

Identifying Funding Needs

It is important to be clear before fundraising begins about what funding is required. Ask yourselves the following questions:

1. What is funding needed for?

Capital costs (buildings, equipment, vehicles)
Revenue costs (salaries, office costs, other running costs)
Project or core costs

2. How much is required?

How do you know?
Have you included inflation?
Have you included all costs (including core costs)?
Have you completed a budget?

3. When is funding required?

This will determine how far ahead you need to start fundraising, as well as where you will seek funding from. Take into account how long it will take e.g. to make bids or to develop an appeal. Don't leave it to the last minute – ideally allow at least a year before funding is required (more if major funding is required)

4. How much funding is already available?

Possible sources include:

- funds already raised
- pledges of future funding
- your own funds (reserves etc)
- Gifts in Kind

5. Link the funding needs to your corporate plan

Make sure that what you are seeking to fund is a priority (or at least covered by) your corporate or organisational plan (also known as a business plan).

Consider how raising the funds you envisage would support your organisation's vision, mission, values and culture. Would it enhance them or detract from them?

For example, if a drop-in centre for older people raised funds to improve its facilities, that would probably achieve this. However, if it sought or raised funds for a youth worker, that would clearly conflict with organisational priorities!

6. Consult widely and engage others

Fundraisers cannot work effectively in isolation. They need to draw on the priorities, ideas and experience of the whole organisation. In other words, they need to consult widely with other stakeholders, such as colleagues, trustees or management committee, clients and funders.

It is especially important to be clear about organisational funding priorities, otherwise it will be too easy to be distracted by funding opportunities which do not fit your mission and goals. You may then end up raising funds for things the organisation does not want.

7. Be positive about your targets

Think of targets to be achieved, not shortfalls or deficits! Recognise what you have already achieved and give funders a positive message.

8. Celebrate success

Fundraising is a tough business, so it is important to celebrate success, including milestones along the way. When identifying funding needs and setting fundraising targets, remember to build in some milestones when you can recognize what has been achieved and build support for the raising the remaining funds.