

The Types of Donors

Building donor partnerships is a key part of NGO and social enterprise development. Strong donor-NGO relationships help maintain the financial and programmatic sustainability of an organization. It is imperative to maintain good partnerships with all donors, as they are the heart of your fundraising plan, enabling you to serve your target population.

It is imperative to diversify where your funding streams as there is no one donor, government, or foundation that can promise to fund your programs forever. There are different types of donors and income streams, from foundations to individuals, who can possibly support your organization. Each stream has their own best practices approach.

➔ The question is: **How do you create a donor strategy to generate donations and earned-income for organizational sustainability?** Let's break down each donor and distinguish strategic ways to solicit their involvement.



Government

Government funding is political. They usually fund big issues currently facing society. When soliciting, there are a few things you need to ask yourself:

- 🌐 Do you know the government rules and regulations for applying and securing funding?
- 🌐 Does the government entity have their own templates for proposals?

➔ Read these carefully and understand how to fill it out correctly based on their instructions. You may be disqualified if you don't!



- ⚙️ Am I well-informed on the current government agendas and policies?
- ⚙️ Are there repercussions with donors, staff, or community members associated with taking funds from the Government?
- ⚙️ How long will this government funding last?

➔ Government funding can easily disappear or be frozen. So while government funding can be quite substantial in certain regions, you should still work to diversify your income.

Though government funding comes with more administrative policies and procedures than other forms of funding, it can open doors to other non-governmental funding. Some donors donate based on the trends of who the government funds. Sometimes the Government can solicit to other donors on your behalf.



Foundations

This approach is similar to government funding, however there are a few differences. Foundations can be more radical and fund organizations the Government may deem “risky.” The language you use in foundation proposals also distinguishes them from other donor strategies. To begin your foundation solicitation:

- ⚙️ Research foundations that could align with the mission and vision of your organization.
- ⚙️ Write proposals using clear and easy to understand language.
- ⚙️ Establish impact-orientated goals.
- ⚙️ Polish your short summary. This is the most important part of the proposal. Some funders only look at this portion during early rounds.
- ⚙️ Your organization may need to be nominated to apply, and a pitch may be required in addition to submitting a proposal.



Individuals

Individual donations are integral to your fundraising plan and donor strategy. No matter how small or large, individual donors are necessary to keep the NGO programming afloat. A few ways to solicit individual donors include:

- 🏠 Online funding or advocacy campaigns (via website, social media, etc.)

➔ Go to Module 3: Communications and Advocacy to learn more about creating an advocacy campaign.

➔ A great online resource we recommend for raising money is Global Giving.

🏠 Outreach at community and partner events

🏠 Hosting programs, workshops, and/or open houses at your organization and have them be open for the public to learn more about your mission.

🏠 Small asks/ encouraging donors to tell their friends, family, co-workers, etc.



Corporate

Soliciting from corporate funders is a bit different from the other models. Corporations may take more time to cultivate than other funding streams. To engage with corporations, keep these tips in mind:

- Recruit their employees as volunteers on your organization's projects. This builds a nice rapport and trust between your organizations.
- A corporation may fund small projects in the beginning and grow into something bigger the more impactful and sustainable your program proves over time.
- Networking is needed more for corporate funding than for foundations and government funding.
- The availability of corporate funding varies by country.



Maintaining Donors and Post-Donation Relations

After the initial donation, **you need to keep donors informed on what is going on in the organization.** This helps them understand what you are doing, motivates them to continue to support your organization, and makes it easier to solicit that next gift for an upcoming program or project.



● Involve them in any possible events and activities for higher engagement.



● Maintain communication with them via email, social media, or at events. This can also include recognizing them in the organization newsletter or special events.



● Be responsive. Address their concerns in a timely manner to show your donors that their voice matters.

● Keep them updated with any new project developments, significant announcements or growth as an organization.



- 🕒 Follow up on requests for timely reports of financials and program activities.
- ⚙️ Think of your donors as organization partners. Make MOUs with large funders, and make sure you are holding up your end of the deal from established MOUs.



Fundraising Plan

Goal-orientated funding is a strategic method to solicit donations from partners, sustainable donors, and new donors. It is necessary to have a plan to attain your goals with intention. As you are crafting a fundraising plan, think about the following questions:

- 🎯 What are the goals?
- 🚀 How do we reach these goals?
- 👥 What will you do to network and gain support for these goals?
- 📊 How will you monitor and evaluate your progress towards these goals?

