

# Starting a Fundraising Program Without Any Funds

## Help With Your Problems



**Q:** As a recently formed nonprofit organization, and a new member of your organization, I have one primary question on which I ask your help. How does one set up an initial fundraising program?

We live from event to event. But, for lack of funds, we are not able to get out of that rut. How do I find resources which can assist me in this quandary? Any brief comments on establishing a fundraising program with no real funds would be greatly appreciated.

*James Kanagy  
Director of New Developments  
U.S. Corporate Athletics Association  
Camarillo, California*

**A:** First, it is important to recognize the difficulties and hard work involved in creating a stable fiscal base for any fledgling nonprofit organization. If the organization is starting out without a funding base or significant seed money to cover operating costs for a substantial period, there will be little or no money to pay for the professional and support staff needed to raise money.

Fortunately, however, with a good deal of commitment and a clear understanding of the nonprofit sector and the funding community, it is possible to overcome these problems—and many nonprofits have done so. While specific methodologies will vary from organization to organization, some ideas

have proved especially useful and are worth exploring.

For example, there are two immediate possibilities which could yield the beginning of a funding base for you. First, you might consider offering both individual and corporate memberships. A membership drive is advantageous in that it not only provides immediate and unrestricted funds, but it also serves as a predictable and ongoing funding base. Simultaneously, you could solicit your own board members for seed money as well as having them solicit their associates for grants for general operating funds.

Other ideas which can produce start-up funds for grassroots organizations are house parties which publicize the mission of the organization and act as fundraisers; dinner parties with a pre-set charge for attendance; theater parties; auctions; and raffles. In order to stage these events successfully, it is crucial that board members and volunteers become involved, sharing their time, skills, and circle of friends.

You might also consider putting together an event such as a road race or tennis match sponsored by a few corporations. If it is possible to have one or more individuals with name recognition participate in the event, sponsorship is even more likely to be forthcoming. In addition to major corporate sponsorship of the event itself, such an event could be used to elicit individual sponsorship of participants by members of the community and/or local businesses. Since a primary goal is to raise funds for your operating costs, the budgets you prepare and present for the event should reflect not only the cost of the event itself but also a portion of your organization's annual operating expenses.

An essential part of this operating budget should include the cost of present and future fundraising efforts. Although it is difficult for a nonprofit struggling with solvency to set aside money for items not related directly to either program or maintenance, those organizations having the foresight to invest in planning are most likely to experience successful growth in the future.

For example, one such organization—a small art school—opened with minimal funding derived from an initial fundraising event and a small grant from a foundation. Its income from tuition covered only the most basic costs, such as rent, teachers' salaries, and some supplies. However, the school did manage to generate some additional monies from a series of special events, an auction, and individual contributors. Using part of these funds to pay for the services of a development professional, it went on to obtain corporate and foundation grants, develop an ongoing membership, and locate several major donors.

As this example emphasizes, one of your earliest aims should be to gain the assistance of a development professional, either by hiring an in-house director of development or by using a development consultant or consulting firm. The advantage of employing a staff person is that the individual is on call throughout the work week and can frequently provide dedicated organizational support in areas other than fundraising. On the other hand, hiring a consultant can be more cost-effective for a new organization. At a price competitive with the salary and fringe benefits of an entry-level professional, you can obtain a

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highly experienced consultant. A special advantage for a new organization is that it isn't adding to its permanent staff before its direction and growth have been fully determined.

Your first efforts, when you are ready to begin building your fund, must include preparing a strong case statement, putting together an effective board of directors, and formulating a feasible fundraising plan. These steps require the input of a generalist with an overall understanding of the nonprofit and funding communities. This person will be able to survey your present board, identify the skills lacking, provide the orientation needed to expand the board, and assist in training trustees to be responsive to your organization's specific needs.

In addition, such a professional will be able to do the research needed to identify appropriate corporate and foundation funding sources, conceptualize approaches to the public and private sectors, prepare proposals, and implement the necessary follow-up. Further, as part of a fundraising plan, the development generalist will assist in positioning your organization to have the broadest possible base of funding sources. This funding may—and should—be derived from a mix of gifts, public and private grants, special events, membership, and income-generating

activities. A careful assessment of your organization's particular strengths by a knowledgeable professional will help you develop realistic expectations in each of these areas.

It is after you have determined your organization's directions that the skills of development specialists can be especially useful. Your staff or consultant may have identified several areas to be developed profitably, and a specialist may then be the best choice to direct and handle the implementation. Again, you can either hire an in-house specialist or a consultant with experience in the areas you have selected (developing major donor gifts, membership, foundation/corporation fundraising, special events, etc.)

In sum, establishing a fundraising program with no initial funding is a complex, two-pronged task. First, it requires that trustees and volunteers provide initial efforts to secure start-up or seed monies. Second, the organization must make a commitment to ongoing professional fundraising activities and organizational development.

Your organization was initiated by energy and dedication to a worthy cause. Its continuity is ensured by combining this energy and dedication with a high level of professionalism and management skills.

Mary Vitola and Judith Chiti  
CV Associates/Consultants to Nonprofits

20 West 84th Street  
New York, N.Y. 10024

254 Cardinal Road  
Hyde Park, New York 12538

*Editor's Note: The Resource Center Catalog, published by The Society For Nonprofit Organizations, provides descriptions of many resources helpful in setting up an initial development program. They are available at discount prices for members of the Society and may be ordered, prepaid, from the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719.*

*For starters, we recommend the following in particular:*

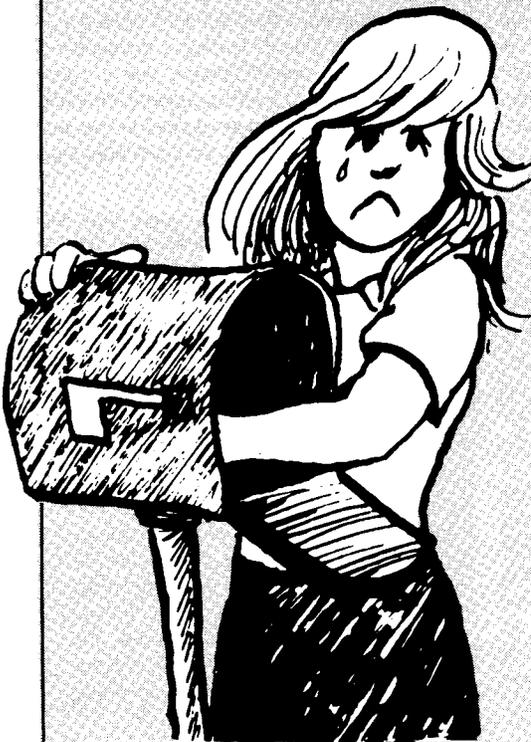
Securing your Organization's Future, \$18.65, plus \$2.50 shipping, for members; \$21.95, plus \$2.50 shipping, for nonmembers.

Development Today, \$30, plus \$3.50 shipping, for members; \$35, plus \$3.50 shipping, for nonmembers.

An Introduction to Fundraising, \$14, plus \$2.25 shipping, for members; \$16.50, plus \$2.25 shipping, for nonmembers.

Fundraising for Nonprofit Groups, \$4.65, plus \$2 shipping, for members; \$5.50, plus \$2 shipping, for nonmembers.

See the Resource Center Catalog if you'd like descriptions of these books and a listing of a variety of other helpful resources. Good luck!



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