

Every one of the many thousands of non-profit organisations (NPOs) in South Africa relies on local and international funding. Without this funding, these organisations would not be able to function effectively. Potential donors receive requests for money every day, and they are not able to help everyone who asks. However, understanding what is required and good preparation can make the difference between successful fundraising and being rejected. This section will help you understand all the issues about fundraising and covers the following topics:

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What are the stages in fundraising?

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What is a grantmaker or donor?

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How can I find out their funding criteria?

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How can I find out about potential donors?

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What will help my organisation get funding?

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How do I talk to donors?

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How many donors do I need?

What are the stages in fundraising?

- First plan the work you would like to do
- Write a brief description of your idea and work out a budget
- Find out about donors (often called grantmakers or funders) who could possibly finance your project
- Ask the donors (by telephone or email) for information, application forms and guidelines
- Write a funding proposal (using the guidelines on this website or the donor's specific guidelines)
- Send the proposal in time for the deadline
- Follow up on your application by telephone or email
- After you have received the funding, keep up a good relationship with the donor by reporting regularly on your progress

What is a donor or grantmaker?

Donors or grantmakers provide financial donations or grants to help non-profit organisations function and/or achieve certain projects. Most donor or grantmakers are corporates, foundations or trusts but can also include other groups or organisations and private individuals.

How can I find out about their funding criteria?

Donors usually specify which areas they are interested in and what their priorities are for funding, as they cannot give money to every organisation that applies. So it is important to research which donors you should approach, based on the type of your project and the donor's funding preferences.

Some donors, for example, prefer to fund specific projects, or components of projects; they will not fund an entire organisation. Other donors prefer to fund HIV and AIDS-related projects that focus on education, children, prevention or treatment. Many donors do not fund individuals or research projects. So before you spend many hours writing up a funding proposal, first contact the potential donor or visit their website to find out their criteria for funding (the kinds of projects they fund).

How can I find out about potential donors?

General NPO networks, such as the South African Non-Government Coalition (SANGOCO), and more specific networks like the AIDS Consortium and WC NACOSA can provide useful advice, especially regarding government funding. It is also useful to speak to other NPOs doing similar work and find out who their donors are. You can also find ideas for donors by searching the [donor directory](#).

What will help my organisation to get funding?

- A worthwhile project
- A good reputation
- Accountability and openness (good record-keeping and annual reports, audited financial statements)
- A good proposal for your organisation's project
- Effective partnerships and/or networking with other NPOs and government agencies working in the community

How do I talk to donors?

When you contact donors remember they will not decide to give your organisation money unless they are sure they can trust the organisation to do the job. They also need to know that your organisation can manage money efficiently and report back reliably. So it is important to make the donor agency feel confident that your organisation will be able to do what it plans to do.

To do this you must make sure that you are honest, reliable and efficient in all your dealings with them – even with things that might seem small to you, such as being on time for meetings. Find out who deals with funding requests and contact that person when contacting a donor agency for the first time.

How many donors do I need?

Identify and approach three or four potential donors for the main activities of the project. Also

identify and approach a few donors who may finance specific items, such as equipment or a vehicle. It is unlikely that you will receive money from them all, although many donors prefer to be one of several (they do not like to think that your organisation's future is completely dependent on them).

Donors usually prefer to fund a part of a project rather than the whole organisation. So you might end up with a number of donors financing different areas – for example, one might fund your organisation's rent, another your organisation's food parcels and another your administration costs. This may create more administrative work for you, but it also makes it easier for you to get funding if part of your project is funded already.

Further information can be obtained from our section: [Useful funding websites](#) □ [Click here](#)

for an in-depth and informative article entitled

The Sustainability Challenge: Pressures and Opportunities for South African NGOs

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[Click here](#) for an interesting article entitled *An Emerging Funding Crisis for South African Civil Society* by Noxolo Kabane, profiled in SANGONeT's NGO newsletter of January 2011.