

# Beyond Grants: Other Ways to Raise Money for Your Cause

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By Peggy Driscoll

Grants help for many reasons. Often they come in relatively large amounts of money. The application process (if not the outcome) is predictable and can be planned. A handful of people can accomplish the bulk of the work. Furthermore, foundations are eager to fund good work.

So why consider raising money any other way? Because grants plus additional revenue sources are even better! Creating alternative sources of funding reduces anxiety and pressure for the board, management and staff of your nonprofit because you do not have to rely on one source of income to support your organization. Grantmakers and individual supporters also will feel more confident in your organization if you can show them that you have steady funding resources beyond the grants you are seeking. Developing a variety of funding sources creates a range of important and interesting efforts through which your board, staff and volunteers can participate. Executing different kinds of fundraising activities allows you to reach more people more often, introducing and reinforcing your message and mission.

As you seek grants, seriously consider your other fundraising options. Some activities that can also raise money for your cause include:

- **Special Events** (e.g., car washes, golf tournaments, open houses, galas, non-events, 10K runs, etc.) Special events are time consuming and exhausting, but can be fun for you, your staff and volunteers. Start early, plan extensively and evaluate your results. In the first year or two of an event, you may not net a lot of money. However, events offer your organization greater visibility in a way that grants cannot. Don't forget that writing personal thank you notes after the event makes asking for renewed support the following year easier.
- **Individual Donor Campaigns** (e.g., direct mail or e-mail, telemarketing, newsletters, holiday appeals, etc.) Enlighten, inspire, compel! Build a mailing list and ask individuals to support your cause. Make an effort to address your mailing list of thousands as though you were addressing them one-on-one. Individual donors are the largest revenue source for the nonprofit sector nationally. One \$50 donation may seem minor, but find 100 donors and you have \$5,000 each year for which you do not have to provide a detailed grant report or host a site visit. There are fewer strings attached to small donations, plus you have gained 100 supporters instead of one. Be sure to ask again each year and provide information about the progress you have made. Personalizing thank you letters and other correspondence is likely worth the time.
- **Federated Giving Programs** (e.g., Community Shares, United Way, Metro Denver Black United Fund, etc.) This is another way to obtain individual donations through workplace giving campaigns. United Way supports a limited number of human service organizations in a community. Alternatives to United Way, such as Community Shares, have recently gained momentum, also raising money for member agencies in a corporate environment. Joining a federated giving program can bring in money and provide you with a network of other similar nonprofits.
- **Earned Income Projects** (e.g., fee for service contracts, consulting, contracts, workshops/conferences, product lines, T-shirt sales, etc.) Seek advice from the for-profit world and keep your product or service line rooted in your mission. If your earned income project is not rooted in your mission, the IRS will require your organization to pay taxes on the revenue, and it may also distract you from your primary goals.

Don't forget activities that net critical non-monetary support:

- **In-Kind Donations and Services** (e.g., donated advertising space, discounted accounting services, contributed supplies, etc.) Although difficult to deposit in your checking account, in-kind resources are extremely valuable and often overlooked. Keep a list of other items and services you need that would otherwise cost money, and make it available in your newsletter or on a web site.
- **Available Expertise at No Cost to You** (e.g., volunteers or board members who can provide expert guidance and advice to help you make solid decisions.) Never underestimate the value of having smart, experienced volunteers on your side - not just volunteers who spend time on regular activities (they are also important), but those whose expertise can help you successfully navigate new or uncertain areas.

Research these activities in greater depth to learn more about what might work for your agency. Books, workshops, consultants and web sites abound with information and advice about the logistics of the activities listed here. Read as much as you can. Seek advice from people you respect and those who have had success with projects similar to those you are planning. Remember to ask about the pitfalls and lessons they've learned.

### Narrowing Your Options

No doubt you and your staff, board, volunteers and constituents can put together a long list of potential ideas for fundraising “beyond grants.” The difficulty lies in narrowing the list and taking a risk on well thought out activities that will strengthen your organization immediately and over time.

The following guidelines pose a handful of questions that may help you determine which activities will complement your grant-seeking plans and, again, strengthen your organization as a whole. Some questions to consider regardless of which new activity you're thinking about are:

1. **Is your planned event or project relevant to your mission? Will it reinforce supporters', reporters', constituents', volunteers' and/or staff members' understanding and enthusiasm for your agency's work?**

Take every opportunity to strengthen your audience's understanding of your organization and the work you do. If you're addressing (through a direct mail piece or an afternoon tea) a group who is not familiar with your organization, make your mission clear and offer real examples of your work. If you are addressing a group that knows you, reinforce your mission and offer updates on your work.

Don't just sell a T-shirt with a great design to make money. Sell a T-shirt with a great design that gets your message across AND makes money. You will win once when you deposit your \$15, and again every time someone notices the message on the shirt.

2. **Does your proposed effort have the support of enough key people within the organization?**

Special events, earned income projects and even newsletters require participation and enthusiasm from so many areas in your organization. Projects will likely require:

- Time, usually above and beyond normal work or volunteer hours;
- Leaps of faith (when you're thinking it can't work, you want plenty of people around who think it can and vice versa);
- Teamwork—among your board and volunteers and with your accounting and marketing departments;
- Attention to detail on all levels; and
- Precise and careful planning.

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As a result, it's necessary to have the sincere backing of your board, key volunteers and staff members and anyone else who will play a substantial role. A reluctant staff or unclear board could undermine all your hard work. Conversely, a strong, enthusiastic committee can relieve stress and create an atmosphere that can help your event be a success. This is all true for anything from a direct mail newsletter or for product sales as well. Any major fundraising or resource development effort needs broad support in your organization.

### 3. Are you willing to take the extra time to follow up after your project is complete?

If you work to attract a donor to your organization and he or she gives you money, the follow-up process is crucial. Moreover, if the donation was designated for a specific purpose, let the donor know the outcome. Send a photograph of the building or a copy of the study.

If you and your staff, board and volunteers work like mad to pull off a successful special event or conference, be sure to schedule the time necessary to thank and celebrate your success with all those who helped make it happen. If you honored a large corporate supporter, take the time to thank them again in writing for their contribution and for coming to your event.

Take the time to recap your entire project. List the successes and the failures and what you recommend for next year. You will forget if you don't document it right away. It's easy to underestimate how much time it takes, but the work you do following the primary drive of a fundraising effort can be as important as the work put into its planning and execution.

### 4. Do you have a well-planned budget and are you willing and/or able to track it?

If you are trying a project for the first time, it's difficult to create a good preliminary budget. How can you know how much it will cost to design and print invitations, reply cards, programs, thank you notes, table cards and banners if you've never done it before? You need to do some research to find out. Get written quotes and make a reasonable guess that is somewhat inflated.

- Be sure your subcommittees or staff members participate in the budget process. You can tell them they can't spend more than a certain amount of money and you can change some of the details, but they should work out some of the numbers themselves and submit them to you, with enough time to make adjustments to the budget.
- Think through the details. How much will it cost for the printer to sort and bar code the newsletter? How much staff time will it take to enter 1,200 e-mail addresses into your database? You may miss some details, but be sure to add them when they occur to you and adjust the final figures as you go.
- Tracking the actual costs as you go is important as well. Let your staff and volunteers know that you will expect them to report their expenses as they happen. Your auditors will want to know the exact income and expense figures for your mailing or special event so be sure to collect all receipts and paid invoices and turn them in with the final report budget. Furthermore, to evaluate the project you'll need to know how much, if any, money you made. Finally, how much easier will it be the next time around if you keep accurate accounts this time?

### 5. Does your planned fundraising project build new and important relationships and/or strengthen existing ones?

Answering this question requires you to consider who your audience is for a particular project as well as the project's purpose. Are you trying to reach new volunteers or existing donors? Are you trying to expand your name recognition or get those who know you to know you better?

The next step is to evaluate how you will accomplish those goals. You can certainly accomplish more than one goal with a fundraising effort. You can draw people to an event, ask them to pay \$75 to come *and* reinforce your message and their commitment. You should always consider the importance of strengthening your connection with people and organizations.

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- Are you celebrating your work and each person's support of that work?
- Are you making your supporters proud of their participation in your organization?
- Is your direct mail appeal a positive experience for your reader?

My own experience raising money and finding resources at the Women's Bean Project was entertaining, often stressful and full of experiments. We were fortunate to have a well-developed product line that was entirely grounded in our mission. From there we expanded the line, introduced two major events a year, worked hard to find outstanding advisors and identified in-kind donors who made substantial contributions. I only wish I had always followed all the advice that I dole out in this article. In any case, plan well, follow through, good luck and have fun.

Prior to coming to Colorado in 1994 to work at the Women's Bean Project, **Peggy Driscoll** lived in Chicago and Washington D.C. and worked for Rand McNally's retail division for five years. After more than a year as the development manager, with a focus on the acquisition of an old fire station, Peggy became the project's executive director in 1996. In May of 2000, she resigned her position at the Bean Project to take on the role of mother and volunteer. Since February of 2002, Peggy has been finding wonderful new challenges as the Director of the Brett Family Foundation in Boulder. In September of 2004, she and her family headed to California for a year, where she will earn her Masters of Management at Stanford's School of Business. They plan to return to Colorado in 2005. Peggy has served on the grant-making committees of the Alaska Fund for the Future, the Chinook Fund and the Weyerhaeuser Family Foundation as well as the boards of the Community Resource Center, and Community Shares.