

# SESSION 1

## IDENTIFYING YOUR ORGANIZATION'S FUNDING NEEDS



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# IDENTIFYING YOUR ORGANIZATION'S FUNDING NEEDS

# 1

## Session Overview

### Session Summary

In this session, participants will categorize their organizations' needs for financial resources in three major areas. These resources will be necessary to implement action steps in order to achieve organizational and community objectives and goals. Ultimately, these resources will help organizations make progress toward reaching their vision and carrying out their mission.

The three major areas for which organizations may need to secure funds include (1) operations, (2) capital improvements, and (3) special programs or projects. Funds are needed to support day-to-day operations to perform the work or business of the organization. Operational funds pay for office supplies, rent or mortgage, utilities, salaries, and so on. Capital improvements funds may be used for the acquisition of property, the renovations of existing facilities, building of new facilities and purchase of major equipment. Funds may also be needed to carry out various programs and special projects in communities that the organization desires to serve.

### Objectives

At the end of Session 1, participants should be able to:

1. categorize the action steps of their organization's plan according to the three major areas requiring funds
2. estimate the amount of funds needed by the organization in the three major areas
3. determine when the funds are needed to carry out the action steps
4. determine the organization's capacity to secure funds in each major area

## Opening the Session

Review

Bridge

Introduction

## Skill Work

1. What are the major areas for which organizations need funds?  
Strategy: large-group discussion
2. What funds does your organization need in the major areas?  
Strategy: large-group discussion
3. In what ways have you secured funds in the past?  
Strategy: large-group discussion, sharing
4. What capacity does your organization have to secure funds?  
Strategy: large group discussion

## Follow-Through

Deciding whom you will involve to secure funds

Strategy: group discussion, decision-making

## Closing the Session

Review: What are your needs in major areas to secure funds?

Preview: What funding sources are available for soliciting funds?

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## Materials Needed

You will need some items for this session:

- training guide for Session 1
- completed “Assessment of (Your Organization)” from Part 1, Session 3, Skill Work 2
- 2 copies of each organization’s written action plan developed in VOICES REACHING VISIONS Parts 1-3
- Tool Kit 1.1 – “Major Funding Areas of an Organization” transparency and copies
- Tool Kit 1.2 – “The Voices of People Organization Involved in Communities” copies
- Tool Kit 1.3 – “Characteristics To Consider When Assessing an Organization’s Capacity To Secure Funds” transparency and copies
- Part 2 Flip Charts 51 and 52 – “Estimated Costs for Objectives of Internal Goal (1 and 2)” generated in Part 2 Session 10
- Part 3 Flip Chart 48 – “Estimated Costs for Objectives of Goal 1” created in Session 6
- Flip Chart 1 – “Funding Needs of the Voices of People Organization”
- Flip Chart 2 – “Funds Needed for Action Steps in Major Areas”
- Flip Chart 3 – “Total Funds Needed in Major Areas”
- Flip Chart 4 – “When Funds Are Needed in Major Areas”
- Flip Chart 5 – “Previous Fundraising Experience”
- Flip Chart 6 – “Funding Sources/Methods/Organizational Factors”
- Flip Chart 7 – “Fundraising Experiences”
- Flip Chart 8A – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Who Is Involved?”
- Flip Chart 8B – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Structure”
- Flip Chart 8C – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Financial Experience and Stability”
- Flip Chart 8D – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Credibility”

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- Flip Chart 9 – “Who Will Be Involved To Secure Funds?”
  - overhead projector, screen or blank wall, calculator, easel, flip chart pad, markers, masking tape

## Things To Do before the Session

1. Send a reminder note to participants and ask them to bring a copy of the organization’s written action plan developed in Parts 1-3 of VOICES REACHING VISIONS.
2. Obtain a copy of each organization’s action plan developed in Part 2 of VOICES REACHING VISIONS and the completed “Assessment of (Your Organization)” from VOICES REACHING VISIONS Part 1, Session 3. Familiarize yourself with the contents of both documents.
3. Prepare all Session 1 flip charts in advance of the session.
4. Prepare transparencies or flip charts of Tool Kit 1.1, 1.2 and 1.3, as well as copies of the tool kits for each participant.

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# Opening the Session

## Review

Ask volunteers to share their progress in incorporating community goals, objectives and action steps into their written plan. You might want to ask them:

- What has worked well as you have incorporated community goals, objectives and action steps into your written plan?
- What has not worked well in this process? How have you dealt with the challenges?

## Bridge

**Your organization now has a written plan that includes strengthening its internal structures and functions and strengthening the communities it serves through economic and community development. In order to move forward on the plans you have developed, it will be necessary to secure adequate funding.**

## Introduction

**Before you begin the process of seeking funds to address your organization's financial needs, it is important to identify in which of the three major funding areas each need belongs. These areas are operations, capital improvements, and programs or special projects. In this session you will categorize your organization's action steps by these major funding areas. You will determine the amount of funds needed and when they are needed to achieve the objectives and goals outlined in your organization's plan. You will also share some of the ways you have previously secured funds in these major areas.**

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# Skill Work

## 1. What are the major areas for which organizations need funds?

### Purpose

We will discuss the major areas in which funds are needed to support what an organization wants to do. These areas are operations, capital improvements, and programs or special projects. In some cases, funds may be needed in one, or a combination, of the areas.

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### STRATEGIES AND MATERIALS

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**Strategy:** small-group discussion

**Materials Checklist:**

- Tool Kit 1.1 – “Major Funding Areas of an Organization” copies and transparency
  - Tool Kit 1.2 – “The Voices of People Organization Involved in Communities” copies
  - Flip Chart 1 – “Funding Needs of the Voices of People Organization”
  - overhead projector, screen or blank wall, easel, flip chart, markers, tape
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### Directions

1. Place a transparency of Tool Kit 1.1 – “Major Funding Areas of an Organization” on the overhead projector and use it to guide the discussion.
2. Distribute copies of Tool Kit 1.1 to participants.
3. Explain in these, or your own, words:

**Funds in the area of operations are needed to enable an organization to operate on a day-to-day basis. This area includes costs for hiring staff, purchasing office supplies, and paying the rent or mortgage, utilities and other costs associated with the daily operations of an organization.**

**Funds in the area of capital improvements are needed for the renovation and development of facilities and the acquisition of buildings or land. These funds also cover costs for the purchase of office equipment, such as copying machines, computers, desks and furniture.**

**Funds in the area of programs and special projects are needed to support projects such as recreation, day care centers, housing projects, and health, educational or cultural programs/services to support the needs of people who reside in communities the organization serves.**

4. Distribute copies of Tool Kit 1.2 – “The Voices of People Organization Involved in Communities” to the group.
5. Post Flip Chart 1, titled “Funding Needs of the Voices of People Organization.”

<b>FUNDING NEEDS OF THE VOICES OF PEOPLE ORGANIZATION</b>		
<b>Operations</b>	<b>Capital Improvements</b>	<b>Programs/Special Projects</b>

Flip Chart 1

6. Ask the group to review the story of the Voices of People organization (Tool Kit 1.2). Ask volunteers to read the story aloud.
7. Ask a volunteer to record the responses of the group to the following questions in the appropriate column on Flip Chart 1.
  - What are funding needs in the area of operations of the Voices of the People organization?
  - What are their funding needs in the area of capital improvements?
  - What are their funding needs in the area of programs and special projects?
8. Review the responses recorded on Flip Chart 1.

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## Summary

**In this exercise, we discussed the major areas in which the Voices of People organization needed funds to take action. The major areas were operations, capital improvements, and programs or special projects. The needs you identified required funds in order for the organization to carry out various actions.**

**Next, you will categorize your organization's action steps by the major funding areas of operations, capital improvements, and programs or special projects. This is necessary in order to achieve objectives and goals for your organization and the communities you serve. You will also determine the amount of funds you need and when they will be needed in each major area.**

## 2. What funds does your organization need in the major areas?

### Purpose

**Let's discuss the three major areas in which your organization may need to seek funds to implement action steps in order to achieve its objectives and goals.**

**We will categorize by the three major areas the action steps that require funds in your organization's written action plan. We will determine the amount and when you need the funds.**

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### STRATEGIES AND MATERIALS

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**Strategy:** small-group discussion

**Materials Checklist:**

- 2 copies of each organization's written action plan
  - Part 2 Flip Charts 51 and 52 – “Estimated Costs for Objectives of Internal Goal (1 and 2)” generated in Part 2 Session 10
  - Part 3 Flip Chart 48 – “Estimated Costs for Objectives of Goal 1” created in Session 6
  - Flip Chart 2 – “Funds Needed for Action Steps in Major Areas”
  - Flip Chart 3 – “Total Funds Needed in Major Areas”
  - Flip Chart 4 – “When Funds Are Needed in Major Areas”
  - flip chart pad, markers, tape, calculator
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## Directions

1. Post Part 2 Flip Charts 51 and 52 – “Estimated Costs for Objectives of Internal Goal (1 and 2)” generated in Session 10. Also post Part 3 Flip Chart 48 – “Estimated Costs for Objectives of Goal 1” which was generated in Session 6.
2. Next to these flip chart sheets, post Flip Chart 2 – “Funds Needed for Action Steps in Major Areas,” as shown below. List each organizational goal and its corresponding objective and action steps. Extra pages may be needed.

<b>FUNDS NEEDED FOR ACTION STEPS IN MAJOR AREAS</b>			
<b>Goal # __:</b> _____			
<b>Objective # __:</b> _____			
For each amount of funding required in each major area, record when the funds are needed: 6–12 Months, in 12–18 Months, 2-5 Years, or Continuously. Record when in the gray area by each amount. You will need this information to complete Flip Chart 4.			
Action Steps	Operations	Capital Improvements	Special Programs/ Projects
1.	\$ _____	\$ _____	\$ _____
2.	\$ _____	\$ _____	\$ _____
3.	\$ _____	\$ _____	\$ _____
<b>Objective # __:</b> _____			
Action Steps	Operations	Capital Improvements	Special Programs/ Projects
1.	\$ _____	\$ _____	\$ _____
2.	\$ _____	\$ _____	\$ _____
3.	\$ _____	\$ _____	\$ _____
<b>Objective # __:</b> _____			
Action Steps	Operations	Capital Improvements	Special Programs/ Projects
1.	\$ _____	\$ _____	\$ _____
2.	\$ _____	\$ _____	\$ _____
3.	\$ _____	\$ _____	\$ _____

- Post Flip Chart 3 – “Total Funds Needed in Major Areas,” as shown below, next to Flip Chart 2.

<b>TOTAL FUNDS NEEDED IN MAJOR AREAS</b>		
<b>Operations</b>	<b>Capital Improvement</b>	<b>Programs/Projects</b>
<b>Total Needed: \$ _____</b>	<b>Total Needed: \$ _____</b>	<b>Total Needed: \$ _____</b>

Flip Chart 3

- Ask the volunteer to read aloud the action steps requiring funds that are listed on the Part 2 Flip Charts 51 and 52 and Part 3 Flip Chart 48 for each objective of each goal.
- Ask volunteers to copy from Flip Charts 48, 51 and 52 the action steps of each objective.
- Say to the group:
 

**At this time, we will review the action steps requiring funds that you identified during previous programs and categorize them in the major areas of operations, capital improvements, and programs and special projects.**
- Ask a volunteer to record the responses to the following questions in the appropriate column on Flip Chart 2.
- Ask the group the following questions:
  - What are the action steps that require funds for operations?**
  - What are the action steps that require funding for capital improvements?**

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- **What are the action steps that require funding for special projects and programs?**

9. Summarize the responses of the group discussion.

10. Say to the groups in these, or your own, words

**You have categorized the action steps according to the major areas for all of the goals. You will now determine how much funding is needed by your organization. To do this, we will total the amount of funds you estimated for the actions steps in each major area.**

11. Ask one volunteer to operate the calculator and another volunteer to record the responses to the following questions in the appropriate column on Flip Chart 2.

12. Ask a volunteer to total the amount of funds needed to carry out the actions of the objectives of each of the goals for each major area and to enter this amount on Flip Chart 3 in the appropriate column.

13. Ask the group the following questions:

- **What is the total amount of funds needed for operations to achieve the goals?**
- **What is the total amount of funds needed for capital improvements?**
- **What is the total amount of funds needed for programs and special projects?**

14. Summarize the information from Flip Chart 3.

15. Post Flip Chart 4 – “When Funds Are Needed in Major Areas,” as shown below, next to Flip Chart 3. Repeat the process for each goal.

<b>WHEN FUNDS ARE NEEDED IN MAJOR AREAS</b>		
<b>Operations</b>	<b>Capital Improvements</b>	<b>Programs/Projects</b>
<b>Total Needed: \$</b> _____	<b>Total Needed: \$</b> _____	<b>Total Needed: \$</b> _____
6–12 Months      \$ _____	6–12 Months      \$ _____	6–12 Months      \$ _____
12–18 Months    \$ _____	12–18 Months    \$ _____	12–18 Months    \$ _____
2–5 Years        \$ _____	2–5 Years        \$ _____	2–5 Years        \$ _____
Continuously    \$ _____	Continuously    \$ _____	Continuously    \$ _____

Flip Chart 4

16. Say to the group in these, or your own, words:

Next, you will determine when funds are needed in the major areas. Some funds are needed now or within the next six to 12 months while others are needed on a continuous basis for day-to-day operations. Funds needed continuously include costs for the rent of a facility, utilities, and office supplies such as envelopes, stationery, pens, paper, postage, etc. Other funds may be needed for items such as the printing and distribution of a newsletter published by your organization.

Some funds are needed later – within the next two years. For example, an organization may be planning a capital improvement project to renovate an old school building for a day care facility as an economic development venture. Or a capital improvement project may be planned to support other projects and ongoing efforts, such as a training program to develop workforce skills for youth.

Now, you will determine what funds you need immediately (within the next six to 12 months); within the year or so (within the next 12–18 months); and/or in the future (within the next two to five years). You will also determine what funding is needed continuously.

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17. Ask the group to determine when the funds are needed for the actions to achieve the objectives. Ask a volunteer to record the responses to the questions on Flip Chart 4.

- **When do you need funds to carry out each of the action steps?**
- **What action steps require funds on a continuous basis?**

18. Say in these, or in your own, words.

As you can see, you have categorized when the funds are needed in major areas in order to implement the action steps to achieve your objectives and goals. We will now total the amount needed in the next six to 12 months, 12 to 18 months and two to five years.

19. Ask the group the following questions:

- **What amount of funds will be needed in the next six to 12 months in the major areas?**
- **What amount of funds will be needed in the next 12 to 18 months?**
- **What amount of funds will be needed in the next two to five years?**

20. Summarize the information recorded on Flip Chart 4.

## Summary

**In this exercise, you reviewed your organization's written plan and determined its funding needs in the major areas of operations, capital improvements, and programs or projects. This was necessary in order to implement the action steps related to the objectives and goals. This information will help you determine the fundraising goals for your organization and to select appropriate funding sources.**

Next, we will discuss some ways you have secured funds in the past as a way to share your fundraising experiences.

## 3. In what ways have you secured funds in the past?

### Purpose

Now, we will talk about some ways you have secured funds to support efforts of your organization. You will also share other fundraising experiences you have had in other organizations, institutions, clubs or churches with which you have been involved or are familiar.

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## STRATEGIES AND MATERIALS

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**Strategy:** small-group discussion

**Materials Checklist:**

- Flip Chart 5 – “Previous Fundraising Experience”
  - Flip Chart 6 – “Funding Sources/Methods/Organizational Factors”
  - Flip Chart 7 – “Fundraising Experiences”
  - flip chart pad, markers, tape
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### Directions

1. Post side by side prepared Flip Chart 5 – “Previous Fundraising Experiences,” Chart 6 – “Funding Sources/Methods/Organizational Factors” and Chart 7 – “Fundraising Experiences.”

<b>PREVIOUS FUNDRAISING EXPERIENCES</b>	
<b>Fundraising Experiences</b>	<b>Needs in Major Areas</b>

Flip Chart 5

<b>FUNDING SOURCES/METHODS/ORGANIZATIONAL FACTORS</b>		
<b>Funding Sources</b>	<b>Approaches</b>	<b>Organizational Factors</b>

Flip Chart 6

<b>FUNDRAISING EXPERIENCES</b>	
<b>Successes or Failures</b>	<b>Improvement Needed</b>

Flip Chart 7

2. Explain to the group in these, or in your own, words:

**It is helpful to identify ways you have secured funding for your organization in the past and the funding sources.**

3. Ask a volunteer to record the responses to the following questions on the Flip Chart 5:

- **What are some ways you have used, or are familiar with, for securing funds?**
- **What were some of the funding needs in the three major areas?**

4. Explain to the group in these, or in your own, words:

**It is important to share your methods for approaching the funding sources and to identify who provided the funds previously to determine if they can provide funds in the future.**

5. Ask another volunteer to record the responses to the following questions on Flip Chart 6.

- **Who has provided funds to your organization?**
- **How did your organization approach the funding sources?**
- **What factors or aspects of your organization helped or hindered you in securing funds?**

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6. Explain to the group in these, or in your own, words:

**When your organization decides to put forth a major effort to secure funds, it is helpful to reflect on the ways you have previously secured funds so that you can evaluate your efforts to determine what can be learned from your experiences.**

7. Ask another volunteer to record the responses to the following questions on the Flip Chart 7:

- **What were some of your successes and/or failures in securing funds?**
- **What improvements do you need to make in the ways you have secured funds?**

8. Summarize responses from Flip Charts 5, 6 and 7.

## Summary

**In this exercise, you have shared some ways you have raised funds for your organization. As you share your experiences, you collect valuable information that can be used as you begin to approach funding sources. This information can expand the ways to secure funds for your organization.**

Next, we will discuss your organization's capacity to raise funds. Since this is an ongoing function of an organization and it requires considerable effort, it is important to examine your own ability, identify barriers or stumbling blocks, and explore ways to overcome them.

## 4. What capacity does your organization have to secure funds?

### Purpose

**Prior to securing funds, it is necessary to assess the capacity of your organization for engaging in various types of fundraising. You will review various aspects of your organization to determine if they will increase or limit your chances of securing funds.**

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## STRATEGIES AND MATERIALS

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**Strategy:** small-group discussion

**Materials Checklist:**

- copies of organizational assessment
  - Tool Kit 1.3 – “Characteristics To Consider When Assessing an Organization’s Capacity To Secure Funds” copies and transparency
  - Flip Chart 8A – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Who Is Involved?”
  - Flip Chart 8B – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Structure”
  - Flip Chart 8C – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Financial Experience and Stability:”
  - Flip Chart 8D – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Credibility”
  - overhead projector, screen or blank wall, flip chart, markers, tape
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### Directions

1. Distribute copies of Tool Kit 1.3 – “Characteristics To Consider When Assessing an Organization’s Capacity To Secure Funds” to each participant.
2. Place the transparency on Tool Kit 1.3 on the overhead projector to direct the following discussion.
3. Say to the group in these, or your own, words:

**In Part 1 of VOICES REACHING VISIONS, you determined what type of organizational structure your organization would have. The type of organization that you have will help determine who needs to be involved and who makes fundraising decisions. In formal organizations, the overall responsibility for securing funds lies with the board of directors. This decision-making body makes the major and final decisions about the plan to secure funds. The board can delegate some of the tasks of planning, implementing and evaluating the results of the fundraising efforts to a specific committee usually called a development or fundraising committee. The committee can be composed of board members, selected staff or members of the organization.**

**Small informal organizations might not have a board of directors. Instead, they have an advisory board, officers or another type of decision-making body. It may or may not be the responsibility of an advisory board to secure funds for the organization. In some cases, a fundraising committee is designated to do fundraising. Who is responsible for fundraising will primarily depend on how your organization is structured.**

4. Post Flip Chart 8A, titled “Reflecting on the Capacity of (Your Organization) To Secure Funds: Who Is Involved?” as shown below.

<b>REFLECTING ON THE CAPACITY OF (YOUR ORGANIZATION) TO SECURE FUNDS: WHO IS INVOLVED?</b>			
<b>Who Is Responsible?</b>	<b>Who Provides Leadership?</b>	<b>Level of Involvement</b>	<b>Roles and Responsibilities</b>

Flip Chart 8A

5. Ask a volunteer to record the responses to the following questions on Flip Chart 8A under the appropriate columns:
  - **Who is responsible for fundraising for your organization?**
  - **Who among the decision-making body of your organization provides the leadership for securing funds?**
6. Review the characteristics relating to leadership and membership from Tool Kit 1.3.
7. Explain to the group in these, or your own, words:
 

**The level of involvement among the leadership and membership will help you to determine the type(s) and level of fundraising you can do. You will need to determine whether your organization has the capacity to meet the requirements of funding sources you would like to approach.**

8. Ask a volunteer to record the responses to the following questions on Flip Chart 8A under the appropriate column.
  - **What level of involvement do you have, or want, among the leadership and membership in securing funds for your organization?**
  - **What are the roles and responsibilities of the leadership and/or membership?**
  
9. Explain to the group in these, or your own, words:
 

**The type of organization you have and various aspects of your structure can have an impact on the kinds of fundraising you can do. These factors can enhance or limit your potential to solicit funds from certain funding sources. You will examine two aspects of your structure: whether you have (1) filed articles of incorporation and (2) obtained 501(c)(3) status.**
  
10. Review the organizational assessment and characteristics related to structure from Tool Kit 1.3.
  
11. Post Flip Chart 8B, titled “Reflecting on the Capacity of (Your Organization) To Secure Funds: Structure” as shown below.

<b>REFLECTING ON THE CAPACITY OF (YOUR ORGANIZATION) TO SECURE FUNDS: STRUCTURE</b>			
<b>Type of Organization</b>	<b>Other Organization</b>	<b>Tax-exempt Status</b>	<b>Articles of Incorporation</b>

Flip Chart 8B

12. Ask a volunteer to record the responses to the following questions on Flip Chart 8B:
  - **What type of organization do you have?**
  - **Do you need to work with another organization to be able to secure funds? If yes, what organization?**

- **Do you have or need to obtain a tax-exempt status?**
  - **Have you developed or need to file your articles of incorporation?**
13. Review the characteristics related to financial experience and stability from Tool Kit 1.3.
14. Explain to the group in these, or your own, words:
- Other aspects that relate to securing funds are your organization’s financial experiences and stability. Think about what financial support you have received in the past and from whom you have solicited funding. Also consider how your organization has acquired, planned and managed these funds. Usually, when an organization decides to engage in raising funds, it needs to have some funds in place to get started.**
15. Post Flip Chart 8C – “Reflecting on the Capacity of (Your Organization) To Secure Funds: Financial Experience and Stability,” similar to the one below.

<b>REFLECTING ON THE CAPACITY OF (YOUR ORGANIZATION) TO SECURE FUNDS: FINANCIAL EXPERIENCE AND STABILITY</b>		
<b>Experiences</b>	<b>Financial Stability</b>	<b>Resources for Managing Funds</b>

Flip Chart 8C

16. Ask a volunteer to record the responses to the following questions on Flip Chart 8C.
- **What are your organization’s experiences with financial planning and management?**
  - **What is the financial stability of your organization?**
  - **What kinds of resources or abilities do you have to handle funds that have been secured by your organization?**

17. Review the characteristics related to credibility from Tool Kit 1.3.

18. Explain to the group in these, or your own, words:

**Your organization’s credibility, in terms of how well it is carrying out its mission in communities it serves, is a major factor in raising funds. It is important to look at community support, program successes, and the internal strengths of your organization. You can use this information to demonstrate to funding sources why they should provide funds to support your organization’s needs in the major areas.**

19. Post Flip Chart 8D – “Reflecting on the Capacity of (Your Organization) to Secure Funds: Credibility,” similar to the one below.

<b>REFLECTING ON THE CAPACITY OF (YOUR ORGANIZATION) TO SECURE FUNDS: CREDIBILITY</b>			
<b>What are your accomplishments?</b>	<b>What would you share with funding sources?</b>	<b>What are your strengths for securing funds?</b>	<b>Why should your organization receive funding?</b>

Flip Chart 8D

20. Ask a volunteer to record the responses to the following questions on Flip Chart 8D:

- **What are your organization’s accomplishments serving communities as a result of funding you have received?**
- **What are some accomplishments you need to share with funding prospects?**
- **What are some strengths of your organization to secure funds?**
- **Why should funding sources provide funds to your organization?**

21. Summarize responses from Flip Charts 8A-D.

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## Summary

**As you have seen, it is important for organizations to assess their ability to secure funds. You have discussed the financial experiences and stability that focused on how your organization acquires, plans, and manages its financial resources. You also discussed information concerning the leadership and membership of the decision-making body that focused on how people are involved and their roles and responsibilities.**

**Finally, you discussed the credibility of your organization regarding its accomplishments in communities that you serve. This included the documentation of community involvement and the soundness of the organization and its programs.**

# Follow-Through

## Deciding whom you will involve to secure funds

### Purpose

The answer to the question, “Whom will you involve to secure funds?” may include involving people both inside and outside the organization. You will begin by identifying who in your organization can assist in your efforts to secure funds.

### Directions

1. Ask the group to review the responses to the questions concerning who should be involved among the membership and leadership of their organization.
2. Post prepared Flip Chart 9 – “Who Will Be Involved To Secure Funds?”

<b>WHO WILL BE INVOLVED TO SECURE FUNDS?</b>				
<b>Level of Involvement Needed</b>	<b>Roles and Responsibilities</b>	<b>Actions To Get Involvement</b>	<b>Organizational Information Needed</b>	<b>Responsible Person(s) To Provide Information</b>

Flip Chart 9

3. Ask a volunteer to record on Flip Chart 9 the responses to the following questions:
  - **What level of involvement do you do you need among the leadership and/or membership for securing funds for your organization?**
  - **What should be the fundraising roles and responsibilities of the leadership and/or membership that you want to involve?**
  - **What do you need to do to obtain the level of involvement you want to secure funds?**
  - **What information may be needed concerning your organization?**
  - **Who will be responsible for providing this information?**

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## Summary

**You have identified the level of involvement and the roles and responsibilities of the leadership and/or membership in securing funds for the organization. You also have identified what information is needed and who will provide it. As part of the follow-through to this session you will identify and discuss this information with the people you want to involve, and you will gather the information about your organization to share with funding sources.**

# Closing the Session

## Review

1. Have the group do a Go-Around:

**To close this session, I would like for each of you to share some things you learned or thought were interesting.**

2. You may want to ask the following types of questions if the group needs guidance:

- **Why is it important to categorize your action steps by the three major areas of operations, capital improvements, and programs/special projects?**
- **How will knowing the amount of funding and when your organization needs it assist in your fundraising efforts?**
- **How did assessing the capacity of your organization to secure and manage funds help you?**

## Preview

**In the next session, you will conduct research about funding sources and their timeframes for providing funds to organizations. This research will assist you in selecting the funding sources that best fit your needs.**

# Tool Kits

## Tool Kit 1.1

### **MAJOR FUNDING AREAS OF AN ORGANIZATION**

#### **OPERATIONS – funds for running the organization, to “keep the doors open”**

Funds in the area of **OPERATIONS** enable an organization to operate on a day-to-day basis. These funds might pay for:

- costs to hire staff
- office supplies
- rent or mortgage
- utilities
- short-term fundraising efforts and events
- other expenses associated with the day-to-day operations

#### **CAPITAL IMPROVEMENTS – funds for building, renovations, purchasing land and major equipment**

Funds in the area of **CAPITAL IMPROVEMENTS** are needed to enable an organization to make major improvements, acquisitions or purchase equipment. These funds might pay for:

- renovation and development of facilities
- acquisition of buildings or land
- purchase of office equipment, such as copy machines and computers
- purchase of office furniture such as desks, chairs and conference tables

#### **PROGRAMS/SPECIAL PROJECTS – funds to start up a new program or short-term project that can be related to internal or community goals**

Funds in the area of **PROGRAMS AND SPECIAL PROJECTS** are needed to support programs and special projects. Examples include:

- recreation
- day care centers for children or the elderly
- housing projects
- health, educational or cultural programs/services to support the needs of those whom the organization serves
- board development training on governance and leadership
- leadership development for members of the organization

## **THE VOICES OF PEOPLE ORGANIZATION INVOLVED IN COMMUNITIES**

**Voice 1:** The Voices of People was organized five years ago and has 25 dedicated members. It is located in the south end of the county. Its members have been working together to sponsor community activities in the southern part of the county. They have sponsored several events such as bake sales and raffles to raise funds necessary to support various efforts of the organization. Over the years, they have generated sufficient funds for the many efforts in which the organization engaged.

**Voice 2:** Several members attended a musical recital in a community center located in the northern part of the county sponsored by another local organization. These members indicated that the recital was very nice; but most of their attention was on the recreational center where the recital took place. This local organization had renovated the facility into a recreation center. In this center, they sponsor various community events, programs and projects.

**Voice 1:** The members of the Voices of People thought it would be a good idea to have something like that in the southern part of the county. They did not have a place to hold social events and other programs and projects that they wanted to take place. They decided to talk about this with the other members of the organization and to put this idea on the agenda at the next meeting.

**Voice 2:** At the next meeting, these members arranged to discuss obtaining an old vacant school building in the community as a facility for a recreational center where community events, programs and projects could be held. The members of the Voices of People agreed to secure and renovate the old vacant school that is an existing building in the community.

**Voice 1:** The members indicated that they would decide later on how and what resources could be obtained for the renovations as well as what social events, programs and projects would take place in the facility once it was operational.  
(cont. on next page)

(cont. from previous page) Several members volunteered to perform tasks regarding obtaining the property for the organization. Within a few weeks, the Voices of People signed a lease to rent the old school building for six months.

**Voice 2:** At another meeting, three months later, the members of the organization realized they did not have enough money to continue to pay the lease on the old school building. They also realized that no social events, programs or projects had occurred in the building. Because of the lack of progress that had taken place in developing the building as a recreational center, many of the members expressed some concerns. Some questioned whether they wanted to stay involved with the organization.

**Voice 1:** The members of the Voices of People were very disappointed. The members indicated the need to discuss what they could do. One member indicated that she had heard of possible grants that are available to support the types of projects and programs the organization wanted to take place in communities. Several members thought they could not explore this option since they are not incorporated or do not have tax-exempt status.

**Voice 2:** The members also discussed projects and programs they wanted to see happening in the facility. They indicated that they wanted to start an after-school program and a year-round recreational program for families. They also wanted to purchase equipment for the recreation program. The meeting of the organization was adjourned after this discussion.

## **CHARACTERISTICS TO CONSIDER WHEN ASSESSING AN ORGANIZATION'S CAPACITY TO SECURE FUNDS**

### **1. Structure**

**Type of organization:**

**Formal or informal**

**501(c)(3) status**

**Articles of incorporation**

**Financial policies and procedures**

### **2. Financial Experience and Stability**

**Annual budget for the overall organization**

**Budget for major programs and special projects that receive restricted funding**

**Financial statement**

**Accounting and audit procedures**

**Policies and procedures to secure funds**

**Funding sources – who, when, how long, how much**

**Whether financially solvent**

### **3. Credibility**

**Evidence of community support**

**Documented program success**

**Organizational stability**

### **4. Leadership and Involvement**

**Board of Directors**

- board members - who, how many, what are their positions in the community
- whether they provide financial support to the organization
- board policies and procedures
- roles and responsibilities in fundraising

**Members**

- stability and support level
- number of members
- whether they provide financial support to the organization
- roles and responsibilities in fundraising

**Staff (if there are staff)**

- roles and responsibilities in fundraising
- whether qualified to implement the organization's programs
- roles and responsibilities in fundraising

**Volunteers**

- numbers of volunteers
- characteristics of volunteers
- volunteer system
- roles and responsibilities in fundraising