

# Fundraising Fundamentals



It is the bane of every Scout Group's life - Fundraising.

Whatever the fundraising is for, we are always on the lookout for successful ways of raising funds.

Fundraising Fundamentals will bring you practical fundraising details based on the experience and knowledge of one successful Group. It focuses on some of the principles behind successful fundraising and also gives you a 'worked example'. It does not claim to be correct in all cases, but it does give you some pointers on issues that need to be considered when undertaking your own fundraising ventures. Remember, the same group of people may react differently at different times, and the attitudes of some of your members, and the public, will have a bearing on the outcome.

## Point of view

First and foremost, let's get one thing straight... there is a limited amount of money that people will contribute to charitable organisations. That being said, we must therefore make the most of our attempts to get our share!

A few effective fundraisers are far better than many smaller, less effective, ones. Mistakes by one organisation, resulting in bad publicity for fundraisers, may also affect the chances of other organisations.

## A brief overview

- Charities - The law relating to fundraising for charities is complex and advice on the relevant law for Scout Groups is available from Legal Department at Gilwell Park.
- Proceeds - If a fundraising event is advertised and the Group is a separately registered charity, then this must be stated in legible characters in all the notices, advertisements and other documents used for fund raising purposes, in all bills of exchange (for example cheques) and all bills rendered by the Group and in all its invoices, receipts and letters of credit.

This requirement applies to a registered charity if its gross income in its last financial year exceeded £5,000. It is a criminal offence not to comply with the requirement to display charitable status. The cause(s) or purpose(s) to which monies will be donated, and the proportion, if more than one charity is to benefit, must be made absolutely clear at the outset and on all advertising materials. It is illegal to raise

funds, claiming all proceeds will go to Cancer Research, and then retain the funds for camping gear for the Scout Group. It is permissible to deduct reasonable expenses from the proceeds.

- Lotteries - Raffles, which are lotteries, have strict rules on their administration.

For our purposes, lotteries fall into one of two categories...

- 1) Private lotteries.
- 2) Societies Lotteries.

A private lottery is one in which the sale of tickets is confined to members of a 'society' and to any other person on the society's premises. Each Group, District and County is a separate society for this purpose. A society's lottery is the type of lottery allowed principally for fund raising where tickets are sold to members of the public generally. Again, Groups, Districts and Counties are all separate societies.

The lottery must be promoted under a scheme approved by the society that must be registered with the Local Authority.

An application for a registration form, a lottery scheme and a copy of the rules governing the conduct of lotteries are available from the registration authority. The price for each ticket must be the same and the maximum price allowed to be charged is £1 per ticket.

## Accountability

The organiser of any fund raiser must be able to account for all money raised, and for all expenses incurred. In the event of any queries into the organisation of a fundraising event, the names of all the fundraisers, and their contributions, must be available.

In the example of the raffle, you must be able to account for all tickets, and show that they were either sold or returned to the promoter. The total income should balance with this figure. Receipts should be retained for all prizes bought. You must maintain a list of all donated prizes, and the names of those who donated them.

## Fiddles

It is the responsibility of the organisers to ensure that their fundraising scheme is not open to fiddles by the fundraisers or the people that are contributing. This is as much to protect the members, as it is to protect the organisation.

### Food Sales

The regulations covering the preparation, supply and sale of food came into force on September 15, 1996. Environmental Health Officers of Local Authorities are able to offer further advice.

### Personnel

You will need to determine the number of people you have available to become involved in your fundraiser. It is permissible to use people other than your own members to help, but it is your responsibility to review their suitability before accepting their offer of help and to make sure that you have adequate insurance cover.

In any organisation there are three different attitudes to fundraising. They can be grouped as follows:

Organisers, Supporters and Plodders.

### Organisers

This is the very small band of people who end up organising most fundraisers, and the people to help. This is only a small percentage of the people. The remainder are fairly evenly split between the other two categories.

### Supporters

These people will take whatever fundraiser you give them, and they put all their efforts into helping make it a success. They often do well and always, as a minimum, what is expected.

When these people have difficulty meeting their target, they often dip into their own pockets to make up the difference. You must take care not to over use these people, as they may resent the constant pressure to raise funds.

### Plodders

These people, I am afraid, may make up a large percentage of your members. These are the ones who either don't give a hoot, or if they do, it is only when it suits them.

It is very difficult to motivate these people, and it is better to discount them from your estimates on the amount of money you hope each member can raise. This way, you will not be let down by them, and you may get a lucky surprise once in a while when they do help. If your organisation has a small percentage of these people, then you are quite fortunate. Make the most of it!

### Beneficiary

We must be realistic when we are setting targets for a fundraiser, and realise that we are not the only ones raising funds. The types of organisations we are competing with fall into the following three main categories.

### Traditional charities

For years, the largest share of the available 'charity money' has gone to the traditional

charities such as Cancer Research, RSPCA and so on.

### Popular charities

In recent years, a new phenomenon has appeared in the charity game. This is known as the popular charities, such as Children In Need, Red Nose Day, Band Aid and so on. Many givers to these events, give to no other charity, and never did. This is not, therefore, lost potential for your fundraising.

### Recreational charities

Recreational charities are the sports and social groups that depend on fundraisers to survive, or to finance the special event. Some people believe that these groups should not be appealing to the public for their cash to help them meet costs.

Why should Mrs. Average pay to send a football team to Canada? Why should Mr. Average pay to send a Scout to France? These are views we must be aware of, and respect. Unfortunately, many of the givers to the recreational charities have moved their contributions to the popular charities.

In combination with the reduced amount of money available for charities, and the increased number of worthy causes, this makes the task of fundraising for recreational organisations an increasingly difficult task.

It may be argued that Scouting is in the traditional category as it is often heard, when receiving donations from the public, 'It's for a good cause, it's for the Scouts'.

### Purpose of fund raising

There are three main reasons why a Group will raise funds...

- Specific cause.
- Group funds.
- On behalf of others.

The 'specific cause' gives the fundraisers an objective and a target. This helps motivate the fundraisers, particularly if the target is visibly attainable, or the progress towards the target can be seen.

The fundraising for 'Group funds' is arguably the single most difficult scenario and certainly the most de-motivating for the members. It is also the scenario least likely to grab the attention of the givers and, hence, the event least likely to succeed.

The fundraising 'on behalf of others' is most difficult to predict. It has many things in its favour, but has some key aspects working against it. The public like to see groups working on behalf of others and often give generously to these causes.

The potential problem lies with the members of your Group. Some people believe that if they or

their child is not getting the benefit from their efforts, then why should they help? Also, if the Group itself is in need of funds, then raising funds for a third party can be de-motivating. The outcome of these fundraisers tends to one of two extremes - an overwhelming success, or an unmitigated disaster! Raising funds for the regional or national bureaucracy of an organisation is particularly difficult.

### The pay back

This should be viewed from the perspective of the giver. You need to ask yourself what are they getting for their money. There is a limit, and that is a low limit, to the number of fundraisers you can use if they depend on pure donations from the givers. It does not matter how you dress this up, if it is a donation, it will have a limited life span.

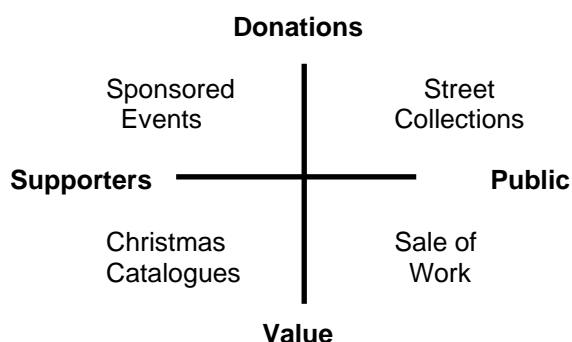
Selling goods or services is a more reliable way of raising funds. You must ensure that the goods or services are actually required, as a contribution towards an unwanted service boils down into a donation in disguise. You must aim for the correct balance of the two.

### Target

You need to identify your target audience for your fundraising event. Is it your members and supporters, or is it the public? Members can only sustain a certain level of contribution, but to target the public, you must have an event that can grab their attention. It is not always possible, or advisable, to depend on the 'good cause' label to get donations from the public.

### The mix

With the 'pay back' and the 'target' in mind, you must get a good mix from the four combinations.



As an exercise, think of all the fundraisers you have done recently, and place them in the matrix. If you get stuck in any one quadrant, there is a limited life expectancy to the success from your fundraising exploits. You may find it very difficult, or even impossible, to move into one of the quadrants. This is not catastrophic in itself, provided you maintain a balance in the other three.

### Publicity

Publicity is often the key to success. Poorly organised publicity is the road to failure. The theory of publicity is a complex topic in itself and is not covered in detail here. The main point is to make sure your targeted audience know about the event.

### Barriers to success

It is worth spending a few moments to think about what can cause your fundraiser to fail. Remember, each organisation is competing for a limited pool of contributions. If you get it wrong, you may not get a second chance.

Things to consider are...

- What is the competition for this event?
- Are we doing too much of the same?
- Are we doing too much?
- Would it be better if done at a different time?
- Do we have the people to carry it out?
- Is our cause seen as a worthy cause?
- Will the target audience respond to this event?

### Planning an event

Use the 'NIPPIR' to remind you of the steps.

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|-----------|---|
| Need      | - why are we raising funds?             |
| Idea      | - what shall we do?                     |
| Plan      | - do the sums add up? Try another idea? |
| Publicise | - prepare the publicity ideas.          |
| Implement | - carry out the fund raiser.            |
| Review    | - learn from the successes or failures. |

### The plan

Does the idea make financial sense? How much do we need from this fundraiser? Is the idea likely to reach this target?

You must not be afraid to reject an idea from one of the members if the majority don't think it will be successful. Don't be influenced by the arguments like, 'it'll be okay', 'folk won't mind' and 'we don't want to discourage so-and-so from suggesting'. If an idea doesn't make sense - try again.

What are the risks involved? When selling goods, there is often a risk that you have to invest money up front, to make money. What happens when you do not sell as much as you intended?

One of the areas often overlooked is the cost to the group and the individuals. The classic example of how this goes wrong is the individual who spends £10 to make an item that sells for £9. Not only has this cost them money; it has used up one of your bites at the fund-raising cherry.

Another area for inspection is the half time raffle. Does the value of the prizes exceed the likely ticket sales? Scale the size, and number of prizes, to the size of the event.

A final key point to consider in the planning is the amount of effort required to make the event a success. In many cases, the volunteer's time is more important than money. You should not

waste your supporters' time to earn an extra few pence on the hundreds of pounds already raised. Know when to stop.

An example of this is the jumble sale that has the mad rush at the start, but ten helpers stay around for another hour, 'just in case'. If you quit before everyone becomes disillusioned, they are more likely to help next time.

## A Worked Fundraising Example

The District has been asked to make a donation to Scotia Relief, a charity that helps orphaned children in Romania. As the District is legally unable to make a donation, it was decided to do a District wide fundraiser. The worked example is from the most recent District fundraising event.

### Need

To raise £200 on behalf of Scotia Relief.

### Idea

A fun quiz night, based on television, quiz and games shows.

### Plan

20 teams at £6	£120	Prizes	£ 20
Irish Bingo	£ 60	Hall Hire	£ 20
Raffle	£ 60		
	<u>£240</u>		<u>£ 40</u>
Less	£ 40		
	<u>£200</u>		

This helped us fix the entry fee at £6 per team of four. With 80 people, some will pay 50 pence, others £1, for raffle tickets.

### Donations

- Raffle prizes - mostly committee, but some will come in on the night.
- Stationery - fun money, overhead projector transparencies, quiz forms, and so on. All donated by local business.
- Buffet - donated by the Leaders and supporters of the Groups in the District.

This is quite a high level of donations, with a cash value that probably exceeds the target to raise. However, those donating like to think they are helping in a more imaginative way than making a straight cash donation. This fundraiser grabbed the imagination of all because it was different on a number of counts. It was the first

District fundraiser for a third party, the first District fun quiz, the first big District event for the new District Commissioner and one of the local Leaders was driving the lorry to Romania!

### Publicise

- Flyers to all Groups.
- Posters in community buildings.
- Local press.

### Implement

Held the quiz, which was voted a good fun night for all.

### Review

Raised £220. Got a few extra teams, but was down on the estimate for the Irish bingo. We forgot to consider that this would be a family event, and that a high number of children results in less from the extra fund-raising interludes.

We had a very close shave at the start when the public address system provided by the hall proved totally inadequate. Another one was on hand, but it took time to set up and still had some technical difficulties.

Most of the games relied on the over-head projector. This was sometimes difficult to see in such a large hall.

We should not have expected the charity to organise the after-event publicity since it was so close to their departure date and they were busy making last minute arrangements for the trip.

The same material was used at the Church Woman's' Group, raising another £50 for the charity.

The conclusion was that it was a success and one that we would repeat next year. We achieved our target, although it was by a different way from that planned.

*Acknowledgement is given to Scouting Magazine where this factsheet first appeared as an article.*