

Fact Sheet number IV: How to write a fund-raising proposal

Introduction

Fund-raising can be a very long, expensive and frustrating process, and there is no way to make sure that you are successful. But by following certain basic guidelines, you can greatly increase your chances of receiving donor funds. In this sheet you'll find some general guidelines on how to proceed while writing a fund-raising application.

The main rule is "Do what you're good at". Don't start new activities just for the sake of fund-raising, they will probably fail. Keep in mind that the proposal must make a logical argument. Your ultimate goal is to convince the donor that there is a problem, that the problem is solvable and that you and your partners can help to solve it in an efficient and cost-effective way. You have to believe your NGO is the right one to execute the project and you need to have enough self-confidence to approach any possible donor. Don't forget that finding money is very time consuming, so you should make it worthwhile.

1. Designing the project

Before any work can be done on the actual writing of the proposal, the project must be very well designed so that the logic of the argument for funding will be as clear and as forceful as possible. There are a number of questions that you should ask yourself during this process: it is best to answer these questions together with other people who have a responsibility in the project. Your ultimate goal is to convince the donor there's a problem, that the problem is solvable and that you and your partners can solve it in an efficient and cost-effective way.

This list may help you to design the proposal:

- What's the problem?
- Who does the problem affect? (Target group)
- Who exactly belongs to the target group and who doesn't?
- How does the problem affect the target group?
- Who else is working on similar problems?
- What are the possible solutions for the problem?
- What actions will be required, why, and by whom?
- Are you the right group/organisation to work on this problem and why?
- What are your objectives, what do you want to reach?
- Who will be responsible for what?
- What exactly do you need for the project?
- Why have you chosen this way to reach your goal, why a campaign and not a brochure, why a written publication and not a film?

- What is the time-table?
- Why are you organising your activity now and not later?
- Who is responsible for the technical part of the project? Is this an experienced person?
- When will you have results and how can they be presented? How will you show the results to the donor?
- How can the results be measured?
- What will you do with the results?
- How will you follow up new developments coming out of the project?

Stress in your proposal how you will evaluate the project; by what criteria will the success or failure of this project be measured?

Make clear to yourself whether there are any donors from whom you won't accept money, for example: a peace organisation doesn't want to be sponsored by a weapon factory, etc. It may harm your reputation to think only about money. It's good to sort out this question beforehand, as it may lead to conflict within your organisation. See also **sheet I**.

2. The Concept paper

Once these questions have been raised and answered, the next step is to write a concept paper, or a brief description of the project based on the answers to the above questions. The concept paper is not an essential part of the fund-raising process, but it has three major advantages. Firstly, it provides an opportunity to put your ideas on paper in a logical way, to organise your thoughts and justify the importance of the project.

Secondly, you can show the concept paper to your partners and target group. It is the product of your discussions and consultations. If they have any concerns or new ideas, they can provide you with input before work on the proposal begins. It's important that all the people involved understand, agree and accept what is expected of them.

Lastly, the concept paper can be sent to donors to catch their interest for possible funding. Because it is short, a donor can read and react to it more quickly. If it describes ideas that the donor is interested in, you have already established a relationship before the proposal is even written. The donor may also have ideas for changes.

3. Writing the proposal

There is no formula for writing a proposal. Some donors ask applicants to fill out a pre-designed NGO application form, others are more flexible and do not require a proposal to be submitted in any special way. There are, however, basic guidelines to follow while writing a proposal. Even if you haven't got any guidelines, or those given below are not applicable to you, it is much easier to do things following a certain plan than to act haphazardly.

Has your organisation already had similar projects? Did you ask for funding for them? Check the results. Often it is useful to keep an eye on earlier proposals while making a new one. If you use a computer it may save a lot of time to rewrite and adapt an old proposal to the new situation. It is also important to use the results, link projects together, built on previous experiences.

Checklist for writing an application

Before you start, make sure that the proposal is in line with your organisation's mission and that you have the skills and capacity to carry out the project as you have defined it in the concept paper. Your proposal will never be funded if the project is not within your capacities. Check the region, the activities and the object (individuals or organisations) for which you are asking support.

Organisations usually have a history. Never forget to check if there have been earlier contacts with donors, which project proposals were accepted and which were refused, perhaps pending, and why. Keep track of the results of your fund-raising in a (handmade or

computerised) database, and if necessary show your donor that you keep track of your administration. When your organisation has already existed for a longer time, it's good to point out what your successes have been, with whom you've been co-operating, where the funds have come from until now, and why you're looking for a new donor.

The proposal should be kept short (within ten pages). Donors tend to be busy people, and are usually not willing to read a book about your project. Of course the length of the application depends also on the amount of money you're asking for. The more money you need, the more you need to explain.

Important details can be added in appendices. - The proposal should present a clear and logical argument that will convince the donor that the project should be funded.

Catch their attention and keep it. Donors sometimes see hundreds of proposals a week, they must remember you. The best places to grab their attention are the cover page and the summary.

Make sure to apply in time. There are not many donors who will finance you activity after it has happened.

- Your proposal needs to have a clear structure and a logical order.
- Write down clearly what you're going to do. Don't use "would" or "should" or "might" too often; use the present tense and words like "must" and "will". They must see you're confident.
- Results have to be measurable; use exact numbers and not "approximately" or "maybe".
- Stick to your subject, don't go into other issues which you also work with. Focus on the issue you want money (and attention) for.
- Submit a proposal only if you are sure it fits with the donor's criteria. Otherwise it will be just be a waste of time and energy and moreover, it may hurt your reputation in case you ever want to apply with a proposal that does fall within the criteria.
- Before sending out the proposal, check the guidelines again, which annexes you need, how many copies they want, and ask somebody else to read it over and check.

- Don't forget to put the name of your organisation and perhaps a date on each document (also on the appendices), so it won't get lost.
- Be clear in what you want: How much money, their moral support, if you want the fund to pay all of the budget or only a specific part, which parts of the budget have already been covered, which part do you expect to be covered by others, by whom and why.
- Make a link between the fund and your activity; why you are asking them, for instance because they subsidise regional activities, or religious activities, or have an emphasis on innovative activities, or because you know they have financed activities on these issues before.
- Think about your relationship with the donor: do they already know you well or not at all? in case they don't, add a leaflet with an explanation on your aims and activities.
- Specify the long-term goals of your organisation and the short-term goals of the activity you're asking support for.
- Usually it helps to make a link between topics in the news and your activity. Why do you have to organise this event now and not next year? Why can't you wait until you have saved more money?
- Read it a last time and imagine you're a donor, that you could be giving the finance for this project. Would you do it? Which information is still missing?

Annexes to the proposal

It may be useful to include any relevant information that has not been covered in annexes. You can include, for example, your organisation's brochure or annual report, articles that have been written about your work or about the problem you wish to address with the project, a map of the region, a copy of your legal status, your major funding sources, reports of former projects and activities, a list with other donors who you have send applications to. It can be useful to describe earlier successful experiences. But be aware not to give an overflow of information.

4. How to approach the donor

Before sending out your proposal, telephone potential donors. Ask for a contact person and for

deadlines. Some donors have these, some don't. Also ask for other criteria. Some of the bigger funds, like the European Union, have so many restrictive criteria that it's better to look at the criteria first before you write the proposal. Ask for other requirements, such as application forms or annexes you need to add and don't forget to include them in your letter. It's important to comply with the donor's administrative conditions. Good research makes half the job.

A telephone conversation may also help you to get the donor's attention. Personal contact and establishing a relationship with your contact person is usually worthwhile. Never forget the donor is also just a human being earning his or her money by giving financial help to good projects. It is also in the donor's interest to have good contact with you. If you can't get through to the right person, try to find an ally, like a bigger NGO you work with, or a service organisation, that may wake up the donor's interest in your project. Be persistent.

Once you visit the donor, show that you take yourself and your project seriously.

5. The accompanying letter

When you send out the proposal, write a polite letter to the donor. It is best to write to a contact person. If you haven't got a name, telephone first to ask who is the contact person for your theme/organisation or region. This is very important. If you have had earlier correspondence with this donor, refer to that, especially in the case the former project was successful. Do not beg, apologise or demand, be self-confident and honest (but not a snob). Take yourself and your project seriously. Show that you're proud of what you're doing, that you believe in it.

The letter should be about 1 page long and include:

- Introduction; why you are approaching this donor, be charming but correct.
- give a short description of your organisation
- give a short description of the project you're proposing
- name the annexes
- name the total amount of money you need and say how much you ask from this donor. This can be "a contribution" or the total sum. Or perhaps you want to ask him/her only the part he/she will specifically be interested in. Be clear about what you have received

already or what you expect from other donors.

- The name and phone number of a contact person (yourself) and when this person can be reached.
- the bank account number where they can send the money.
- make sure your address, phone, fax and e-mail are clearly written on it.

6. Some more general tips:

While writing the proposal, you should already have in mind how you will proceed once you have received the money. Think about evaluation and the report. Send the report as quickly as you can, donors appreciate this and may be willing to give again. If you postpone the writing of the report, it gets more and more difficult to finish it and this harms your reputation. So try to do it soon while you're still enthusiastic.

Be prepared for questions about your long-term policy; donors are usually not so interested in groups that are likely to disappear quickly.

Try to find 'Very Important People' in your country who support your project and who can sign letters of recommendation.

Keep track on your administration. Write down when you sent and received letters, when you called and with whom, etc. Make a matrix in which you write down when you applied to whom with which (version of your) proposal. Also keep track of the applications you do over the years, it may be good to know which donors have given in the past for what kind of project, and which haven't.

Within an organisation it is important to co-ordinate all fund-raising efforts. Make sure your organisation didn't apply to this donor a week ago with another project. Once you spoil your reputation in such a way, or by not answering a letter in time, it is hard to rebuild it again.

7. In case of disappointment...

Even if you have to think beforehand on the follow-up, how to proceed once you receive the money, it is also important to reckon with some disappointment. Unfortunately, donors may not be as enthusiastic as you are for this project. So, if it doesn't work out...

- Keep up the good humour and the good balance, persist.
- Persistence: You have to keep on asking, and when you get something, thank them and ask

again. Keep in mind that donors are there to give, and are usually happy with good project proposals.

- Learn how to deal with rejection; one in eight proposals are approved. Don't take it personally. On the contrary: Enjoy successful applications!
- If you don't get the money, it's a wise thing to get in touch with the donor to find out why. This is scary but very worthwhile. A donor may say why he hasn't funded your project and that may help you in writing another one. Don't forget to ask if there will be chances for your applications in the future, and which are the criteria then.
- Realise that donors are there to fund good initiatives. Their aim is to provide money, your aim is to provide good practical organisation; you're in this business together.
- It helps to have a good PR policy, for example regular advertisements, one style in all your publications, etc. Also keep good contacts with the (local) press, it may provide free publicity
- Updated fund-raising manuals and directories may be expensive, but perhaps worthwhile. If in a manual you find an interesting new donor, it will probably pay for much more than the costs of the manual.