

Fund raising for Nonprofit organization .

Fund raising is a source of revenue.

What is the difference between fundraising and donations?

As nouns the **difference between fundraising and donation** is that **fundraising** is the legitimate process of collecting money by requesting **donations** from individuals and businesses while **donation** is a voluntary gift or contribution for a specific cause

What is the difference between fundraising and sponsorship?

Difference between Donation, Sponsorship and Fundraising A donation is an altruistic gift, either with a general charitable purpose or for the support of a particular project. **Sponsorship** means supporting events, activities, persons of organizations financially or through the provision of products or services

Fundraising is not just a means of raising money, but also a way to promote the message and goals of a charity. ... Given enough time and funds, a charity has the potential to go global. It ensures that the charity can continue funding and helping its cause, for example funding research.

Fundraising or fund-raising (also known as "*development*" or "*advancement*") is the process of seeking and gathering voluntary financial contributions by engaging individuals, businesses, charitable foundations, or governmental agencies. Although fundraising typically refers to efforts to gather money for [non-profit organizations](#), it is sometimes used to refer to the identification and solicitation of investors or other sources of capital for for-profit enterprises.

Traditionally, fundraising consisted mostly of asking for [donations](#) on the street or at people's doors, and this is experiencing very strong growth in the form of [face-to-face fundraising](#), but new forms of fundraising, such as online fundraising, have emerged in recent years, though these are often based on older methods such as [grassroots fundraising](#).

Organizations

Fundraising is a significant way that [non-profit organizations](#) may obtain the money for their operations. These operations can involve a very broad array of concerns such as [religious](#) or [philanthropic](#) groups such as [research](#) organizations, [public broadcasters](#), [political campaigns](#) and [environmental issues](#).

Some examples of charitable organizations include [student scholarship](#) merit awards for [athletic](#) or [academic](#) achievement, [humanitarian](#) and ecological concerns, [disaster](#) relief, [human rights](#), [research](#), and other social issues.

Some of the most substantial fundraising efforts are conducted by **colleges and universities**. Commonly the fundraising, or "development" / "advancement," program, makes a distinction between annual fund appeals and major campaigns. Most institutions use professional development officers to conduct superior fundraising appeals for both the entire institution or individual colleges and departments (e.g. School of Art, School of Math, School of Science, etc... as well as campus institutions like athletics^[2] and libraries.^[3]). The number of people involved will vary widely depending on the size of the institution.

Equally important are fundraising efforts by virtually all recognized **religious groups** throughout the world. These efforts are organized on a local, national, and global level. Sometimes, such funds will go exclusively toward assisting the basic needs of others, while money may at other times be used only for [evangelism](#) or [proselytism](#). Usually, religious organizations mix the two, which can sometimes cause tension.

Fundraising also plays a major role in [political campaigns](#). This fact, despite numerous [campaign finance reform](#) laws, continues to be a highly controversial topic in [American](#) politics. [Political action committees](#) (PACs) are the best-known organizations that back candidates and [political parties](#), though others such as [527 groups](#) also have an impact. Some advocacy organizations conduct fundraising *for-or-against* policy issues in an attempt to influence legislation.

While **public broadcasters** are completely government-funded in much of the world, there are many countries where some funds must come from donations from the public. In the United States less than 15% of local public broadcasting stations' funding comes from the federal government. [Pledge drives](#), a type of annual giving, commonly occur about three times each year, usually lasting one to two weeks each time. Viewership and listenership often decline significantly during funding periods, so special programming may be aired in order to keep regular viewers and listeners interested.

Sources

Fundraising is just one of several revenue sources for a nonprofit organization. Fundraising revenue can come in the form of grants from government agencies, non-profit foundations or corporations; donations from individuals; and sales and services. Income from endowment is not strictly fundraising but rather the fruits of the investment of previous fundraising.

Grants from agencies, foundations or corporations

Non-profit organizations also raise funds through competing for grant funding. [Grants](#) are offered by governmental units and private foundations/charitable trusts to non-profit organizations for the benefit of all parties to the transaction. Charitable giving by foundations in the U.S was estimated to be \$66.90 billion in 2017.^[4]

Charitable giving by corporations in the U.S was estimated to be \$20.77 billion in 2017.^[4] This consists of [corporate grants](#) as well as [matching gift](#) and [volunteer grants](#). 65% of Fortune 500 companies offer employee [matching gift](#) programs and 40% offer [volunteer grant](#) programs.^[5] These are charitable giving programs set up by corporations in which the company matches donations made by employees to eligible

nonprofit organizations or provides grants to eligible nonprofit organizations as a way to recognize and promote employee volunteerism.

Individual donors

The donor base (often called a file or simply "constituents") for higher education includes alumni, parents, friends, private foundations, and corporations. Gifts of appreciated property are important components of such efforts because the tax advantage they confer on the donor encourages larger gifts. The process of soliciting appreciated assets is called [planned giving](#). Charitable giving by individuals in the U.S. was estimated to be \$286.65 billion in 2017.^[4]

The classic development program at institutions of higher learning include prospect identification, [prospect research](#) and verification of the prospect's viability, cultivation, solicitation, and finally stewardship, the latter being the process of keeping donors informed about how past support has been used. When goods or professional services are donated to an organization rather than cash, this is called an in-kind gift.

A number of charities and non-profit organizations are increasingly using the internet as a means to raise funds; this practice is referred to as online fundraising. In addition, [crowdfunding](#) has begun to be used as a method to engage small-donation donors for small, specific opportunities.

Sales and services

While fundraising often involves the donation of money as an outright gift, money may also be generated by selling a product of some kind, also known as [product fundraising](#). [Girl Scouts of the USA](#) are well known for selling [cookies](#) in order to generate funds. It is also common to see on-line [impulse sales links](#) to be accompanied by statements that a proportion of proceeds will be directed to a particular charitable foundation. Tax law may require differentiating between the cost of an item versus its gift value, such as a \$100.00 per person dinner, for a \$25.00 cost meal. Fundraising often involves recognition to the donor, such as naming rights or adding donors to an honor roll or other general recognition. Charity Ad Books are another form of donation for recognition, sponsorship or selling of ads often in an event related program or group directory.

Purposes

Organizations raise funds to support capital projects, endowments, or operating expenses of current programs.

Capital fundraising is when fundraising is conducted to raise major sums for a building or endowment, and generally keep such funds separate from operating funds. This is often done over a period of time (in a capital campaign) to encourage donors to give more than they would normally give and tap donors, especially corporations and foundations who would not otherwise give. A capital campaign normally begins with a private phase before launching a public appeal.

Many non-profit organizations solicit funds for a [financial endowment](#), which is a sum of money that is [invested](#) to generate an annual return. Although endowments may be

created when a sizable gift is received from an individual or [family](#), often as directed in a [will](#) upon the death of a family member, they more typically are the result of many gifts over time from a variety of sources.

Fundraising methods

Fundraising events

A fundraising event (also called a fundraiser) is an [event](#) or [campaign](#) whose primary purpose is to raise money for a cause, [charity](#) or [non-profit organization](#). Fundraisers often benefit charitable, non-profit, religious, or [non-governmental organizations](#), though there are also fundraisers that benefit for-profit companies and individuals.

Special events are another method of raising funds. These range from formal dinners to [benefit concerts](#) to [walkathons](#). Events are used to increase visibility and support for an organization as well as raising funds. Events can feature activities for the group such as speakers, a dance, an outing or entertainment, to encourage group participation and giving. Events can also include fundraising methods such as a raffle or charity auction. Events often feature notable sponsors or honoree. Events often feature a charity "ad book" as a program guide for the event, but more importantly, as another fundraiser providing members, supporters and vendors to show their support of and to the group at the event by way of placing an ad-like page, 1/2 page, 1/4 page, stating or showing support. Events and their associated fundraisers can be a major source of a group's revenue, visibility and donor relations.

One specific type of event is the "ad book" fundraiser, where those who wish to give funds to a fundraising group do so through the sponsorship or statement within a book of advertisements.

Online fundraising pages have become very popular for people taking part in activities such as a charity. Those pages facilitate online payments in support of the charity.

Popular charity fundraisers in major American cities include lavish black-tie gala benefit dinners that honor celebrities, philanthropists, and business leaders who help to fundraise for the event's goals through solicitations of their social and business connections.

Donor relationship and cultivation

Often called donor cultivation, relationship building is the foundation on which most fundraising takes place. Most fundraising development strategies divide donors into a series of categories based on the amount and frequency of donations. For instance, annual giving and recurring gifts represent the base of a fundraising pyramid. This would be followed by mid-level gifts, planned gifts, major gifts, and principal gifts.

More sophisticated strategies use tools to overlay demographic and other [market segmentation](#) data against their database of donors in order to more precisely customize communication and more effectively target resources. Research by [Peter Maple](#) in the UK shows that charities generally underinvest in good marketing research spending around a quarter of what an equivalent sized for profit company might spend.

Donor relations and stewardship professionals support fundraisers by recognizing and thanking donors, and demonstrating the impact of their donations in a fashion that will cultivate future giving to nonprofit organizations.

Recent research by [Adrian Sargeant](#) and the [Association of Fundraising Professionals'](#) Fundraising Effectiveness Project suggests the sector has a long way to go in improving the quality of donor relations. The sector generally loses 50–60% of its newly acquired donors between their first and second donations and one in three, year on year thereafter. The economics of regular or sustained giving are rather different, but even then organizations routinely lose 30% of their donors from one year to the next.^[12]

Capital and comprehensive campaigns

A **capital campaign** is "an intensive fundraising effort designed to raise a specified sum of money within a defined time period to meet the varied asset-building needs of an organization". Asset-building activities include the construction, renovation or expansion of facilities (for example, a new building), the acquisition or improvement of land, equipment, or other items, and additions to a [financial endowment](#). Two characteristics set capital campaigns apart from other forms of fund-raising activities. First, "the gifts solicited are much larger than those generally sought during an annual fund". Second, "pledges are emphasized as commitments payable over a number of years convenient to the donor or through the transfer of appreciated [real](#) or [personal property](#)".^[13]

Various types of capital campaigns have been identified. The traditional "[brick and mortar](#)" campaign, focused on building construction or improvements, was considered a "once in a lifetime" campaign in the past because of the ambitious goals of the campaign. Today, however, organizations frequently schedule capital campaigns every five to ten years, and "the megagoals announced by large institutions often are the result of 'counting everything' during a five-to seven-year campaign period".^[13]

A second type of campaign is the **comprehensive, integrated, or total development campaign**, which aims for a longer fund-raising program based on a long-term analysis of the organization's needs and direction. This form of campaign can wrap together capital projects, endowment and operating expenses as its purpose, and use a variety of fund-raising activities, such as annual gift drives, which are "slower-paced and lack the intensity of the traditional capital campaign".

Accountable fundraising

Some [non-profit organizations](#) demonstrate greater accountability by showing donors the direct impact of their fundraising efforts. This accountability may come in the form of a vote, where the members select a specific program or charity that they would like their money to go to. Another example is put in place a mechanism which allows donors to constraint usage of funds toward a specific purpose and closely monitor/allow spending to ensure proper usage.

Professional fundraisers

Many non-profit organizations take advantage of the services of professional fundraisers. These fundraisers may be paid for their services either through fees unrelated to the amounts of money to be raised, or by retaining a percentage of raised funds (percentage-based compensation). The latter approach is expressly forbidden

under the Code of Ethics of the [Association of Fundraising Professionals](#) (AFP), a professional membership body. However, by far the most common practice of American non-profits is to employ a staff person whose main responsibility is fund raising. This person is paid a salary like any other employee, and is usually a part of the top management staff of the organization.

Some non-profit organizations nonetheless engage fundraisers who are paid a percentage of the funds they raise. In the United States, this ratio of funds retained to funds passed on to the non-profit is subject to reporting to a number of state's [Attorneys General](#) or [Secretaries of state](#). This ratio is highly variable and subject to change over time and place, and it is a point of contention between a segment of the general public and the non-profit organizations.

The term "professional fundraiser" is in many cases a legislated term referring to third-party firms whose services are contracted for, whereas "fundraising professionals" or development officers are often individuals or staff at charitable non-profits. Although potentially confusing, the distinction is an important one to note.

A specialty within the fundraising profession is the "**grant professional**." Grant professionals with at least three years experience, and other requirements, can become certified as **Grant Professional Certified (GPC)**. The GPC credential is administered by **Grant Professionals Certification Institute**, whose mission is to strengthen the nonprofit sector's ability to pursue and maintain public sector and private sector funding by promoting competency and ethical practices within the field of *grantsmanship*. The certification process is designed to measure minimum knowledge and skills related to all aspects of grant development and management, including but not limited to such areas as grant research or pre-production, grant construction, grant reporting, public sector funding, private sector funding, ethics and grant accountability.