



# How to ...

## Develop a fundraising strategy

If your church is embarking on a large or lengthy capital project, it makes sense to put together a fundraising strategy. While this might seem daunting, it can be a very simple plan identifying what you need to do and who's going to do it. This guide outlines the steps for creating this plan, and signposts sources of information to help you.

### Why do we need a church fundraising strategy?

Having a funding plan is important for a number of reasons:

1. It helps to establish your fundraising priorities, which in turn enables you to decide which funding sources to try first.
2. It helps you to monitor your progress against these priorities.
3. It provides a framework for developing a project action plan with a timescale and targets, which is a useful document for writing funding applications as well as keeping the work on track.
4. It brings people on board and encourages ownership of the project. It is important to allocate responsibility to named individuals from the start.
5. And finally, it gives the PCC a clear plan to approve before you get started.

### Who should develop the strategy?

The first thing to consider is whether your fundraising will be carried out by an in-house team – perhaps a sub-group of the PCC - or will be outsourced. This will determine who should develop the funding plan.

**In-house fundraising:** This enables your church to forge long-term relationships with donors, which may be useful at a later date. However, it also requires the appropriate expertise and can be very time consuming, depending on the amount of funding required. If you decide to plan and implement your fundraising internally, start by creating a small team of people to take responsibility for the strategy, the day-to-day fundraising work, and reporting back to the PCC.

**Outsourced fundraising:** If you are looking to raise in excess of £150,000, it is worth considering the employment of a fundraiser to support the project (this also depends on your timescale requirements & whether you're able to phase the work). This frees up a church's time to pursue other matters but does cost money, usually a percentage fee. You will still have the responsibility of providing the information for the applications. You can find suggested fundraising consultants on the Diocesan website.

### How do we develop the strategy?

**Step 1:** Write a brief **statement of need** to demonstrate to potential donors what your project is about. This statement should be interesting and meaningful, and paint a picture of why the project is needed and what impact it will have (thinking as broadly as possible about who will benefit). A good place to start is a group discussion where you clearly identify these things on a flipchart, before one person writes this up onto no more than 2 sides of A4. Be very clear about the separate aims of the church and your project, as many trusts will not fund a project where the object is to evangelise.

**Step 2:** Work out the **budget** for the project, identify any existing funds, and state how much you expect to raise from different sources. Be sure to include any existing funds (ie from reserves) that count as income towards total. The breakdown of costs should differentiate between capital and revenue requirements as many trusts will not give to one or the other. Care must be taken to include **all costs** as it is difficult to go back and

ask for more. If you are seeking a grant from a funder that requires a percentage of funds to already be in place, consider increasing the overall project cost by including the professional costs of fundraisers, financial advisors, solicitors and architects, and then adding in any of these services that are provided *pro bono* as a gift in kind (which counts as income).

**Step 3:** Next work out whether you need to **break the project into phases** in order to raise the required funds, or whether the project needs to be downsized if ambition is too high. You can do this by breaking down your fundraising target into achievable sums. As well as establishing the feasibility and timescale, this exercise helps you to clarify your fundraising methods. For example, an annual target of £60,000 can be broken down as:

- £5,000 per month, or
- £1,150 per week, or
- 6 events raising £10,000 each, or
- 500 people giving £10 per month

**Step 4:** Finally, you can **establish your methods of fundraising**. There is always a limited amount of money available and the aim of a strategy is to maximise your return for the least expenditure of resources. One way of doing this is to create a funding ladder that identifies the various sources of income (national funders, local trusts, local businesses, individual giving, events, etc) and the expected amounts of money to be raised through each channel. This will help you to prioritise and sequence your fundraising.

For instance, again using the example of a £60,000 project, the National Churches Trust might be at the top of your list because they provide large grants and you fit their criteria; however, they require 50% of the funds to be in place first. Therefore, you might prioritise:

- 2 fundraising events aiming to raise £5,000 each,
- a local appeal asking for regular donations to raise a further £10,000, and
- an application to a local trust for £10,000 (or 2 trusts for £5,000 each)

This plan of action would secure you the initial £30,000 needed to apply for the remaining 50% of the project funds from the National Churches Trust.

## How do we implement this strategy?

Four words: timing, delegation, review, and prayer!

Once you have a plan, it's important to add **timings** to each area for action and **share out the tasks** amongst your group.

Remember to add in regular points to check progress against the plan. It is advisable that the PCC monitor and **review** the progress of a fundraising campaign, in order to determine how it measures up to the original targets. At any stage, if everything is not going as planned, ask why? Were the original targets too ambitious, not ambitious enough or is the fundraising strategy simply not working? Once the problem has been highlighted it can then be changed accordingly.

Finally, although it goes without saying, don't underestimate the **power of prayer** as you work through your strategy. The reason for the project is to strengthen and equip God's church and build His kingdom, and God will guide you as you work for Him.

## Further Information

These resources can support you as you develop your fundraising plan:

- How to fundraise for your project provides advice on identifying funders and writing applications.
- The [Parish Resources](#) website has a hugely useful section on planning and implementing your [funding strategy](#).
- The Diocese of Bristol website has a Fundraising section with further support and materials.

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