunteer position. This will help to Fundraising Committee to tailor their recruitment effort and ensure that they get the right person to fill the position.

Orientation, Education and Training
A Fundraising Committee is not always going to find the perfect, experienced, highly qualified volunteer. However, with a little education and training, all volunteers have the potential to be great. Therefore, once the Fundraising Committee has recruited fundraising volunteers, time must be spent orienting them to the VON and educating and training them for the particular role that they will play in a fundraising event/activity. It may be helpful for the Fundraising Committee to tap into the expertise and resources of the Board Development Committee in orienting, educating, and training the fundraising volunteers.

Recognition
Providing recognition to fundraising volunteers is an important activity for the Fundraising Committee to undertake. Every fundraising event/activity must include a recognition component for the fundraising volunteers. This will help to demonstrate that

the Fundraising Committee, the board and the organization as a whole value the commitment and service of these volunteers. As well, this recognition may have a positive effect, as the fundraising volunteers feel valued, positively promote the image of the VON, and perhaps, agree to volunteer for a future fundraising event/activity.

Some suggested forms of recognition for fundraising volunteers that the Fundraising Committee may want to consider are as follows:

- **Post Fundraising Event/Activity Celebration –** Host a celebration after a fundraising event/activity to honour the hard work and determination of fundraising volunteers for organizing and conducting the event/activity.

- **Certificates** – Certificates may be awarded to fundraising volunteers for their participation in events or activities.

- **Personal Expression of Thanks** – Provide fundraising volunteers with a short note, phone call or email to express sincere thanks for the volunteer's participation and commitment.

- ***People give to People***
  "People give to People!" is a well used phrase in fundraising. Statistics indicate that 75 cents of every Canadian dollar donated in a year was given by individuals. People like to help others; they may have a personal involvement or commitment to the group and cause; they seek recognition; they enjoy the event; ego gratification; the need to belong to an organization by either donating their time or money; community pride; religious point of view; compassion; community pressure; guilt; or they may give just because they were asked to give! If you don't understand why people give, then you can't design an event for them[5].

- ***Focus First on Past Donors***
  Be sure to personalize your approach to potential donors and approach supporters of previous campaigns first. It is best to spend more time nurturing the "old money before seeking out the new"[6].

- ***Diversity is Good***
  All good fundraising plans have one thing in common: they show a diverse number of sources for their income[7].

- ***Steer Clear of the Pull of Negativity***
  Negativity is rampant in small non-profits, and it is the single largest factor in keeping an organization from raising the money it needs. This bears repeating. *Thinking it can't be done is the single largest reason that you will not raise money*[8].

- ***What About Planned Giving?***
  The term "planned giving" connotes the act of charitable giving in a thought out, "planned" manner which presumably considers the particular attributes and desires of the donor[9]. It provides the donor with the ability to support a charity through a number of options including wills, charitable trusts, charitable gift annuities, pooled income funds, and gifts of life insurance. As with any potential fundraising activity, the branch board will need to analyze the costs and benefits with a planned giving campaign prior to undertaking this activity.

- ***Don't Forget About Grants***
  Government, organization, and foundation grants can provide VON boards with funding for some of their charitable services and programs. As these grants are not usually an ongoing source of support, grant seeking should be only one part of the fundraising plan. The Fundraising Committee should collaborate with the Branch (Executive) Director to identify potential funding grants and develop the actual proposal. A template for the Fundraising Committee to use as a reference when developing grant proposals in located in Appendix J. For additional information on developing a grant proposal, see VON Canada Program Development Manual (1994), Chapter IV.

VI   Conclusion

Fundraising is an ongoing activity for a non-profit organization to undertake. Fundraised dollars help to ensure the continuance of the VON's charitable role, bringing care to those in need – the very reason for our existence. Due to their strong commitment to the organization as well as the charitable programs and services we provide, our VON branch boards have a vital role to play in fundraising. Fundraising requires a great deal of planning and attention to detail. Each year, the Fundraising Committee will develop a fundraising plan, identifying the amount of funds that are needed, what these funds will support, how such funds will be raised, who will be targeting for donations, etc. With careful planning and attention to detail, our VON boards will stand a much greater chance of success in their fundraising efforts and ensuring the charitable role of the organization.

APPENDICES

FUNDRAISING COMMITTEE

The Fundraising Committee requires commitment and enthusiasm from its members in order to assure the financial and human resources to achieve the vision and mission of VON. This role is critical in supporting the charitable programs and in advancing the presence of VON. Fundraising would include strategies to expand the base of financial resources available and to monitor/report on these resources.

Terms of Reference

Membership:

The committee will comprise the chair, who is a member of the board, and a minimum of three other members, one of whom is a member of the board.

Ex-officio: Branch Board Chair and Branch (Executive) Director or designate.

Mandate:

The committee shall have the responsibility to:

1. Establish a fundraising plan that incorporates a series of events or activities.
2. Acquire adequate financial resources to assure the delivery of the selected charitable programs as determined by the Branch Board.
3. Work with fundraising staff (if applicable) in their efforts to raise money.
4. Ensure that the necessary human resources are in place to support specific fundraising initiatives.
5. Monitor fundraising efforts to be sure that ethical practices are in place (see Appendix C), that donors are acknowledged appropriately, and that fundraising efforts are cost-effective.

Reporting:

The committee shall report to the board at every board meeting or as needs warrant.

Meetings and Quorum:

The Fundraising Committee shall meet at least quarterly and at the call of the chair. A quorum shall be 51% of those members entitled to vote.

Appendix B

Definitions

Charitable: Those programs that VON makes a conscious decision to support with monetary donations or hours of volunteer services. Some charitable programs may be 100% supported through donations or volunteer services, others may have a portion funded through government grants, or fee for service.

Not-For-Profit: Those programs that are designed/intended to generate sufficient revenue to support the entire cost of delivery.

For-profit: Those programs and services that are designed to generate surplus revenue for the purpose of investing in the expansion of VON's charitable activities.

Appendix C

ETHICAL FUNDRAISING AND
FINANCIAL ACCOUNTABILITY CODE

Adopted by the VON Canada Board of Directors, March 27, 1999

"VON Canada hereby adopts the Canadian Centre for Philanthropy's Ethical Fundraising and Financial Accountability Code as its policy. In so doing, members of the VON Canada Board of Directors commit to being responsible custodians of donated funds, to exercise due care concerning the governance of fundraising and financial reporting, and to ensure to the best of their ability that the organization adheres to the provisions of the Code. It is hereby confirmed that each member of the board has received a copy of the Ethical Fundraising & Financial Accountability Code and that a copy will also be provided to each person who is subsequently elected to the board."

A. Donors' Rights

1. All donors (individuals, corporations, and foundations) are entitled to receive an official receipt for income tax purposes for the amount of the donation. Donors of non-monetary eligible gifts (or gifts-in-kind) are entitled to receive an official receipt that reflects the fair market value of the gift. (Note: "Eligible gifts" are defined in Revenue Canada Interpretation Bulletin IT-110R2 or its successor. Some common gifts, such as donations of volunteer time, services, food, inventory from a business, etc. are not eligible to receive official tax receipts.) The charity's governing board may establish a minimum amount for the automatic issuance of receipts, in which case smaller donations will be receipted only upon request.

2. All fundraising solicitations by or on behalf of the charity will disclose the charity's name and the purpose for which funds are requested. Printed solicitations (however transmitted) will also include its address or other contact information.

3. Donors and prospective donors are entitled to the following, promptly upon request:

    *   The charity's most recent annual report and financial statements as approved by the governing board;

    *   The charity's registration number (BN) as assigned by Revenue Canada;

    *   Any information contained in the public portion of the charity's most recent Charity Information Return (form T3010) as submitted to Revenue Canada;

    *   A list of the names of the members of the charity's governing board; and

    *   A copy of this Ethical Fundraising & Financial Accountability Code.

4. Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of the charity is a volunteer, an employee, or a hired solicitor.

5. Donors will be encouraged to seek independent advice if the charity has any reason to believe that a proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.

6. Donors' requests to remain anonymous will be respected.

7. The privacy of donors will be respected. Any donor records that are maintained by the charity will be kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.

8. If the charity exchanges, rents, or otherwise shares its fundraising list with other organizations, a donor's request to be excluded from the list will be honoured.

9. Donors and prospective donors will be treated with respect. Every effort will be made to honour their requests to:

   - Limit the frequency of solicitations;

   - Not be solicited by telephone or other technology; and

   - Receive printed material concerning the charity.

10. The charity will respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this Ethical Fundraising & Financial Accountability Code. A designated staff member or volunteer will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that he/she may appeal in writing to the charity's governing board or its designate, and will be advised in writing of the disposition of the appeal. A complainant who is still dissatisfied will be informed that he/she may notify the Canadian Centre for Philanthropy in writing.

B. Fundraising Practices

1. Fundraising solicitations on behalf of the charity will:

   - Be truthful;

   - Accurately describe the charity's activities and the intended use of donated funds; and

   - Respect the dignity and privacy of those who benefit from the charity's activities.

2. Volunteers, employees and hired solicitors who solicit or receive funds on behalf of the charity shall:

- Adhere to the provisions of this Ethical Fundraising & Financial Accountability Code;

- Act with fairness, integrity, and in accordance with all applicable laws;

- Adhere to the provisions of applicable professional codes of ethics, standards of practice, etc.;

- Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure;

- Disclose immediately to the charity any actual or apparent conflict of interest; and

- Not accept donations for purposes that are inconsistent with the charity's objects or mission.

2. Paid fundraisers, whether staff or consultants, will be compensated by a salary, retainer or fee, and will not be paid finders' fees, commissions or other payments based on either the number of gifts received or the value of funds raised. Compensation policies for fundraisers, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with the charity's policies and practices that apply to non-fundraising personnel.

3. The charity will not sell its donor list. If applicable, any rental, exchange or other sharing of the charity's donor list will exclude the names of donors who have so requested (as provided in section A8, above). If a list of the charity's donors is exchanged, rented or otherwise shared with another organization, such sharing will be for a specified period of time and a specified purpose.

4. The charity's governing board will be informed at least annually of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Ethical Fundraising & Financial Accountability Code.

C. Financial Accountability

1. The charity's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal regulators.

2. All donations will be used to support the charity's objects, as registered with Revenue Canada.

3. All restricted or designated donations will be used for the purposes for which they are given. If necessary due to program or organizational changes, alternative uses will be discussed where possible with the donor or the donor's legal designate. If no agreement can be reached with the donor or his/her legal designate about alternative uses for a restricted or designated donation, the charity will return the unexpended portion of the donation. If the donor is deceased or legally incompetent and the charity is unable to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent.

4. Annual financial reports will:

   • Be factual and accurate in all material respects;

   • Disclose:

     - The total amount of fundraising revenues (receipted and non-receipted)[1];

     - The total amount of fundraising expenses (including salaries and overhead costs)[2];

     - The total amount of donations that are receipted for income tax purposes (excluding bequests, endowed donations that cannot be expended for at least 10 years, and gifts from other charities)[3];

     - The total amount of expenditures on charitable activities (including gifts to other charities)[4];

   • Identify government grants and contributions separately from other donations; and

   • Be prepared in accordance with generally accepted accounting principles and standards established by the Canadian Institute of Chartered Accountants, in all material respects.

5. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. In any event, the charity will meet or exceed Revenue Canada's requirement for expenditures on charitable activities. (In general, section 149.1 of the Income Tax Act requires all charities to spend at least 80 percent of their receipted donations (excluding bequests, endowed donations that cannot be expended for at least 10 years, and gifts from other charities) on charitable activities; in addition, charitable foundations are required every year to expend 4.5 percent of the value of their assets in support of charitable programs.)

6. The cost-effectiveness of the charity's fundraising program will be reviewed regularly by the governing board.

Footnotes:
[1] *Total of amounts from lines 100, 102 and 113 of T3010 (Revenue Canada's Registered Charity Information Return, 1998)*
[2] *Amount from line 123 of T3010 (1998)*
[3] *Amount from line 906 of T3010 (1998)*
[4] *Total of amounts from lines 120 and 121 of T3010 (1998)*

Appendix D

Sample Format for a Fundraising Plan

A fundraising plan is simply a document that summarizes, in about **ten** pages of written text, all the events and activities that your Fundraising Committee intends to undertake to generate revenue for your charitable programs and services in the **next 12 months**. Its "audience" is anyone who wants to know the organization's most important ideas, issues, and priorities: Board members, staff, volunteers, clients, funders, peers at other organizations, the press, and the public. It is a document that should offer edification and guidance – so, the more concise and ordered the document, the greater the likelihood that it will be useful, that it will be used, and that it will be helpful in guiding the board's fundraising events/activities.

Below is an example of a format for fundraising plans, as well as brief descriptions of each component listed, which might help writers as they begin trying to organize their thoughts and their material. This is just an example, however, not the one and only way to go about this task. The point of the document is to allow the best possible explanation of the fundraising plan for the next year, and the format should serve the message.

Table of Contents

The final document should include a table of contents. These are the sections that may be included in the fundraising plan:

I.   **Executive Summary**
  In one to two pages, this section should:
  a. Be written in simple, easy to understand language;
  b. Describe who VON is and what we do;
  c. Tell what is unique about your branch and what you do in your community;
  d. Incorporate a brief overview of your fundraising plan and emphasize the key points; and
  e. Highlight environmental, internal, and external situations.

II. **Branch Board Goals**
  Here, the responses to the following two questions should be provided:
  1. What charitable programs and services does the branch currently provide?
  2. What charitable programs and services does the branch plan to provide in the future?

III. **Situational Assessment**
  In two to three pages, the reader should "get the scoop" on what is going on inside and outside the organization in relation to fundraising. It would include the following:
  • Summarize past years'/historical efforts, highlighting the challenges and achievements;
  • Summarize other branch's activities;
  • Summarize fundraising trends in your community;
  • Summarize potential donors characteristics and interests;

- Summarize last year's fundraising budget highlights; and
- Evaluate last year's results against original plans/goals.

IV. **Fundraising Goals, Objectives, Strategies, and Timelines**
In many ways, this section is the heart of the fundraising plan. It includes all the details as what the Fundraising Committee intends to do, their "plan of action", in relation to fundraising over the next 12 months. This provides detail on the who-what-where-when-why of the fundraising plan. This section will serve as a useful guide for the board and fundraising volunteers and will also serve as a reference for evaluation. For clarity of presentation, it makes sense to group the strategies and timelines by event/activity.

V. **Evaluation Plan**
In this section, outline how the Fundraising Committee plans to incorporate evaluate of the fundraising plan, events/activities over the coming year.

Appendix E

How to Clearly and Concisely State your Fundraising Goal

Prepare an "Elevator Speech"

Try this exercise to help you concisely state your case in your fundraising efforts. Imagine yourself in the elevator of a major bank and the president of the local community foundation appears. She notices your briefcase bulging with literature and says, "You're obviously on your way to a major presentation. What does Save The Earth do?" During the next 90 seconds you have a great opportunity to state your case. To create your own elevator speech, answer the following four questions. Where has your organization been? Where is it today? Where is it headed in the future? What will it cost to get there? Write this out, practice it and read it aloud until you've got it down to 90 seconds.

Source: Nuts & Bolts. (2000). How to develop an effective fundraising plan. www.nutsbolts.com

Appendix F

Potential Sources of Funding

Special Events Fundraising
Special events (e.g., raffles, bingos, draws, garage sales, auctions, art galas, fashion shoes, dinners, dances, teas, luncheons, etc.) can be organized by the board as one method of raising funds. The event should reflect the objectives of the organization.

Pros	Limitations
- Fun, entertaining - Easy to ask for dollars in a relaxed atmosphere - Dollars available on the spot - Community involvement helps to build cohesiveness - Good public relations	- May not make a lot of money and may even lose dollars - Need a good number of volunteers - People may actually give less than they might have if they were asked to donate directly - Everyone contributing the same - People want full value for their dollars (they forget donation aspect and look at what they get vs. what donating) - Difficult to be unique with this type of approach (everybody's doing it!) - takes creativity to have your event noticed

Individual Donations
Involves soliciting donations through individual contacts (e.g., door-to-door, canvassing, phone, letters). There are 2 approaches to soliciting individuals:

- Target an individual; or
- Mass mailing or canvassing.

Pros	Limitations
- Low cost involved - Fewer people required - Encourages two-way communication of project and organization - Public relations - gives you the chance to tell your story - Can be tax deductible	- Requires more volunteers for the door-to-door or targeted approach - Not everyone likes to solicit and some people don't like to be asked in this manner - Requires time in relation to potential donations - If no one is home - they may not have a second chance to donate - Door-to-door can be expensive and time consuming in rural areas

Business Contributions
This method is similar to soliciting donations except it is targeted to businesses. Many businesses budget each year for donations and sponsorship towards fundraising projects for their own public relations and marketing. Donations from businesses may

be in dollars or products. Examples include having the business' employees donate their change to VON or funds raised through casual day. As well, businesses could donate items to VON that we could then sell. Be prepared with your request!

Pros	Limitations
• Potential for larger donations • Good public relations for the business and for the organization • Tax deductible for business • Potential for repeat donations (secure source of funds)	• Willingness to contribute on business cycle • Difficult to identify person who approves donations • Large businesses require a professional presentation by the organization • May be lag in time between commitment and donation • Budget for donations/sponsorship may only be established at a particular time of year

Foundations

In Canada there are over 600 charitable foundations which administer funds for a variety of projects. Publications listing names and mandates of foundations can be found at your public library. Organizations submit requests for financial support to a foundation whose mandate coincides with the nature of their project.

Pros	Limitations
• May be eligible for a large amount of funding	• May be a long response period • Requires detailed project proposals and organization information • Could be one-time only

Government Grants and Granting Organizations

Many municipal, provincial or federal government departments as well as organizations (e.g., United Way) have funding programs to which the VON may apply for. These grants are targeted to specific projects (i.e., recreational facilities, child care). The organization applying must clearly understand their project before applying.

Pros	Limitations
• Can be a major source of income • Eligibility standards are well documented and established (easy to determine if project is suitable for funding)	• Requires extensive support documentation • Several government programs exist but identification of right one is difficult • Time lag before commitment is given

Source: Fleming, P., & Larmer, N. *Fundraising for your organization.*
www.gov.on.ca/OMAFRA/english/rural/facts/88-011.htm

Appendix G

What are the Most Effective Fundraising Methods?

Most fundraisers agree on a particular hierarchy of effectiveness when it comes to soliciting gifts. It is not a surprise that the more personal the contact is, the more positive the results are. The methods from most effective to least effective are:

- Personal, face-to-face

- Personal letter on personal stationery

- Personal telephone call

- Personalized letter

- Direct mail

- Phonathon (impersonal)

- Special event

- Door-to-door

- Media advertising

Source: www.boardsource.org

Appendix H

How to Evaluate an Event/Activity

When you conduct an event – whether it's a fundraiser or a volunteer recruitment effort – you need to assess its effectiveness.

Evaluating an event enables you to measure results against established event objectives. Plus, it helps you plan future events.

Try these three ideas to gather evaluation data:

- Distribute evaluation surveys to event participants. Ask about the program, the site, the cost, the food, the marketing efforts, etc.
- Hold a post-event feedback session with staff and event volunteers.
- Ask the event's committee chairman to write a brief report highlighting the event's strengths, weaknesses and ideas for improvement.

Source: Nuts & Bolts. (2000). How to develop an effective fundraising plan. www.nutsbolts.com

Appendix I

Suggestions for Recruiting Volunteers

Send your volunteer flyers or a press release to the following places....or better yet, make a personal visit to a key volunteer recruitment contact!

- Corporate newsletters (wish list)
- Schools and colleges
- Retiree programs
- Senior citizen centers
- Corporate outplacement Programs
- Corporate volunteer programs
- Churches, synagogues and other places of worship
- Internship programs
- Career counseling centers
- Civic clubs, fraternal societies, sororities
- Newspapers, radio, cable television
- Governmental organizations
- Volunteer recruitment fairs
- Other nonprofit organizations

Source: www.drcharity.com

Where Do You Find Top Fundraising Volunteers?

Star fundraising volunteers are rare. But almost anybody can be adequate with a little training and support. However, here is a list of people who have special reasons to be exceptionally good. Find top volunteers among people who:

- Have moved to the community recently
- Have received promotion to senior management positions recently
- May run for political office
- Have retired recently or are `at liberty'
- Volunteer as a major life activity
- Have recently graduated

Source: Wyman, K. (1995). Fundraising ideas that work for grassroots groups. Ottawa: Voluntary Action Program of the Department of Canadian Heritage.

Where can you look for good fundraising volunteers?

- Current volunteers
- Friends of staff, board, and current volunteers
- The local Volunteer Centre
- School Life Experience courses

- Community service programs through John Howard, Elizabeth Fry or the Salvation Army (especially for manual labour)
- School job centres
- Personnel offices of big companies or government
- Unemployment Insurance Centres

Source: Wyman, K. (1995). Fundraising ideas that work for grassroots groups. Ottawa: Voluntary Action Program of the Department of Canadian Heritage.

Appendix J

Writing a Grant Proposal

Grants are sums of money awarded to finance an activity, project or facility. Both federal agencies and private foundations award grants, and non-profit organizations may depend upon such grants for a large proportion of their budgets. There is a standard formula for writing a grant, described below, but the most important rule to remember is the following: *Give the grantmakers what they are looking for.*

That is, read the grant guidelines carefully, and follow them scrupulously. Make sure that you complete all sections of the grant, that you adhere to the required format, that you include all necessary attachments and appendages.

Giving the grantmaker what he or she is looking for also means studying the giving guidelines and making sure that your project meets the grantmaker's objectives. Since giving guidelines change regularly, it is wise to actually call the grantmaker's office and speak personally with a staff member; however, make sure that you have done your research and that you already know something about the grantmaker before you make your call. *Cold calls are never appreciated.*

Grants should be well organized, fully explanatory, and no longer than necessary. Typically, a grant proposal will cover the following ten elements:

1. Executive Summary
2. Organizational Overview
3. Statement of Need
4. Project Goals and Objectives
5. Project Methods or Design
6. Project Evaluation
7. Plans for Future Funding
8. Project Budget
9. Conclusion
10. Appendices

1. Executive Summary
The executive summary provides a brief overview of the project. It should draw a clear picture of what you wish to accomplish, how you intend to carry out your work, and why this endeavor is important – all this in usually one type-written page. The executive summary is often the first part of the grant that a reviewer will read, so it is therefore the most important. It must be compelling and tightly written. Many writers find that it is actually easier to write the executive summary after they have completed all other parts of their proposal.

2. Organizational Overview
Usually a grantmaker will want to know about your organization – its history, the

composition of its board and key staff, who it serves. The data you provide in this section should establish your organization's credentials for administering the project.

3. Statement of Need
With the statement of need, you are describing the problem your organization intends to overcome with the help of the grant funding. The statement of need is the time to reference research and statistics documenting the prevalence of the problem. For example, if you are seeking funding for a homeless shelter, you should document the incidence of homeless in your community. With the statement of need, you are justifying your project's existence.

4. Project Goals and Objectives
Goals are the overarching, visionary aims of your project. For example, your goal may be to improve health care delivery to individuals with clinical depression or to raise awareness of eating disorders among teens.

Objectives are the measurable steps you will take towards meeting those goals. Using the examples above, your objectives could be to train 100 general practitioners to screen for clinical depression or to offer ten training sessions on eating disorders to the teenage community.

With your goals, you inspire the proposal readers. With your objectives, you convince them that your project is doable.

5. Project Methods or Design
The project method explains how the project goals and objectives will be reached. Often, the simplest and clearest way to present the project method is in the form of a time line: All of the various tasks involved in completing the project are outlined chronologically. When readers look at the project design, they want to see that you have carefully thought out all the necessary steps to accomplishing your objectives.

6. Project Evaluation
Funders want to know that their money has been put to good use. In your grant proposal, you must be able to demonstrate that you can evaluate your project. Project evaluation (or measurable outcomes) should be based upon your project objectives: clearly and concisely, in one or two pages, you should write out what you intend to accomplish and how you will know when you have reached this goal.

7. Future Funding
Funders do not like to give money to a project and then see it fail due to lack of funding. If you intend for your project to continue beyond the grant period, you must explain to your funders how this will be possible. Whether you are relying upon funding from other sources, or whether you intend to plan request future funding from the same grantmaker, make this clear in your proposal.

8. Project Budget

All project expenses should be explained in detail in the project budget: salaries and benefits, travel, equipment, supplies, contract costs, etc. Also, ensure to state 'in-kind' contributions. Make sure that your budget completely and accurately reflects the activities you have outlined in your proposal.

9. Conclusion

The conclusion should be short and inspirational. It is your final opportunity to convince the reader that your project will meet a compelling need in the community.

10. Appendices

Any supplemental materials such as organizational pamphlets, letters of support and resumes of staff and board members should be included in appendices.

Source: National Consumer Supporter Technical Assistance Center. *Fundraising basics.* www.ncstac.org/content/resource.htm

Appendix K

Endnotes

[1] www.boardsource.org

[2] Nuts & Bolts. (2000). How to develop an effective fundraising plan. www.nutsbolts.com

[3] National Consumer Supporter Technical Assistance Center. *Fundraising basics.* www.ncstac.org/content/resource.htm

[4] Nuts & Bolts. (2000). How to develop an effective fundraising plan. www.nutsbolts.com

[5] Fleming, P., & Larmer, N. *Fundraising for your organization.* www.gov.on.ca/OMAFRA/english/rural/facts/88-011.htm

[6] Ibid.

[7] www.boardsource.org

[8] Gottlieb, H. (1999). Fundraising for small nonprofits: It's right there in the palm of your hand. www.help4nonprofits.com/NP%20Fnd%20Fundraising%20Article.htm

[9] Charity Village. www.charityvillage.com