

Fund Development

Fundraising or Fund Development?

Fundraising most often focuses on a short-term need, seeking instant return of funds from an investment of time and resources. Submitting proposals to address short-term needs, conducting sporadic fundraisers, and responding to grant requests when solicited, are all examples of fundraising.

Avoid Common Fundraising Traps

- Not involving the board in fundraising
- Becoming too dependent on one source of funding
- Not investing in resources in the development area

Many organizations get trapped in “event fever” or in grant proposal writing because these are usually the areas with which the staff and board are more familiar.

What is the difference? Fund development focuses on the donor and building relationships over time that will, in turn, serve to support the organization’s funding needs over the long-term.¹ It is important to consider a full range of development activities when preparing the development plan. Fund development is different than fundraising.

Fund development ...

- Targets a specific population, objective or mission.
- Focuses on the sustainability of the organization or initiative.
- Asks tough questions to develop a comprehensive development program for the organization or initiative.
- Matches with the overall strategic plan.
- Diversifies funding sources.
- Establishes an organization’s or initiative’s readiness to embark on fund development programs.
- Ensures you have the resources to advance the initiative’s mission.

One of the most important reasons to have a fund development plan is so that the organization can assess its performance and make adjustments to fundraising efforts where necessary. Organizations go through various life cycles, and development planning is essential to each of these cycles. However, most organizations do not get serious about fund development until they are reaching maturity. Organizations in their infancy may have a simpler plan but should, nonetheless, plan their fundraising activities from the beginning of the organization’s life cycle. A more mature organization should have a more detailed and complex development plan and should evaluate the strengths and weaknesses of its past development performance before beginning to plan for the future. Some key elements of a successful development plan include:

- Board and staff involvement in the planning process
- Willingness to invest in the professional development of staff undertaking fund development tasks
- Investing time and money into creating awareness of the organization or initiative
- Understanding the value of having diverse funding streams

Fund Development Resources

• Publications on Fund Development

<http://www.goldsteinconsulting.com/introfrplanning.html>

<http://ebooks.ebookmall.com/ebook/240315-ebook.htm>

http://www.boardsource.org/Bookstore.asp?category_id=41

• Good Practices in Fund Development

<http://foundationcenter.org/getstarted/topical/practices.html>

<http://www.npgoodpractice.org/Topics/Fundraising/Default.aspx>



A product of the T.E.A.C.H. Early Childhood®
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¹ www.latour.lsu.edu/presentations/Strategic%20Planning%20Fund%20Development%20Tourism.pdf (as of 2/7/09)