

Christian fundraising

As Christian organisations with a God-given vision and calling, we should be looking for support in a godly way. We want to make sure that the way we raise money is consistent with our Christian faith. This section looks at some of the issues we should consider.

Raising money in an ethical way

We should consider carefully all the fundraising approaches we use. It is important that our fundraising methods reflect our organisation's values. We also do not want to offend potential donors or damage our reputation in any way. For example, Christian organisations might decide not to use any fundraising method that involves gambling, such as lotteries and raffles. Others might decide that a beauty competition is not ethical because the Bible says that God looks at the heart and not at outside beauty.

It may be useful to consider marketing principles when developing a fundraising strategy. However, they should be applied carefully to fundraising for development work because the money that donors give is all spent on poor people. It does not bring the donors any financial return for their money. In a sense, poor people become the 'product' we are 'selling' to donors. It is important to ensure that we treat both the potential donors, and those we are raising money for, with respect.

EXAMPLES of bad practice

- We might be tempted to exaggerate the needs of the beneficiaries in order to obtain more funds.
- Photos of unhappy children might be used to increase the donors' sympathy.

Fundraising values document

It can be useful to write a set of fundraising values. A fundraising values document should be written with our organisation's vision, mission and values in mind. The key questions a fundraising values document asks are:

- Are we being truthful in the information we provide about ourselves and the beneficiaries?
- Do we treat our donors with respect?

This document should be referred to frequently in order to ensure our fundraising methods are good. We might decide to share this document with people outside our organisation in order to enhance our reputation.

EXAMPLE
Some of Tearfund's fundraising values

- We believe that there should be a good balance between rationality and emotion in any fundraising proposition.
- We will issue large fundraising appeals only in the event of a genuine disaster emergency for which Tearfund has undertaken a needs assessment and has the capacity to respond.
- We believe that money, prayer and time as forms of support are of equal importance.
- We will thank supporters for each donation, unless a supporter has indicated that they would not like their gift acknowledged.
- We will seek to inform supporters of the impact of their giving on beneficiaries.
- We will seek to provide the best possible service to supporters, irrespective of the value of their donation.
- We will seek to be truthful in all our fundraising propositions.
- We will not use more than 15% of Tearfund's income on fundraising and publicity.
- We will honour supporters' wishes in how their gifts are to be used, whilst making it clear how the greatest impact on beneficiaries would be achieved.

In our communication:

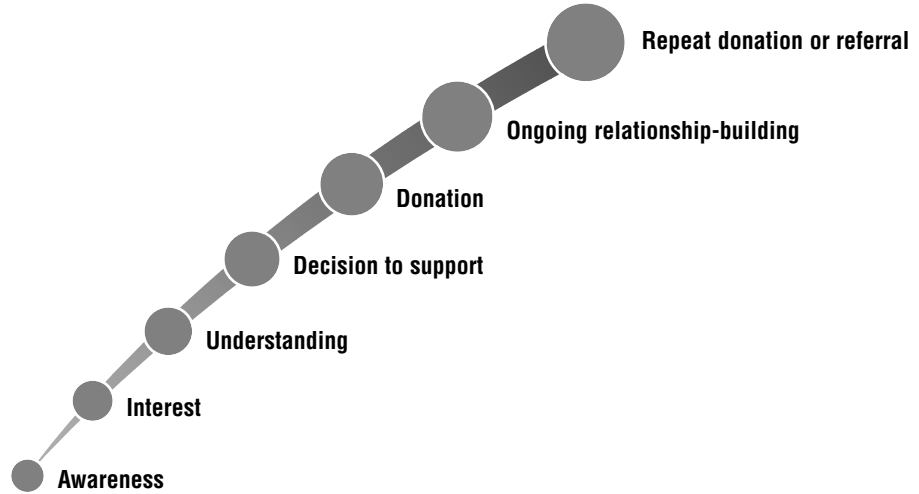
- We will represent the poor as real individuals, not as symbols of suffering which enable us to raise funds.
- We will look beyond the surface issues, to educate and inform our supporters about the structural causes of poverty.
- When we quote, we will quote from named individuals, to respect their dignity.
- In our visual images, our overriding principle is to maintain respect and dignity in our portrayal of people and situations. We do not exploit the subject (eg: we do not ask them to cry for the camera).
- We use images truthfully – where possible we use a balance of images, both positive and negative, to reflect the reality of the situation.

Organisations involved in relief work could sign up to the Red Cross Code of Conduct and quote this in their fundraising materials.

Fundraising principles

As a general rule, successful fundraising will take donors through the following process:

The fundraising process



Whatever type of fundraising work is carried out, there are some basic principles that should be followed to ensure that all the links in this process work. Many of the principles involve relationships. It can be said that fundraising is first about 'friendraising'.

PRINCIPLE 1 **EDUCATE**

Education can be an effective way of gaining interest in our work, leading to donations. Donors are more likely to give if we are specific about what the needs are.

EXAMPLE If potential donors hear about an organisation that works with street children, a few might want to donate money because they feel sorry for them. It is worth the time and effort to explain the complex reasons why children live on the streets. If the organisation also gives out information about what the needs of street children are and how the organisation's projects respond to the need, more potential donors might decide to donate money.

Reflection

- Are we good at educating those around us about our work and the people we work with?
- If not, how can we improve the way we educate people?

PRINCIPLE 2 **ASK**

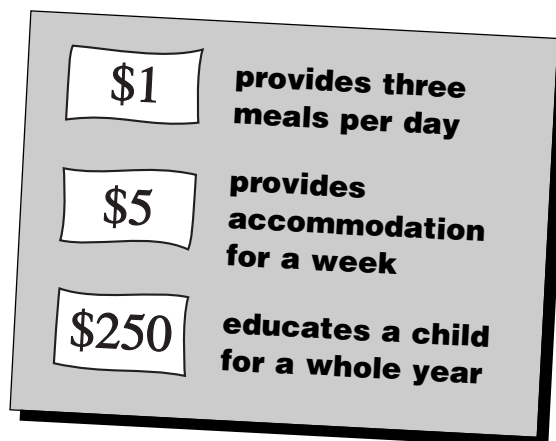
Often, educational materials are enough to encourage potential donors to give towards our work. However, sometimes we need to ask for support directly, as people are unsure about how to respond. Apart from money, we may want to ask for prayer or volunteers to support our work.

How we ask depends on the local culture. It is important that we find appropriate ways to approach potential donors for money. Asking for money can be embarrassing. For example, it is common in churches for people who need financial help to ask others to pray for them in their need. While prayer certainly helps, this kind of request is often used to ask those present to donate, which can be misleading. As organisations, we need to remember that the money is not for us but for the people we serve. Often, donors are waiting for an invitation to give.

It is important to consider ways to make it easier for donors to give money. For example, always provide a contact address in educational materials, fundraising literature and proposals. Perhaps provide collection boxes that can be left in homes and offices and organise for them to be collected on a regular basis.

Unlike other types of donors, institutional donors and trusts will not seek out organisations to fund or simply respond to the general fundraising literature we produce. We have to ask them directly for money for specific projects. They often ask organisations seeking funds to complete a proposal template.

The organisation could be specific about what it asks for. If people have a good idea of exactly what their money will help to fund and how it will change lives, they will be more willing to give. The organisation might therefore tell potential donors what different sizes of donations will fund.

EXAMPLE

Reflection

- What methods do we use when we approach people for funding?
- What methods are more successful and why?

PRINCIPLE 3 USE A PERSONAL APPROACH

Fundraising is all about relationships. Our aim should be to build good relationships between donors, the organisation and the people we serve. This can be more time-consuming but also more worthwhile and effective. We need to treat donors as people and not just as money providers. Likewise, we need to show donors that the people we serve are individual people and not simply a certain category of people who receive donors' support. We also need to be aware that we are representatives of the organisation we work for. In order for donors to trust us with their money, we should be seen as both professional and yet personal at the same time.

Think carefully before approaching donors

We should think carefully about how we will approach donors for money. If we decide to write to them, it is better to use letters addressed to individuals than standard impersonal letters. It is important to spell the name right. The most effective way is to meet people face-to-face because it is easier for us to get people's attention. This might mean visiting a church, company or funding agency. Dress appropriately, as first impressions are important.

Using stories of individuals in our fundraising materials can help potential donors identify better with the needs we are meeting. They realise that real people are experiencing real problems. If we can tell donors about specific people who are already benefiting from our work, they are more likely to give money because they know the kinds of people who will benefit and that their money will be well spent.

EXAMPLE If we are raising money for educating children, we might want to use stories about children who do not receive education, those who are currently benefiting from the project, or children who have graduated and found jobs. We might also want to include stories about parents whose children have benefited from the project and look at the impact our work has had on their lives. In some circumstances we might decide to use only first names or even change their names in order to protect their identity. We might also decide not to use any photos of individuals in case it puts them in danger. For example, publishing a photo of a man with HIV might alienate him from his community if anyone in the community sees the photo.

Reflection

- How personal is our approach to fundraising?
- How can we improve this?

PRINCIPLE 4 UNDERSTAND THE DONOR'S VIEWPOINT

Donors usually have two main reasons for giving to our work:

- They trust that we will spend their money wisely.
- They think their donation will make a difference to people's lives.

It is useful to remember this as we think about how we carry out our projects and how we approach them. We could use role play to help us to think about the donor's viewpoint.

Some donors might have additional reasons for giving towards our work. It can be useful to think about what these might be. For example, companies might be willing to donate money only if there is some benefit for them. We need to make a careful decision about whether we want this kind of funding.

There might be potential donors who are very interested in our work, but cannot afford to give money. We could consider inviting them to give their time, or to involve themselves in the work of our organisation through prayer.

EXAMPLE An individual donor is interested in supporting a development organisation. The development organisation has a number of projects, one of which is to build a school. When the fundraiser speaks to the donor she discovers that he used to be a school headmaster and still has an interest in education. The fundraiser can then talk about the school project, which the donor might be particularly interested in supporting.

Reflection

- How could our fundraising be more effective if we thought more about our donors' points of view?

PRINCIPLE 5 SEEK ETHICAL DONORS

It can be tempting to pursue easy sources of funding or take whatever money is offered in order to maximise our funds. However, in the case of donors who give large sums of money, particularly companies, it is important to consider whether accepting money from them might be unwise:

- Perhaps the donor has a bad reputation. By accepting their funds, we may put our ability to obtain funds from other donors at risk.
- The donor might wish to influence our work in a way that goes against our organisation's mission and values.
- The donor may raise its funds in an unethical way. For example, a clothing company might be using child labour to make its clothes.
- Perhaps the donor's mission and values conflict with our own. For example, a Christian organisation might decide not to accept funding from an arms manufacturer. We may decide not to approach a certain government for funds because they are not governing legitimately.

We might want to consider the following issues about the donor:

- Are they socially responsible? In other words, does the donor look after their workforce, preserve the environment and work to improve society?
- How are they viewed by the public?
- Is there any conflict between their mission and values and what our organisation stands for?
- Do the organisation's employment practices agree with good community development principles? For example, do they discriminate against certain members of staff on the grounds of gender, age or ethnicity?

It might be helpful to identify the kinds of donors we will not seek or accept funding from, such as those involved in arms or tobacco manufacture.

Reflection

- Are our current donors ethical?

PRINCIPLE 6 **SAY THANK YOU**

This might seem an obvious principle, but saying thank you gets more difficult as the number of donors we have increases. It is not only polite to say thank you and show that we value the donor's generosity – it is vital if donors are to give money to us again. It is important that our expression of thanks is appropriate, timely and not seen as wasteful.

How we say thank you depends on the donor. If a church or community group has raised money, a member of staff could perhaps visit the group to say thank you in person. Alternatively a letter could be written. Some organisations have a standard thank you letter that they send out to their donors. Try to make it personal and address it to an individual. Try to say something about the impact of their particular donation.

While it might not be appropriate to thank institutional donors in such a personal way, it is worth telling them how much we appreciate their contribution to our work. A short initial thank you letter to tell them we have received the funds from them is often enough. Later they will receive regular reports throughout the project as part of the funding agreement to show them how their money has been spent. It is these reports which will influence their decision to fund us again in the future.

EXAMPLE A church gave a donation to pay for some play equipment at a club for street children. Even though the church was thanked when the donation was made, three months later a letter was sent, along with photos of the children playing on the equipment.

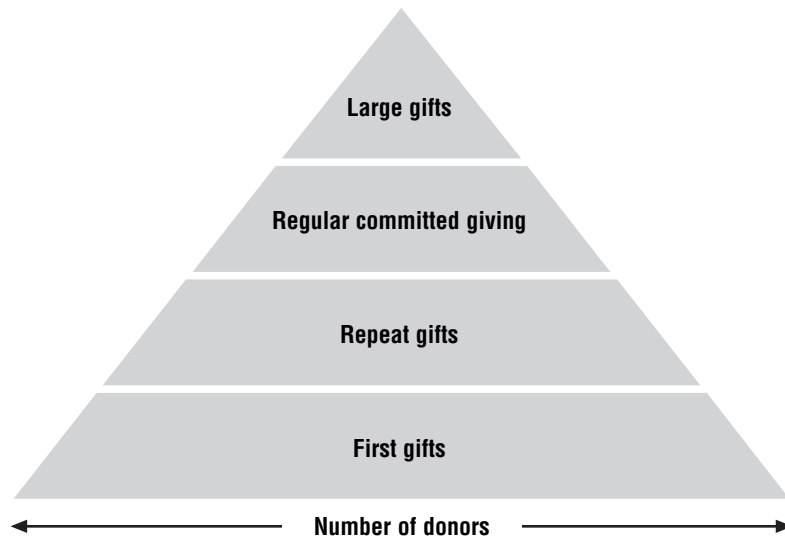
Reflection

- Do we thank all our donors?
- If not, can we think of appropriate ways to thank our donors?

PRINCIPLE 7 INVEST TIME AND MONEY IN RETAINING DONORS

To create a stable funding base, we need to have donors who will donate money again and again. It is more cost-effective to retain donors than to find new ones. The pyramid below shows that most donors will give once. While each layer is equally valuable, if we can move donors up the pyramid so that they become regular, committed givers, we will have a more sustainable funding base.

The donor pyramid



Donors need to have confidence in our organisation and the work we carry out before they are willing to donate again. They need to know that the money they donated in the past has been used wisely.

We should be aware of how much money we spend on retaining our donors. If donors feel that we have spent too much money on retaining their support, they will not give money again, as they will be unsure about whether their money will actually be spent on development work. This does not apply to institutional donors and trusts who require a full application for each project we seek funding for.

Donors are more likely to donate again if they become committed to our cause or to what our organisation stands for. This commitment can be increased by enabling donors to involve themselves in what we do. This could include sending them prayer letters, enabling them to become volunteers or by involving them in advocacy campaigns.

To turn one-time donors into regular donors, we should thank them for their donation and give them updates on how their money is being spent. One important benefit of investing time in retaining donors is that not only might they give further donations, but that they might also encourage others to give towards the cause.

EXAMPLE An organisation working with children calculated that every year 10% of their regular small donors stopped giving. This meant about 100 small donors each year. The organisation calculated that they spend about \$10 on time, materials and postage to recruit one new regular small donor. They decided to send a newsletter to regular donors twice a year. The newsletter tells about how their money has been spent and about how particular children have been helped. It costs about \$200 to

produce and send out the newsletter to all their regular donors, and the following year only 50 donors stopped giving. The organisation had saved the \$500 it would have cost to replace the other 50 donors.

Reflection

- How many of our donors give more than one donation?
- What methods could we use to encourage them to make repeat donations?

PRINCIPLE 8 **MAINTAIN A GOOD REPUTATION**

A good reputation will enable us to retain donors and attract new ones. People are much more likely to give money to an organisation that they have heard of and which is well-respected. Reputation is as important as the quality of our work and our fundraising methods.

We should ensure that our work with communities and our fundraising work reflect our organisation's values. Our reputation should match closely with what we are as a Christian organisation. In general, the closer the match, the more our donors will trust us.

We should be open about our achievements and our failures. For example, we should make project evaluation reports available to whoever asks for them, even if the projects were not successful. Honesty and openness lead to trust and a good reputation.

Reactions to fundraising work

Potential donors may have the following reactions to our fundraising work:

The diagram consists of five speech bubbles arranged in a circle, each containing a different reaction to fundraising work:

- They are too religious
- There are too many organisations doing the same thing
- Their work is controversial
- I have never heard of them, so they can't be doing a very good job
- They are too political

All of these reactions relate to potential donors' perceptions of our organisation. Some of their perceptions might be true, but others will be false. If they are true, we should think

about whether we should change our practices. If the perceptions are false, we should not change who we are to suit them. We should use education to challenge false perceptions.

If people view our work as controversial, we could ensure that our promotional materials educate potential donors about both sides of the argument. This will help them to see our side of the argument and encourage them to make an informed decision about whether they want to donate money.

Sometimes we might find we need to justify our involvement in politics. Perhaps development organisations have been invited to discuss issues with government leaders. Perhaps we have been involved in advocacy work with poor communities. We can show potential donors that engaging with politics does not mean taking sides, and that it is vital if there is to be lasting change at community level.

Some donors are unwilling to support Christian organisations. We need to be clear about what our mission is so that people are aware about what exactly their money is supporting. What we should not do is to give up our Christian identity in order to attract more donors! We need to be aware of people's perceptions of our Christian development work. For example, donors might think we help only Christians, when in fact we help anyone who needs it, whatever their religion. In this case, we need to find ways of explaining this to them.

**PRACTICAL
IDEAS
Improving
knowledge of our
reputation**

Some practical ideas for improving knowledge of our reputation include:

- Keeping copies of letters from grateful beneficiaries and collecting quotes of positive things people have said about our work.
- Getting our work evaluated. It is useful to have copies of evaluation reports to give to potential donors.
- Providing good service to our donors, such as saying thank you, answering correspondence promptly and keeping them updated about our work.
- Getting press coverage of our work. The more we can advertise our work in the media, the more money we are likely to raise. However, having wide media coverage can also mean that if anything bad happens to the organisation, more people will know about it.
- Preparing our accounts to show to donors who ask for them.
- Writing papers for academic journals and conferences in order to raise the profile of our organisation.
- Bringing well-known people into our organisation by inviting them to be patrons, advisors or board committee members.

EXAMPLE Local doctors often refer people to a development organisation's project that cares for people with HIV/AIDS. When applying for local government funding, the organisation asks one of the doctors to write a letter to recommend the work of the organisation and explain why they are happy to refer patients to the project.

Reflection

- In what ways is our reputation important to our organisation?
- Reputation can take years to build, but can be damaged in seconds.
 - Can we think of any organisation or people whose reputation has been damaged?
 - What happened as a result?
 - In what ways could our organisation damage its reputation?
 - How can we reduce the risks of damaging our reputation?
 - If our organisation damaged its reputation, what could be done to improve it again?
- Imagine our organisation is about to produce a document with an institutional donor. They do not want us to use our logo on the document because it contains a cross representing the cross of Christ. What do we do? Think through all the options and decide on the best course of action.
- What are the drawbacks of using the image of a well-known person in promoting our work?

PRINCIPLE 9 **BE ACCOUNTABLE**

When donors fund our work, they expect us to use the money wisely. If we do, they will trust us with their money again. However, if we do not use it wisely, they will not be interested in funding our work in the future and we might get a bad reputation. By being accountable to our donors, we also show accountability to God for what he has provided for us.

Section 2 looks at our role as stewards of God's creation. Stewardship and accountability are linked. When we are stewards, something has been entrusted to us. If we are to be accountable, we should use what has been entrusted to us for what the donor intended.

The way we show our accountability will vary depending on the source of funding. For example, we can show accountability to individuals and churches by giving feedback in meetings or producing literature about the projects we have carried out. We can show accountability to institutional donors by reporting regularly and organising an independent evaluation of our work.

EXAMPLE A development organisation produces an annual review each year for its donors. The annual review contains information about how much money was raised from different sources and how the money was spent. It highlights a few key achievements of the past year and some lessons learned.

Reflection

- In what ways are we currently accountable to our donors?
- How could we make ourselves more accountable to our donors? What processes would we need to put in place?