SCOUTS
Creating a Better World

Guideline on

Fundraising

A practical tool to develop the capacity
of National Scout Organizations
to raise fund effectively for Scouting events
and activities in their countries.

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Contents

FOREWORD

This is an updated edition of the Guideline on Fundraising, first published in 2010.

Fundraising is an important and essential component in the operation of a National Scout Organization (NSO). Funds and resources are necessary to sustain plans, projects, and activities. This guideline is designed as a practical tool to enhance the capacity of NSOs in raising funds for Scouting activities. Fundraising principles apply to national fundraising initiatives as well as to Scout group level.

The Guideline on Fundraising consists of three parts:

I. SCOUTING and FUNDRAISING

introduces the features and general principles of Scouting when conducting fundraising, and the relevant provisions of the World Organization of the Scout Movement in GSAT on fundraising.

II. PRACTICAL SKILLS and CONCEPTS of FUNDRAISING

introduces the "why" and "how' of fundraising

III. FUNDRAISING MANAGEMENT

includes the principles of legal, taxation and accounting for fundraising work, and how to create and maintain a fundraising system.

Fundraising is included in the financial resources of all National Scout Organizations (NSOs) and is closely related to other functions of financial management. Therefore, in order to obtain comprehensive information, when reading the guidelines, it is also recommended to read the APR Handbook on Financial Resources – Management and Development along with the Dimension 7 (Resource Allocation and Financial Controls) of the Global Support Assessment Tool (GSAT) provided by the World Organization of the Scout Movement (WOSM).

SCOUTING AND FUNDRAISING

An honorable tradition

In the history of Scouting, the action of fundraising might begin as early as 1907 when Baden-Powell held the first Scout camp in Brownsea Island. The fundraising efforts at that time included both non-monetary (free use of camping sites, staff support) and monetary (one of the participants' parents donated £16 sponsorship for the camping cost).

We can say that the Baden-Powell's programme for nurturing young people and the sponsors' commitment to the plan to donate money or non-monetary resources made Scouting run and be success.

Through fundraising, not only can we obtain various monetary or non-monetary resources needed for the Scout Movement to run and develop continuously, but we can also invite more people to understand Scouting and participate in this nurturing youth program through sponsorship. This model is still applicable today, and it is also an honorable work for those who has been dedicated to the Scout Movement since the beginning of Scouting, now, and in the future.

The features and general principles of fundraising in Scouting

The general fundraising activity is to raise a variety of monetary or non-monetary resources. On the other hand, the focus of fundraising activity in Scouting is to use Scouting Method to raise a variety of money or non-monetary resources. The following are the principles of fundraising:

Fundraising must comply with relevant laws and regulations

Need to find a list of possible sponsors

A single contact window should be established for sponsors to avoid repeated proposal to the same sponsor

The spirit of perseverance and trial and error when proposing and communicating is required until one can find one or more suitable sponsors who agree to provide enough funding for the project

The integrity and legitimacy of the fundraising organizations should be made known to the sponsors

The sponsors ought to be convinced of the benefit from the projects they sponsor

The sponsors should understand the management of funding project

Should the sponsors not only understand the use of their sponsored funds but also track the usage and goals

Give public or proper thanks to the sponsors

Have detailed fundraising project account records that track the income and usage of all funds and resources

The relationship between sponsors and potential sponsors must be continuously tracked and maintained.

The above principles, with the following points, becomes the features and general principles of fundraising in the Scout Movement:

- Authorized by National Scout Organization (NSO)

- The method and process of fundraising must comply with the principles and the principles of the Scout Movement along with other relevant provisions of the World Organization of the Scout Movement (WOSM)

- When raising funds, seeking sponsorship or establishing a partnership, it is necessary to confirm that the profile, image and ethics of the prospective donor and/or partner to ensure that their values do not conflict with those of the Scouting values

- The resources or benefits obtained will be used exclusively for Scouting activities

GSAT criteria on Fundraising

The Global Support Assessment Tool (GSAT) is a Quality Standard owned by the World Organization of the Scout Movement (WOSM). The purpose of this Standard is to serve as a reference of Best Practice for National Scout Organizations (NSOs). The application of this Standard will enable NSOs to assess their strengths and areas of improvement and, as an outcome, to improve their accountability to stakeholders.

This GSAT Standard has been built on:

- The foundations of the SGS "NGO Benchmarking Standard" (V2.2 October 2009) (http://www.ngobenchmarking.sgs.com), a reasoned consolidation of 25 International Codes and Standards established by public or private grant-ors, and on;

- The Best Practices requirements that are specific to the Scout Movement

As such, one of the main features of this GSAT Standard is its base of the 10 Dimensions of Best Practices:

- Dimension 1: NSO-WOSM Institutional Requirements

- Dimension 2: Governance Framework

- Dimension 3: Strategic Framework

- Dimension 4: Integrity Management

- Dimension 5: Communication, Advocacy & Public Image

- Dimension 6: Adults in Scouting

- Dimension 7: Resource Allocation & Financial Controls

- Dimension 8: Youth Programme

- Dimension 9: Growth Potential

- Dimension 10: Continuous Improvement

  each focusing on the different facets of an NSO, promoting corresponding Best Practices and requirements.

Among the above dimensions, in GSAT (GLOBAL SUPPORT ASSESS-MENT TOOL, Version 2.0, May 2017), there are criteria that directly relate to funding or fundraising:

0310 ❌	The NSO undertakes an identification and evaluation of its management risks (i.e. financial, conflict of interests, operational, funding, succession planning, reputational, etc.). Results of this process are documented, regularly updated (every year) and, whenever appropriate, acted upon by the "National Board".
0402	The NSO formally adheres to ethical norms and values which could be reflected or included in one code or several documents covering the following: 1. Ethical principles in fundraising (fair representation of purpose, method, behaviour); 2. Conflicts of Interest (gift policy, affiliation with suppliers or competing organisations); 3. Professional staff and volunteers' behaviour (discrimination, harassment); These codes/documents have been communicated to all concerned parties.
0406	The NSO has evaluated the ethical standing of its partners (external or internal) entrusted with fundraising activities (e.g. Scout Shop, Scout Foundation...). Results of this process are documented, regularly reviewed and acted upon.
0702 ❌	The NSO has defined and implemented a financial accountability system (full disclosure) which enables it to track funds (earmarked or not) down to their use in programmes/projects (total, cost of fund-raising, sources of funds).

0703	The NSO has defined and implemented a control system to prevent any financial misuse of funds.
0705	The NSO actively uses the monitoring and reporting of administrative costs, fundraising and operational expenses as inputs, to regularly adjust the budget (either midstream or for its next cycle) report.
0710 ❌	Case 1: - The NSO must have enough short term liquidity/assets to cover its short and mid- term liabilities/debts (operational expenses, staff salaries in particular). Case 2: - Where the NSO receives money "as needs arise" from a specific set of donors, the organisation has a legal agreement which ensures that donors cover the liabilities (responsibility) to which the NSO is committed, by supporting all expenses related to the activities to be performed over the whole duration of the project.
0903	The NSO has defined and implemented a resource generation policy/strategy identifying different revenue streams (e.g. membership fees, commercial activities, individual donations, government grants, fundraising, funding proposal submissions etc.). The resource generation policy/strategy is regularly reviewed.

Above criteria which marked with ❌ are considered as essential, "the minimum required" for a well-functioning organization. These criteria are therefore identified as "Major Non-Conformities", which, if not complied with, should be considered as priorities in the assessment follow-up.

PRACTICAL SKILLS AND CONCEPTS OF FUNDRAISING

WRITING FUNDING PROPOSALS

The right approach

Getting money for your project is not just a matter of luck. The key to being successful is learning a few skills and improving them with each proposal. The approach you take is also vital, i.e., acquiring funding is not about asking for money, it is about selling your ideas. Do note that the donor needs good projects and you are persuading them that by giving you this money, they will succeed in fulfilling their own aims.

Always put yourself in the donor's shoes – what would you want to see in a proposal?

Usually, a donor wants to invest in a project that may:

- solve a specific problem;

- produce tangible benefits with lasting effects; and

- meet an urgent need - by funding a solution now you will bring immediate results;

- be used in an area that specifically interests the donor – it will fit in their niche and add to their portfolio of successful projects in their niche areas.

Understanding your funding agency

You have to target your proposal to each separate donor as no two donors are alike. You will need to do your homework and find out what the donor does and does not fund. Funding sources are established for a variety of reasons and understanding their objectives is usually the most important information you need, as it explains what the fund is trying to achieve.

Do find out what work the organization likes to support. There may be specific objectives or priorities, so you need to have an up-to-date information, i.e., funding organization may only support community or education projects. Whatever the objectives are, your job is to show how your project fits in.

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How to find the important information

Donors present their information in many ways, in form of leaflets, application forms and more commonly these days on the internet. You need to work out an efficient method of extracting the relevant information so as to be sure that you have included all the right material in your proposal. By reading a donor's literature thoroughly, you will only need to ask questions to fill in the few remaining gaps in your understanding. It is also very useful to get details of past projects they have funded as this will help to guide you what kind of projects they will support.

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Persuading the donor to give you money

Do use the same language as the funding organization so as to shows that you fit closely with their objectives.

Show how your project fits with their organization priorities. e.g., :

"The study area is one of country's priorities in youth development" or "This project will help in the call for volunteerism and meet strategies on enhancing youth development by...".

A checklist of things your application must do

- Your application must show the donor that yours is a project to which they want to give money to.

    -It will match each and every one of their priorities.

    -It will produce excellent results with which they will be proud to be associated.

    -Their investment will have lasting consequences in the good cause for youth development.

- Be convincing. Are you able to deliver what you say? How will you do it?

- Make it interesting – how is it different or new? Or just a new 'packaging' of an old proposal.

- Be clear in your points. If any sentence is difficult to understand, then rewrite it. Do not use jargon.

- Your proposal has to stand up to criticism without your presence for explanation.

- Make it look good. Get rid of all typing and spelling errors – mistakes in your proposal indicate that you may mess up in your project.

If your application does not match the funding organization's priorities

Do reword your application if need be. If you are not convinced even to yourself, then it is likely that the donor will not be convince that the project fits their priorities.

Write a proposal for the part of your project that does meet their priorities.

If you don't fit in closely with their priorities, then move on so as not to waste time.

Why do I feel rejected?

If your application is rejected, do not take it too personal as there may be limited funds out there and there are a lot of other applicants.

Try and find out why you did not get it, then improve your application and try again.

Never resubmit the same application! Remember if it didn't work the first time, why should it work next time?
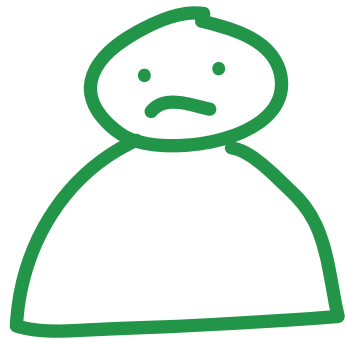
TYPICAL PROPOSAL SECTIONS
Before writing a proposal or submitting an application, it is useful to think of the structure, generally as below.

Title
Keep it short and make sure contents are relevant to your project.

Project summary or abstract

The summary is the most important part of your proposal as it will capture the donor's interest before they go into the details. It will allow the donor to consider if the project is worth funding and whether it fits their priorities.

Overall objectives

If the proposal form asks for an overall objective and specific objectives, then:

State the project goal in terms of the longer term benefits, e.g., show how the project fits in with international priorities, country policies on youth development and the objectives of the donor.

The overall objective will not be achieved by the project alone but will contribute to the donor's longer-term objectives.

Background or justification

Do shows that you have identified a specific issue that needs addressing and that your project will provide tangible results that will solve this problem.

Do not than swamp the whole proposal with unnecessary detail but rather keep your project into context and relevant.

Specific objectives or aims

These should address the core problem. Try not to sound too ambitious as your project has to be achievable within the time available, so don't state objectives you can't achieve. The project should have at least two specific objectives but not more than four or it will look too ambitious.

It is better to tackle two objectives well than half finished. Each objective should have clear, measurable outcomes. This is the opportunity to convince the donor that your work will have a significant impact.

Make sure your specific aims are in the same order as you state them in the earlier and later sections, and the wordings should matche as closely as possible. Do use the same terminology throughout.

Outcomes

Your proposal must indicate the impact it will achieve. Each objective listed in your proposal should have a corresponding outcome or means to show that you have assess whether you have met the project aims.

Methods and program of work

This section must convince the donor that you will be able to achieve your objectives in the time available and that you have thought through the program in detail. Show what activity or research you will carry out to achieve each of the objectives. Research studies that should state details such as the techniques to be used.

Do put your activities into a timetable (schedule or program of work) as this will show how long you will take to complete each activity. Don't forget to include time for setting up the project at the beginning and writing it up at the end.

Budget and budget justification

Do make your budget realistic - too high people will be suspicious; too low it will look unrealistic.

Do check that you have included all relevant amounts and check if they add and balance up.

Do find out if there are any specific items that the grant does not fund and if there are, don't put them in.

Do show your sources of other funding even if they are in kinds.

Finally, don't leave at the last minute to write your application. You need to beat the competition. A rushed application will have mistakes, and make you look as if you don't really care.

FUNDRAISING STRATEGIES

Preparing for fundraising

The first step in fundraising is setting your goal, followed by developing a plan for realizing that goal and finally selecting the tools needed to execute the plan. The goal, plan and tools should relate to the activities you want supported. Commonly, people organize brainstorming sessions to gather detailed information.

The project must be very clear on its expected achievements and beneficiaries. These will help you choose who to approach for funds.

Types of fundraising approaches

Different donors have different require-ments, so you need to know what approach to take for each donor.

Ask yourself - will you be approaching donor as an organization or as an individual? Some donors have a call for proposals or advertising the availability of funds for specific activities. There are usually strict guidelines for eligibility.

If you have a relatively small project, you will probably be more successful approaching grant-giving organizations. If you have a program of activities that your organization will be running, then you could approach donor governments or aid programs. Other donors can be approached on an ad hoc basis, and this may require you to build up relationships with them over time.

Face-to-face meetings are usually good as it is an excellent way for you to learn about a donor's priorities, and for them to become

convinced that you have a good cause. Whatever your approach, your donor wants to know their money is going to be well spent and have an impact for which they will be given due recognition.

Ways of asking for specific amounts of money

Most grants indicate the amount of money for which you can apply. You do this through an itemized budget.

If you are asking for donations, show other sources of income, including in kind contributions. This will give people a good idea of how much to give.

If you are approaching a company or individual for sponsorship, then it can be a matter of guesswork as to how much you should ask for. Ask for a specific sum for an item of expenditure or for field costs.

Reporting your successes
Writing a report is one important way to thank your donors.

Good reports, showing how successful you have been, will also help you attract further or future funding.

Putting donors' logos on your publicity materials or reports is also a good way of profiling them.

The skills required for fundraising
You must be committed to the cause. You have to believe wholeheartedly in what you are doing, and make your cause compelling to others. If you are not convinced of your project, how will you expect to convince the donors?

- Be confident and do not be shy to ask.
- Use imagination and creativity.
- Be persuasive (but don't promise what you can't deliver!).

Making your proposal relevant

Always make your proposal relevant to donor's targets and priorities.

Alternative strategies for fundraising

General examples:

- Direct solicitation for donations and/or sponsorship
- Developing various fundraising or expenses reduction partnerships
- Approaching retired Leaders, retired members of committees etc. and establish a regular 'donor program' for such people.
- Obtaining tax deductions for donations will be a positive incentive
- Operating Scout Shops selling scout uniforms, equipment etc.
- Renting camp sites to outside parties
- Writing, publishing and selling Scouting publications
- Holding banquets, balls and similar social activities
- Sponsoring gala premieres of plays, movies etc.
- Producing variety shows, plays and musical performance
- Conducting raffle, luck draw competitions, trivia nights etc.
- Arrange a fundraising games competition etc. soccer and charge admission
- Organize a charity walk
- Holding a flag day
- Selling souvenirs and other items of interest
- Performing a service (Job Week, car washing, cleaning up areas etc.)
- Obtaining paid advertising in Scouting magazines

But do note, organizing special fundraising events such as charity walks, exhibitions, dramas or shows, or a luncheon or dinner over an interesting talk can be educative but it is very labour-intensive and requires very good planning to be productive.

a. The corporate sector
Many business ventures may be supporting activities relating to youth development, community as part of their social corporate responsibility. This provides a good opportunity for getting funding from the private sector.

b. Open competition
This can be done through open funding applications to institutions, foundations known to give funds and support work in the targeted areas of interest.

c. Other
Alternative ideas include joint promotions with donor or raffle ticketing or selling materials such as posters and books. Also, donors might be asked to "adopt" an item relating to the project theme. Exhibitions, trade fairs and so on can help generate funds directly or through contacts made at the events.

CATEGORIES OF DONORS

Finding a donor or a private donor can be a matter of luck – it is very different from filling in an application form.

It helps to have personal contacts (but friends can also help you approach the relevant people). Your chances of success will be much higher if you can show a clear link between your activities and their interests.

You need to be good with people, persuasive and opportunistic!

Potential Sources of Funds

Traditionally sources of funding, depending on the particular situation in each country, may come from a variety of sources including:

- Wealthy individuals

- The Corporate sector

- Government initiatives (including government run lotteries)

- Grant-giving Organizations

- Charitable Trusts

- International funding that can be from other Governments, Charitable Organizations etc.

When considering which sector to seek funds from it is important to recognize that a different approach may be required in each case depending upon the criteria set out by the potential donor.

FUNDRAISING MANAGEMENT

LEGAL, TAXATION AND ACCOUNTING

General Regulations on Street Collections

Prior to any fundraising event carry by the organization, it should obtain approval and fundraising permit through the Government Board overseeing the Charities. In general, the 'House to House and Street Collections license' will be issued.

The designated person in charge of fundraising event should familiarized with the country 'House-to-House and Street Collections' Act.

In most countries, no one below the age of 16 years is allowed to act as a collector unless specific approval is granted by the officer issuing the license.

For sound fund-raising practices, the costs/ expenses relating to the fund-raising event should not exceed 30% of the proceeds of the collection.

The designated person of the fundraising event shall return every certificate of authority when the certificate is no longer required for the purposes of the collection or when the collection is completed.

General Restriction

During fundraising activities, the organization (or licensee) shall ensure that the collectors do not obstruct the free movement of pedestrians or traffic, especially at street junctions, bus stops and entrances to business premises.

In some countries, there should not be collection carried out at Immigration checkpoints, airport, railway station, hospitals, subway stations, hotels and places of worship.

Duty to Donors
An organization conducting a fundraising appeal shall ensure that:

any information provided to donors or to the general public is accurate and not misleading

the information is disclosed to every person from whom a donation is solicited such as the name of the organization to which the donation will be given; the purpose of donation; whether any commercial fund-raiser has been engaged; any information relating to donors is kept confidential and no information relating to a donor is given to any other person without the consent of the donor; any arrangement to solicit donations has adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.

Tax deduction receipts

Depending on various countries, an appointed representative from the government board overseeing the charities may authorize organization that fund raised to issue tax deduction receipts to donors in respect of tax deductible donations made to the organization.

The organization should maintain records such as particulars of every tax deductible donation received and accounting records.

Accounting and Auditing

In general, an organization that fund raised shall furnish the following accounting documents:

- audited financial statements

- auditor's report on the financial statements

- auditor's report on the use of donations and whether such use is in accordance with the objectives of the organization

- fundraising and expenditure plans of the organization for the following financial year

- annual report of the organization.

Information to the general public

The Organization shall disclose to the general public such information on its activities and financial accounts in writing or on internet website or any other formats specified by the appointed representative from the government board overseeing the charities.

Build and maintain your fundraising system

The Scout Movement is running continuously, and the development and maintenance of fundraising sources must also be continued. Therefore, it is very important for each NSO to establish a permanent fundraising system and to maintain its normal function within the organization.

Main functions of the fundraising system

The function of a permanent fundraising system has three main aspects:

1 goals vision

Planning and execution aspect

- Design the overall short, medium and long-term. NSO fundraising goals and work plan
- Continuously develop, promote and execute various one-off/project/long-term fundraising programs
- Organize and train the required staff to handle various fundraising tasks
- Plan and execute risk management for various fundraising projects

Organizational aspect

2

- Understand the organization's latest plan of development and budget for design and adjust related fundraising work plans.
- Organize various rules and regulations related to fundraising in the organization for reference of various fundraising.
- Coordinate cross-department cooperation to ensure the functions required for fundraising projects run smoothly

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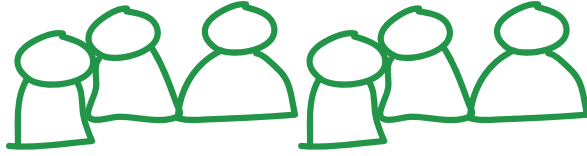
Outside relations aspect

- Ensuring the fundraising projects could maintain and enhance the image of the organization

- Continue to search and find potential sponsors

- Organize appreciation methods (e.g., ceremony, activities, publication) to recognize and thank all those who were involved, especially donors, sponsors and volunteers.

- Provide performance reports to sponsors and maintain good relationships

- Encourage those one-off project sponsors become long-term sponsors

Usually, the operation and maintenance of the above-mentioned fundraising system will be referred to the NSO's finance committee or its fundraising sub-committee.

Elements of a Permanent Fundraising System

A permanent fundraising system normally includes
at least several parts:

- A team dedicated to fundraising

- A plan for fundraising team personnel recruitment and training

- An account dedicated to sponsoring donations

- An open and transparent accounting record system that regularly inspected by internal and external audits

- A cross-departmental coordination and processing platform

- A channel for internal and external legal consultation and assistance

- A fundraising plan with short, medium and long-term goals

- A set of fundraising rules and processes

- A set of one-time donation processing rules and procedures

- A set of regular long-term donation processing rules and procedures

- A database of basic information about sponsors and donations

- A set of rules and processing procedures for thanking/praising/feedback/reporting to various sponsors

ACKNOWLEDGEMENT

The first edition of the Guidelines on Fundraising is a collective effort of the members of the Asia-Pacific Financial Resources Sub-Committee (2007-2009) who saw the need to put together the principles and concept of fundraising.

The second edition is an updated version by the Asia-Pacific Financial Management Sub-Committee (2018-2021).