

Module 5: Implementing different types of Resource Development



There is no ‘one size fits all’ approach to Resource Development with different types of donors. Every organisation is on a journey and likewise all HelpAge global networks are working in different contexts or are at different stages of their development.

This Module focuses on four different types of Resource Development (as listed on the right) which HelpAge network members have specifically expressed an interest in learning more about.

These are just four avenues and do not reflect all of the different types of Resource Development an organisation can undertake (for example this training does not focus on impact investing, or funding from High Net Worth Individuals). In developing a Resource Development strategy, organisations can decide what type of Resource Development is most suitable for them to explore.

Ben Small/HelpAge International



Part 1: Resource Development with institutional donors →

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

At the end of Part 1, you'll be able to:

- Understand what institutional Resource Development is
- Describe key principles of Resource Development with institutions
- Understand how to approach institutional donors

HelpAge International



Part 2: Individual giving →

- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

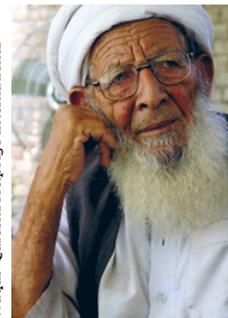
Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

At the end of Part 2, you'll be able to:

- Understand the different approaches to individual giving including online; crowdfunding; direct mail and face-to-face

Waqas Qureshi/HelpAge International



Part 3: Resource Development with corporates, trusts and foundations →

- 3.1 Introduction to corporate Resource Development
- 3.2 Key considerations in corporate Resource Development
- 3.3 How to make your first contact with corporate donors fruitful
- 3.4 Understanding corporate donors
- 3.5 Employee engagement
- 3.6 Trusts and foundations

At the end of Part 3, you'll be able to:

- Understand the basic principles of Resource Development from corporates, trusts and foundations
- Describe the motives of corporates partnering with NGOs
- Understand how to approach a corporate

Peter Catoni/Age International



Part 4: Resource Development through social enterprises →

- 4.1 Introduction to social enterprise
- 4.2 Should NGOs consider developing social enterprises?
- 4.3 Social enterprise models
- 4.4 Challenges and risks and how to manage them
- 4.5 The transition process
- 4.6 Is a social enterprise right for your NGO?

At the end of Part 4, you'll be able to:

- Understand the basic principles of social enterprises
- Describe the different social enterprise models



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Resource Development Training
Module 5: Implementing different types
of Resource Development



Part 1.

Resource

Development with

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donors

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International

Part 1. Resource Development with institutional donors

1.1 What is institutional Resource Development?

Institutional donors can refer to a wide range of organisations, including private foundations, trusts, government donors and bilateral agencies who systemically give grants.

This part of the Module will focus on Resource Development from the following institutional donors:

- **Bilateral donors** – generally government donors providing development aid.
- **Multilateral donors** – this includes more than two governments joining forces or organisations created by multiple governments to provide funding.
- **International Non-Governmental Organisations (INGOs)** – receive funding from both bilateral or multilateral sources, and then sub-contract to national and local Non-Governmental Organisations (NGOs) or Community Based Organisations (CBOs) to implement projects.

Examples of the different institutional donors are shown in Figure 1, right.

Figure 1: Examples of institutional donors

Bilateral	Multilateral	INGOs
UK: Foreign Commonwealth and Development Office (FCDO)	United Nations, including UNDESA, UNFPA, ILO, UN Women, UNHCR, OCHA, WFP	Plan International
Sweden: Swedish International Development Cooperation Agency (Sida)	European Commission (including ECHO)	Save the Children
USA: United States Agency International Development (USAID) – including agencies such as Bureau of Humanitarian Affairs (BHA) and Bureau of Population, Refugees and Migration (BPRM)	African Union	Oxfam
Canada: Global Affairs of Canada (GAC)	World Bank	Care International
Australia: Government Department of Foreign Affairs and Trade (DFAT)	Asian Development Bank	Humanity & Inclusion
Germany: Federal Ministry of Economic Cooperation and Development (BMZ)	International Monetary Fund	International Rescue Committee

Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



In 2019, global Official Development Assistance (ODA) totalled USD \$152.8 billion. This comprised USD \$149.4 billion in the form of grants and loans to other governments and contributions to multilateral institutions (calculated on a grant-equivalent basis); USD \$1.9 billion to development-oriented private sector instrument (PSI) vehicles; USD \$1.4 billion in the form of net loans and equities to private companies operating in ODA-eligible countries; and USD \$0.1 billion of debt relief.¹

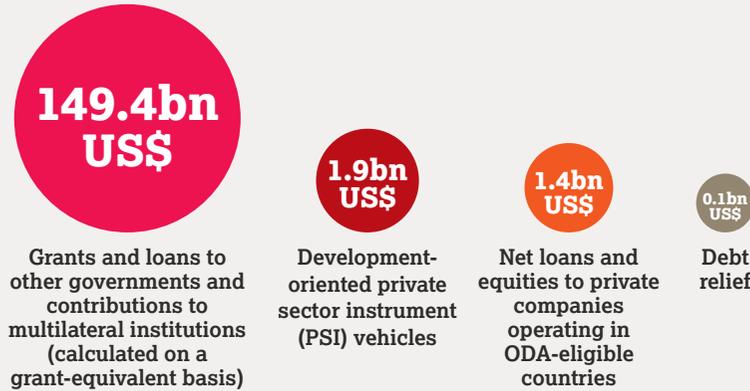
Institutional grants and contracts tend to seek to solve social inequality issues, improve democratic practices and good governance, however, institutional donors will also provide loans and grants to governments for infrastructure development, economic cooperation and trade. Funding may be used to support responses to humanitarian and natural emergencies and more increasingly global topics such as climate change.

The majority of funding goes directly to governments to distribute as they want. The amount remaining for development organisations is often limited and is very competitive.

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Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Jonas Wresch/Age International



1.2 Difference between institutional grants and contracts

Some institutional donors have started to **move away from grants** and are looking to deliver more of their aid in the form of **commercial contracts**.

A commercial contract is a legally binding contract between parties – from a development perspective this is a contract between the donor and recipient organisation (i.e. NGO). Under a commercial contract the recipient organisation promises to deliver specific results or outputs for the funds they receive from the donor. Contracts are much more formal in terms of the expectations to deliver the outputs specified in the contract, with potential consequences if these are not delivered (for example the donor may ask for the funds to be returned) whereas a grant is where one party (the donor) funds another party (the recipient organisation) to do deliver a project or programme, usually proposed by the recipient organisation based on their assessment of need.

Key aspects of the difference between grants and commercial contracts for NGOs can be found in Figure 2, right.

More bilateral donors are opting for contracts to ensure the delivery of specific development projects with payment connected to the delivery of results. This is often for efficiency as well as pressure on development aid spend from national audiences, with citizens from donor countries demanding much more accountability from governments as to how their money is being spent. In turn, governments want to guarantee results.

Commercial contracts often come with potentially high financial rewards as the amount of funding available is higher, but there are also greater risks. The risks of losing money in a contract are real, and any organisation accepting a commercial contract would need to do so only after conducting a very thorough risk analysis and being clear on the risks they face and what steps they can take to mitigate them.

Figure 2: Key differences between grants and commercial contracts

Grant	Commercial Contract
The NGO designs the project within the broad parameters or priority focus areas set by the donor.	The donor will have identified the project with specific deliverables. The NGO may provide some suggestions to improve it, but essentially it is the donor's design and the NGO is delivering the specified outputs.
The NGO controls the implementation of the project, and can make decisions and changes on project design during implementation (with the understanding of the donor).	The NGO is a contractor – implementing a project on behalf of the donor. Changes to the project deliverables would need to come from the donor rather than the NGO implementor.
No financial penalties if indicator targets are not met, provided the contract has not been broken or no misconduct by the NGO.	NGO is financially penalised if project outputs/indicators are not met i.e. the donor will deduct money from the contract amount.
The budget will be a traditional 'line item' budget as presented in Module 3. Payment is usually provided in intervals throughout the project period and can be discussed with the donor to support the project needs.	The budget is usually comprised mostly of 'daily rates' for key staff and this can include an element of profit. Activities may also be added. Payment may not be provided until certain deliverables are completed – also known as 'payment by results'. This will often require an NGO to pre-finance project costs.
The risks are primarily with the donor – if the results are not achieved, the NGO still receives the grant funds.	The risks are primarily with the NGO. If the results are not achieved, the NGO will be financially penalised. This principle is normally within a 'payments by results' clause in the contract.

Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



1.3 Key principles of institutional Resource Development

Key principles organisations should consider as they approach institutional donors:

- **Research.** Organisations should spend time researching the priorities and interests of different institutional donors and find those with matching interests to theirs. Whilst this does not mean they have to be specifically interested in ageing and older people (as this is often very rare), organisations should look for donors where there is alignment on wider social development and inclusion issues.

***For example:** Social inequality and civic engagement can connect to HelpAge network members work around building older peoples' voice and participation in democratic processes and decision making, community cohesion etc; or a donor's interest in health and care can be linked to older people's access to health services; and poverty reduction to income or livelihood opportunities for older people.*

- **Engage in technical areas before asking for funds.** Institutional donors are often field experts and want to understand the specific data and evidence connected to different development areas.

***For example:** Organisations should look for opportunities where they can engage with donors on policy and technical issues before asking for funds. This could involve sharing data or policy positions on older people in their communities. It is important to present an overall picture of older people as well as engage in specific technical areas of interest to show your organisation understands the specifics as well broader context.*

- **Be on the lookout for calls.** Donors often issue 'Requests for Proposals' or Funding Grant Calls. These can be found on the donor websites or by subscribing to one of the development websites such as from Development Aid². These are generally issued eight weeks before a proposal is due and will allow organisations time to develop a strong proposal. Organisations should make sure they are prepared to respond to a call, using tools such Proposal Development Schedule (PDS).
- **Invest time and resources.** Accessing funding from institutional donors requires a lot of time and effort in terms of researching donors, engaging with them and designing and writing the project proposal, budget and Logframe.
- **Be patient.** Institutional donors are often very bureaucratic, and funding decisions take time.
***For example:** Organisations may fail the first time they apply, but they should learn from it and not give up.*
- **Understand what the donors require from organisations and how your organisation can meet these requirements:**
 - Understand what type of agreement is being offered – grants or commercial contracts.
 - Institutional donors often conduct strict **due diligence** procedures before awarding funds. Some donors support organisations to meet their requirements by offering advice on policies, financial management systems etc.
 - Institutional donors vary in demand of their grant recipients. Some will require only periodic financial and narrative progress reports, whilst others may want to be a lot more engaged with the grant recipients, with requests for regular updates or meetings, requiring organisations to have an engagement strategy.

Part 1. Resource Development with institutional donors

1.1 What is institutional Resource Development?

1.2 Difference between institutional grants and contracts

- 1.3 Key principles of institutional Resource Development

1.4 How to approach an institutional donor

1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



1.4 How to approach an institutional donor

There are many different ways an organisation can approach an institution donor and these should all be explored to see which are best for your organisation (it may be that multiple are applicable for your organisation, and if this is the case you should explore each relevant one):

- **Be invited to be part of a project put together by HelpAge International (or a Supporting Member).** Under its new model, HelpAge will be looking to network members and partners to lead and implement projects at national and regional level. HelpAge and its Supporting Members will share all relevant institutional opportunities across the network. Organisations should ensure that HelpAge (through your Regional Representative) are aware of what your organisation does so they can be aware of appropriate funding opportunities for your organisation.
- **Approach other INGOs** in your country and look for partnership opportunities. HelpAge is one INGO but there are many others, some of which may share common interests with you or require the knowledge and skills your organisation brings to a project.

Remember your organisation offers a very technical and specific aspect to development issues – older people and ageing, and more broadly how your organisation can connect this to issues of inclusion and ensuring ‘no one is left behind’. This is something many other organisations do not have any knowledge in or capacity around and such you should think about how your organisation can pitch and sell its expertise, approach and beneficiaries to these organisations. **How can your organisation add value to their work or increase their impact?**

To do this, organisations must ensure they are networking at national level. Understand who is operating in your context, and how you can link with them. To be successful, relevant individuals in the organisation **must be good at networking. Get to know as many INGO staff as possible. Go to the meetings where they may be present and talk to them – sell your organisation to them.**

If you do not know which INGOs are operating then build a list of all INGOs working in your country – there is usually a federation of INGOs in each country that may list these on their website, or most INGOs will have a website detailing where they work and their projects. Organisations should visit these websites *and use the donor mapping tools introduced in Module 4 to prioritise which ones to approach.*

INGOs should be viewed as ‘partners’ rather than ‘donors’ and organisations should look to establish mutual interests and how your organisation can add value. Invite the INGO representatives to your events – especially if you are disseminating research or celebrating days, such as the International Day of Older Persons.

INGOs will typically be willing to help build the capacity of your NGO if they like you, and support in the implementation of projects they work with you on.

- **Embassies in country.** Embassies often have a small fund available for local NGOs. Almost any donor country may have such funds, but at a minimum, organisations should check with the embassies of big donors, such as UK, Australia, USA, Japan, Canada, New Zealand, Sweden, Denmark, Germany etc. Organisations can start by regularly looking at embassy websites and searching for ‘grants’ or ‘funds’ to see if anything is available. If possible, and they are willing to meet, try and meet embassy staff to find out more about what they really want to fund (websites do not always give full information). If organisations can make a personal contact with the embassy, this is one route to connect with missions (*see approach detailed on next page →*); embassy staff may be willing to make a personal introduction to the relevant mission staff. Embassy grants are relatively small and do not come with the same reporting requirements as large institutional grants so can be attractive to smaller NGOs.

Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



- **Missions in country.** Most countries are likely to have offices of some foreign missions. This may include FCDO (UK), DFAT (Australia), Canada (GAC), USAID (US), EC (European Union), JICA (Japan). As with INGOs, organisations should visit the website of the mission and locate as much information as possible.

For example: if the country you are in is noted as a priority country or a focal country of the foreign mission, then look for the donor's strategy paper for your country on their website to see how your organisation's work, the issues of older people rights can link to the areas of interest.

Organisations should try and secure a meeting with mission staff. It will be important to find a compelling reason for the meeting – share a research report, or discuss advocacy approaches, or something that suggests that the donor will benefit from meeting you. The initial meeting should not be to ask for money!

- **United Nations (UN).** The UN believes in **building partnerships** with NGOs and supporting them in terms of grant opportunities, networking, conferences and capacity building. **Funding opportunities** for NGOs at the UN are sometimes available through the different agencies directly, for example UN Democracy Fund, UN Women grants and UN Global Environment Facility Small Grants. These opportunities are announced annually during different times of the year and there is a strong focus on funding small and medium-sized organisations in developing countries to address issues related to democracy, youth, good governance, environment, climate change and women's empowerment. As with other institutional donors, organisations should seek out common areas of interest and seek out funding opportunities that are suitable for them to apply for. This will vary from country to country.
- **Respond to 'Calls for proposals'/'Request for proposals' that are advertised.** The scanning of opportunities should be systematic. Organisations need to ensure that they are aware of where institutional donors list their opportunities. *Researching donors was covered in more detail in the donor scoping section of Module 4.*



The United Nations believes in **building partnerships with NGOs and supporting them in a variety of ways.**

Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



1.5 Rejection from institutional donors

Institutional funding and contracts are highly in demand by both CSOs and the private sector. There are many actors approaching donors for the same funding and as such there are often great ideas and proposals which are rejected due to high levels of competition.

Some common mistakes to avoid when applying to institutional donors include:

- **Posting to online discussion groups or sending letters or emails with requests for funds.** Organisations will not gain funds by directly asking for them without building up an understanding of the work the organisation does and the benefit that it provides to beneficiaries and the community. It is important for organisations to build their credibility and build a rapport with institutional donors before asking for funds.
- **Poorly written or incomplete proposals.** Ensure that applications or requests are proofread and there are no spelling errors. Organisations should also avoid writing everything in capital letters. *See Module 2 for further guidance on good proposal development.*



Errors in proposals
can lead to unsuccessful funding requests.

- **Organisations did not follow the instructions.** Most donors have specific instructions on how to apply, especially with a Request for Proposal. This can include countries and topics funded; the minimum and maximum amount of the grant; the type of application form; page limits; submission deadlines; and much more. If organisations do not follow these exactly then they will be rejected.
- **Organisations apply to the wrong donor.** Many organisations believe that they should apply and reach out to every single institutional donor. This is a ‘scattergun’ approach, and the chances of this approach being successful are very low. Instead, organisations would be much better placed by spending time researching donors that are a good fit with their organisation and cause (*using the guidance in Module 4*), and then focusing their resources on reaching out and applying to these.
- **Organisations giving up after the first attempt.** It takes time and effort to find a donor that will engage and fund an organisation with a specific cause, like ageing and older people. Organisations should not give up if their proposal is rejected, instead organisations should ask for feedback and find out the reasons for the rejection. Colleagues should review and evaluate these reasons together, and then together decide the next steps. For example, how could they use the feedback to improve the proposal submitted or is there a different approach that might work better next time. It can sometimes take years before an organisation succeeds with a specific donor.
- **Organisations do not put the resources and time required into Resource Development.** Organisations need to ensure they follow the basic techniques of Resource Development; from donor research, engaging and networking, to developing high-quality proposals. If they do not, they are much less likely to succeed. This needs to include staff time to lead and support Resource Development efforts.

Part 1. Resource Development with institutional donors

- 1.1 What is institutional Resource Development?
- 1.2 Difference between institutional grants and contracts
- 1.3 Key principles of institutional Resource Development
- 1.4 How to approach an institutional donor
- 1.5 Rejection from institutional donors

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

Endnotes

1. www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm
2. www.developmentaid.org/#!/tenders/search?showAdvancedFilters=0&locationisstrict=0§orisstrict=0&typesisstrict=0&all=1&ownPosts=0



Resource Development Training
Module 5: Implementing different types of
Resource Development



Part 2. Individual giving





Part 2. Individual giving

2.1 Introduction to individual giving

Individual giving (also known as Resource Development from the public or public fundraising) is the method whereby organisations reach out to ordinary individuals for funds.

The principle of individual giving is that any donation should be welcome, however small, – and if cultivated correctly this may help an organisation build a loyal and regular source income.

Resource Development is regulated in most countries, so what may be possible in one country may not be in others. **It is important for organisations to check their national contexts to understand what they can and cannot do.**

The importance of individual giving will vary from organisation to organisation, and the context they operate in. When undertaking a context analysis (*as detailed in Module 1, Part 3*) organisations should research the possibilities of individual giving in their own contexts.

Funding from individuals can either be for:

- **Raising unrestricted funds for the organisation.** This allows organisations to use the funds for core costs or in any method they feel will help achieve their vision.
- **Raising funds for a specific cause.** This will either be for a specific campaign or after a disaster but can also be used to support specific development projects. These funds are then restricted to be spent on that cause or project.

This section will go through different methods that HelpAge network members working on ageing and older people have successfully implemented to raise funds from individuals.



Individual giving

works on the principle that no donation is too small, and over time even small donations can turn into regular sources of income.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

2.2 Online giving

Online giving increased by 10% in 2019,³ and this trend is expected to continue as the use and functionality of the internet increases. Individuals are accessing more information over the internet and are able to facilitate payment relatively easy through online donations. Organisations can either fundraise online through their own website (IT support will be needed to set this up and manage it), social media platforms, such as Facebook or by using crowdfunding platforms (see section 2.3 →).

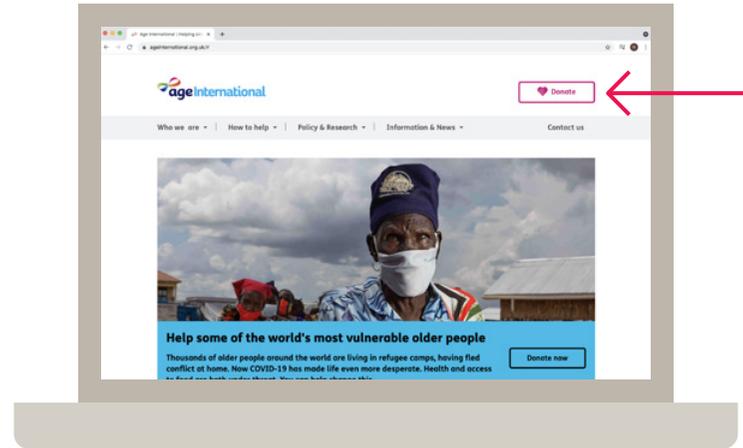
Online giving through an organisation's own website

Having a donation page on an organisation's website allows an individual to fund the organisation directly for either a specific campaign (for example, to support a response to a natural emergency, such as an earthquake or to set up a hospital in a community) or more broadly to support the organisation (this can include contributing towards core costs).

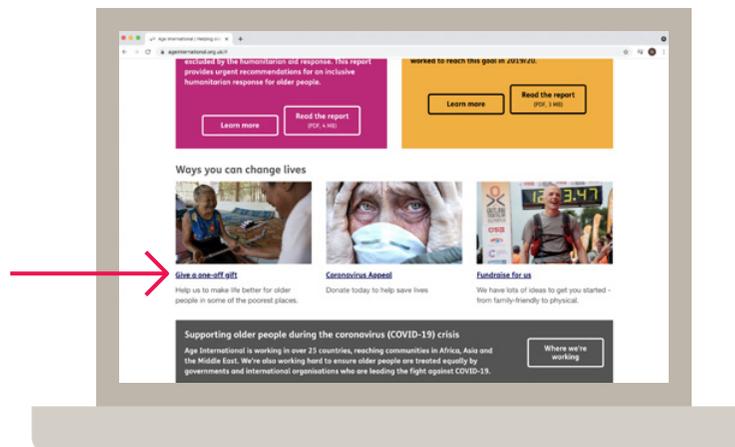
Online giving through an organisation's website may involve set up costs (including IT and support costs) and organisations should consider costs before embarking on this, as well as ensuring that they can securely set up the payment functionality on their website.

For example: HelpAge's network member, Age International successfully uses an online donate functionality on their website to allow supporters to contribute to their general work as well as specific causes and campaigns, most recently funding to support their COVID-19 response.

Age International has designed a specific donate button on their website's homepage which is prominently placed and can easily be located by the reader:



Further down on its website's home page, using impactful language, Age International provides the potential donor with different options to donate and/or fundraise for the organisation:



Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



The donate button takes the reader to a specific page. The page provides details of Age International’s cause and mission and allows the potential donor to select between a regular donation (i.e. once a month) and a one-off donation. It also provides the donor with a choice of payment amounts or allows them to fill in their own amount.

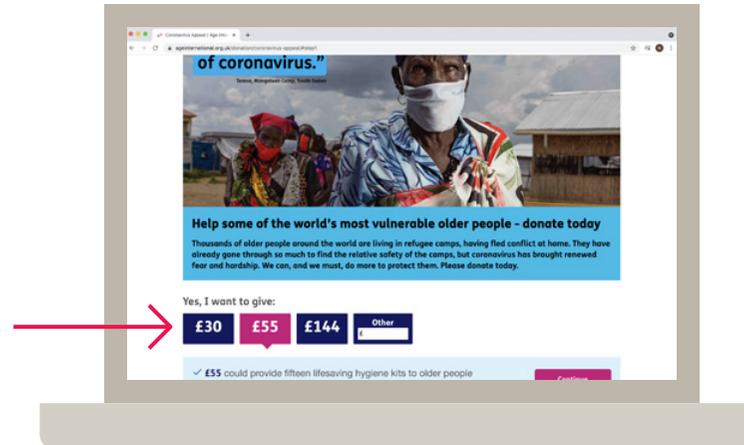
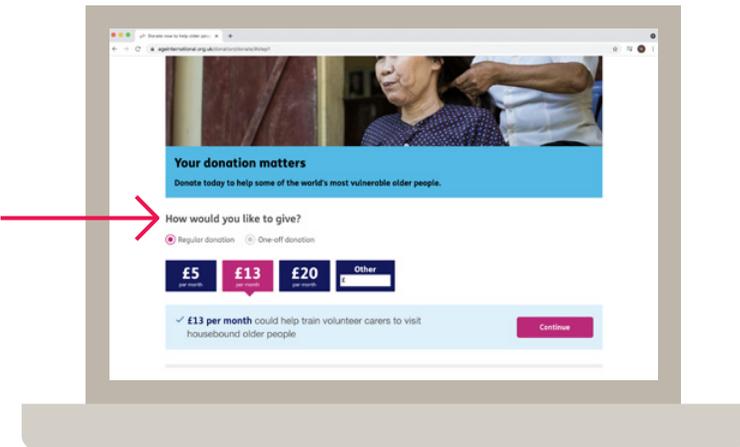
The suggested amounts are linked to specific things that a potential donor’s payment can contribute towards. This allows the donor to envision what their funds may be used for.

For example: ‘£13 per month could help train volunteer carers to visit homebound older people’ or ‘a one-off payment of £25 could help pay for a cataract operation to restore an older person’s sight’.

Age International also has a specific coronavirus fundraising appeal.

The coronavirus appeal page is linked to what Age International is doing to support older people in response to COVID-19. Here the reader is offered different payment options and each of these is linked with something specific that they are contributing towards. These are only indicative and may be used in different ways – but whatever the use, it will be connected to Age International’s coronavirus response.

For example: ‘£30 could provide health workers with protective suits and masks’ or ‘£144 could help run a mobile medical team’.



Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

- 2.2 Online fundraising

2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Key tips for setting up an online donation page

- **Design mobile friendly websites:** As more and more people use smartphones, the use of laptops and desktops is and will continue to reduce considerably for internet searches. It is therefore advisable that organisations make their websites mobile friendly. In addition, Google searches are also configured to prefer mobile friendly pages and apps.
- **Use compelling imagery:** Visual images always create a long-lasting impact on humans and therefore organisations should aim to use images that compel donors to support their cause. It is important to select images wisely because a donor should be able to get a clear idea of what they are trying to raise funds for from an image without having to spend too much time reading all of the details or being diverted through multiple images or webpages.

- **Make sure the donate button is visible all across the website:** When organisations start online fundraising it is important that a donate button is added and placed appropriately on the page. The key is to make the button visible to anyone who visits the webpage so that they can easily locate it and donate. Organisations should make sure that the button stands out on the page – either through where it is positioned or via bright colours. Some organisations also integrate the donate button on all pages of the website, this is done so that the visitor can hit the donate button anytime while navigating through the website.



Use compelling imagery

to tell your story and compel your reader to donate. A picture paints a thousand words.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

- 2.2 Online fundraising

2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



- **Share impact stories on the webpage and via monthly newsletters to individuals that have donated:** Organisations can attract more donors by regularly updating their websites with stories from older people themselves – both of the issues they face and how the organisation is helping them. These should be rotated on a regular basis and a suite of different impact stories built up over time. As an organisation, you want to engage potential donors by showcasing the good work you are doing, the impact your organisation has had on the beneficiaries it serves and how their support can help build this.

Many organisations also send monthly updates to all their donors (usually via e-mail) stating achievements, new events and activities undertaken for a particular cause. This helps organisations stay connected with their donors, reminding individuals of what the organisation is doing and encouraging them to donate again.

- **Provide donors options:** When creating an individual donation page, organisations should try and provide donors with multiple options to support their cause (as Age International has done). These options can range from:
 - Support a specific campaign or activity – for example, setting up a mobile health clinic which provides health care to older people in a community or training OPA leaders to advocate for change or building community structures.
 - Options to provide different funding amounts, for example: \$5, \$10, \$50 etc. Research reveals that giving amount options leads to an improved donation. It is also good practice to give examples of what the amounts will pay for – \$5 will pay for an older person's medicine for a week; \$10 will train one older person in preventive health measures etc. **It is also important that these examples are engaging and something the donor can relate to and want to fund!**
 - More than just monetary donations to support the cause can be suggested, for example in-kind donations, volunteer support etc.

- **Use statistics to show results:** Many organisations have improved their fundraising performance through the use of data. Organisations can use charts, graphs and figures on the donation page to present important information for donors. For example, organisations can show the current total of funds received for a campaign through a status bar representing how far they are towards achieving their goal. Organisations may also be able to use analytic data to show how money from donors has impacted lives.
- **Ensure there is a secure space for online transactions:** Financial transactions have become commonplace on the internet, but people still like to know that organisations are taking the appropriate precautions to ensure their information is secure. Organisations should ensure they have a reputable and trusted mechanism to process online payments, such as PayPal, Stripe or other reputable providers.
- **Make the process of payment easy:** Organisations should not over complicate the process of donation. Make the forms easy to understand and only ask for information that is relevant. Complicated payment mechanisms and lengthy forms deter donors. Organisations should try to make the payment process simple and then take the donor to pages where additional details are required.
- **Acknowledge donors:** Another great tip for both conventional and online fundraising is acknowledging donors. Organisations should ensure they send thank you messages to donors – this can be as simple as a thank you email, or share the names of supporters in blogs, webpages, social media and newsletters where applicable and relevant (ensure consent is received to do this). This often motivates individual to continue their support.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

- 2.2 Online fundraising

2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



2.3 Crowdfunding

Crowdfunding is a method of raising funds (funding) from a large number of individual donors (crowd) through different mediums such as social media (Facebook, Instagram), crowdfunding platforms and mobile phones.

Crowdfunding can be for any purpose but is generally associated (and more successful) if a crowdfunding campaign is to raise funds for a specific campaign or purpose, rather than being initiated for funds to support the running of an organisation.

For example: a HelpAge network member may look at using crowdfunding campaigns to raise funds for launching a campaign against ageism in their local community, building a mobile clinic or providing health and nutrient assistance to refugees following a humanitarian disaster.



Crowdfunding

raises funds by reaching out to a large audience through social and digital media.

Crowdfunding campaigns have a set time period for which they are active – this can be anywhere from 30 days to a year, depending on the cause and the campaign, as well as how much needs to be raised. If organisations are running a longer-term crowdfunding campaign, they will need to plan a strategy of how to engage and reach out to both individuals who have donated as well as new individuals over the whole period. This can be achieved by creating an outreach communications strategy for a period of time (for example the first three months or six months if it is a longer campaign), after which organisations review this for success and challenges, and then look at how they can build upon that for the remaining period of the campaign.

Steps organisations should consider when undertaking a crowdfunding campaign:

- **Build knowledge of the organisation's brand online via social media:** Organisations looking to initiate a crowdfund, should first look to increase their presence on social media. This can be done through increasing communications on social media – more photos of your organisation's beneficiaries and the work being undertaken, as well as short impact stories. Use of Facebook, Twitter and Instagram should be increased using the same method as well as engaging in relevant topical debates, such as new policy being drafted by your government or other issues affecting older people in your country. This will help potential donors investigating the organisation understand the work that is being done and why they should be funding it. **It is important to look at a range of methods to increase your following.**
- **Plan the campaign:** Organisations should fully plan their campaign idea before launching it. This should include deciding on key aspects, such as the timing and duration of a campaign, as well as targets and outreach plans. Organisations should allocate human resources to support and implement the campaign, this should include picking a team with suitable and enthusiastic people from within the organisation, and also involving volunteers.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

- 2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



- **Decide a theme:** Organisations should choose a theme for the campaign that resonates well with their mission, vision and the core objective of the organisation. The theme has to be well-timed and appealing to the target donors. For a crowdfunding campaign organisations will need to be able to select, articulate and communicate the theme in a way that appeals to different audiences.
- **Mapping and reaching out to their network:** An organisation's network is its most valuable asset when planning a crowdfunding campaign. Organisations need to map their network (including both individuals as well as other organisations) and classify these in terms of who will be an advocate or ambassador of the cause, who can just spread the word, and who can actually donate and make others donate. These organisations and individuals need to be approached knowing what you would like them to be doing. **Tapping and engaging with your network is the key to success of any crowdfunding campaign.**
- **Select the platform to use:** There are over 600 crowdfunding platforms globally, and it is worth researching which one is right for your organisation. Kickstarter, Indiegogo, Launchgood, GlobalGiving and JustGiving are some examples of platforms available, but they have different costs and rules. It may well be that your country has a platform which is well known and would work better in your context. **Organisations should research platforms before launching a campaign – looking at different types of campaigns already on the platform, what seems to be successful (i.e. has the most amount of funds raised), and asking the question would your campaign work on this platform?**
- **Craft communication to suit different audiences:** The campaign alone will not succeed unless there is accompanying outreach plans to different audiences and this needs to be supported with communications material for every group in a targeted and focused manner. Organisations should decide on timelines to utilise this content and the best platforms to communicate this (emails, telephone conversations, face-to-face, social media, website, print media). This will be needed before as well as throughout the campaign.

- **Starting the campaign:** Once organisations are ready with the planning and the network had been listed and contacted, and all the communication content is ready, it is time to set the ball rolling.

The campaign can start!! Make sure you have a start date and an end date, you have planned how much you want to raise, you have listed who will be contacted, with what frequency, and what types of communication, and what platforms you will use to spread the word.

- **Accelerating your efforts:** Organisations need to make sure they utilise all the communication platforms available, such as their website, any specific webpages, social media such as a Facebook page, Twitter handle and Instagram to promote the campaign. It is important to prepare a social media calendar and plan the content according to the suitability of the platform. Some Crowdfunding sites also work with organisations on their platform to send an update email/letter to those that have already fundraised for them (*see Annex A → for an example from an accelerator campaign initiated by HelpAge USA and Gravis on the Global Giving platform*).
- **Post-campaign:** After the campaign, organisations will get a picture of how successful the campaign was. *Did you raise the funds you needed? Did you exceed the target, or did you not meet it? Who donated – was it individuals that you know or have you been able to reach new donors?* The organisation must utilise data and feedback to have an internal reflection, and draw conclusions about what went well, and what went wrong and brainstorm for future efforts. **Be assured that the lessons learnt are worth the effort, even if you did not reach your organisation's target, but make it a point to note and not repeat the mistakes when you do such a campaign again in future.**

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

- 2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Foundation For Older Persons' Development (FOPDEV) – crowdfunding case study

FOPDEV initiated its public fundraising efforts in 2015 through Taejai.com. Taejai.com is a well-known crowdfunding platform in Thailand; open to both individuals and organisations. The platform is a social enterprise and charges a fixed fee of 10% of the total amount of funding raised by an organisation.

FOPDEV have so far initiated four successful online fundraising campaigns on Taejai.com:

- In 2015, FOPDEV initiated a **three-month campaign** to fund the training of nurses to support with geriatric care in a community in Thailand. The total amount raised was approximately USD3,600 (130,015 THB) which exceed their target of USD2,000 (71,800 THB).
- In 2018, they successfully launched a **one-year online campaign** raising approximately USD11,000 (358,696 THB) to support their Buddy HomeCare initiative.
- In 2020, FOPDEV raised USD15,000 (465,467 THB) through a **one-month online fundraising campaign** to help older people during COVID-19.
- In 2021, FOPDEV launched a **one-year online fundraising campaign** to support 500 older people on low income with food and livelihood support.

FOPDEV attribute several key factors to their success, including researching and identifying an online platform which they believe was reliable, well-known and had a large reach across Thailand. Taejai.com also works to promote projects on its platform across different forms of media (including national newspapers and television), other online platforms and utilising well known people/celebrities to help promote the fundraising campaigns as part of their strategies. Promotion strategies are key to success and this is something that both FOPDEV and the online platform plan and implement to support the campaigns.

It important for the reader to clearly understand what they are being asked to fund. In each campaign FOPDEV always ensures it includes – what the organisation does; what the problem is and why it is important; the need of the beneficiaries and what will happen to them if they do not receive support; what the organisation is proposing to do and what this will mean for the beneficiaries (i.e., how their lives will be changed).

The campaign also needs to be an issue that the public can recognise and identify with, that attracts people beyond the traditional supporters of the organisation. As part of the promotion activities, FOPDEV also partners with other organisations to offer potential donor incentives. For example, individuals donating to campaigns are able to use their donation receipt to enter events for free. This is promoted by FOPDEV through different online activities and through public awareness raising events.

FOPDEV's success has been centred around their reputation in Thailand and it is important that the organisation and the cause is 'recognisable' by the public. FOPDEV has also centred their campaigns around key needs of older people as well as utilising members of the community to help support older people through its Buddy HomeCare campaigns, and this helps the donor feel they are contributing to something sustainable that is helping the community as whole.



Part 1. Resource Development with institutional donors →

Part 2. Individual giving

- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Additional resources

Examples different webpages for online giving:

<https://wiredimpact.com/blog/9-examples-ways-to-give-pages/>

Information and experience on different crowdfunding sites:

www.shopify.co.uk/blog/crowdfunding-sites

www.thebalancesmb.com/giving-to-charity-online-2501931

www.nptechforgood.com/2018/04/27/20-crowdfunding-services-for-nonprofits-worldwide/

Articles on crowdfunding:

Guardian article – Essential advice on crowdfunding:

www.theguardian.com/voluntary-sector-network/2014/sep/17/crowdfunding-charities-essential-advice-fundraising

How to crowdfund:

<https://globalnomadic.com/crowdfund-for-nonprofits/>



Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

• 2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

Endnotes

3. M+R Benchmarks study, www.mrbenchmarks.com/editorial



2.4 Direct mail

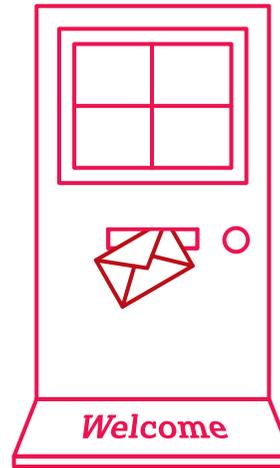
Resource Development through direct mail is funding requests through any print-based fundraising material delivered to people. This includes both addressed mail (mail to named individuals), and unaddressed mail (letters to unnamed individuals or leaflets), as well as inserts in magazines and newspapers.

Direct mail allows organisations to prospect for new donors by introducing their work and the impact it has in a format which is accessible and can potentially reach a wide range of audiences. It is also a method which has been used to establish and maintain relationships with donors through regularly communicating information, generating donor commitment and loyalty.

In many countries direct mail is no longer popular as online giving has taken over and is generally cheaper and more accessible to a wider range of people. However, there are some places where it has proven to still be successful and some network members are utilising it more frequently.

Some basic principles to guide direct mail communications:

- **Keep it legal:** Ensure that you follow the relevant laws in your country.
- **Keep it ethical:** Be cautious around the use of 'shock tactics', weighing up the potential benefits against the risks. Be careful that you have permission to use photos of individuals.
- **Keep it honest and truthful:** Do not mislead people whether by inaccuracy, ambiguity, exaggeration, omission or otherwise.



Direct mail
raises funds through print-based fundraising materials.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

2.3 Crowdfunding

• 2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



HelpAge India – Direct mail case study

HelpAge India, a HelpAge network member in India has had great success from running direct mail campaigns in India.

HelpAge India focus on three different forms of direct mail:

- **General purpose** – these mails are sent throughout the year and focus on providing information about the organisation, its goals and vision and the work it is doing as well as an appeal for donation.
- **Festive mail** – this will contain the same information as general purpose mail but is sent during national festivals and aims to trigger emotions and connect messaging/appeals around the particular festival.
- **Specific purpose mail** – these mails appeal for funding of the organisation’s response to a specific situation, such as a natural disaster, pandemic or special event.

From their experience, HelpAge India believe that it is critical to target the ‘right people’ at the right time; and they do this through market research which helps them identify who to send appeals to and when. HelpAge India create a list of potential individuals to reach out to, personalising messages where applicable. The names of these individuals are added to a database which is continuously monitored and updated as and when responses and donations are made.

The design of materials is also important, and time is spent to ensure that the messaging is strong and easily to understand. The materials need to have an impact in order to help people believe in the authenticity of the cause and the support being provided by the appeal. HelpAge India often base their materials around an individual story which helps the reader relate to the issue.

Data is processed and analysed for future mailings and HelpAge India believe that a good up to date database accounts for 80% of their success with direct mail donations. HelpAge India also ensure that their approach is cost-effective and their return is not more than their spend through their analysis.

HelpAge India have identified the following factors to understand why people respond to direct mail fundraising appeals:

- Organisations ask them to
- They have money available to spend
- They are comfortable and familiar with spending money/ donating by mail
- They support charitable causes and organisations working on causes they believe in
- They believe their gifts will make a difference
- They feel they are ‘doing something’ about a critical problem
- You help them learn about a complex and interesting problem or issue
- They are recognised and thanked for their support
- They are offered a tax concession
- They feel it is their duty
- They believe it is a blessing to do so.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

2.3 Crowdfunding

- 2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Direct mail often takes the form of a package of materials which includes an outer mailing envelope (providing the organisation's logo and any key messages); an appeal letter which provides background, details of the ask and impact donations will have; a donation form for the individual to complete; and a reply envelope for individuals to send their completed form back to the organisation. Organisations may include promotion materials such as leaflets providing more details on the organisation's work.

Annex B → provides an example of a package of materials that **Age International** circulated through a door to door drop off campaign in 2021. The campaign was supported with adverts in a range of publications – from national press to other more niche magazines.

Additional resources

Direct Mail – how to do it guide:

<https://ciof.org.uk/events-and-training/resources/direct-mail>



Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

2.3 Crowdfunding

• 2.4 Direct mail

2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



2.5 Other methods of individual giving

Face-to-face

Face-to-face Resource Development is a method that charities use to reach new potential supporters. It involves employing individuals, using volunteers or hiring professional agencies to approach potential supporters on the street, public places (i.e., train stations) or door-to-door. The employed individual or volunteer will effectively be selling the work of the organisation in short sharp pitches, looking to engage people to become supporters and to make regular donations. They should be trained to be able effectively pitch the charity's mission and vision, and the impact a donation will make to its work. **The aim is to get an agreed donation there and then, with the individual providing their details.**

Face-to-face Resource Development can be very beneficial for an organisation as it introduces the work of the organisation to supporters that they may not necessarily reach using other forms of public Resource Development, including broadening many charities reach to younger donors. It is also a good method of making individuals think about supporting causes they may not necessarily think of doing so, such as ageing and older person's rights. This can be very topical if connected to the life course approach and how ageing will affect everyone. However, it is important to note that face-to-face fundraising does involve costs with employment of individuals and materials to undertake the fundraising and is regulated in many countries. **There are often strict rules about what face-to-face fundraisers can and cannot do, and this includes how they treat members of the public when trying to induce donations.**

Organisations should investigate this to assess the costs and analyse whether it is worth undertaking in their local contexts.

Telephone

This builds upon the approach of face-to-face Resource Development but involves reaching out to potential new supporters via telephone. Telephone Resource Development will involve set up and implementation costs and organisations should ensure this is done in a friendly and non-pressurising manner.

Legacies

In countries where people make wills to distribute their assets after death, individuals may decide to leave some or all of their wealth to an NGO when they die. This is difficult to plan or proactively set up but is something that organisations can potentially advertise as a possibility on their websites or with regular donors. Or look at how they can build relationships with regular/long term donors who may be interested in leaving a legacy fund to the organisation. Organisations should be very sensitive about how they discuss this with individuals and it should not be something which is forced on vulnerable individuals.

Auctions

An NGO may join up with other companies who donate items or experiences (e.g., a holiday or something connected to the company, i.e., visit to radio/TV studio, a year's free supply of chocolate) to the NGO and then the NGO organises an event (either an online or physical event) to auction off these items to members of the public or a select few individuals at an organised event. An auction would involve individuals bidding on these items and the person who makes the winning bid (usually the highest bid) gives the money to the NGO in return for the item or experience. The key with auctions is to work with companies that have items which the public want and would be keen on bidding high amounts for, as well as targeting the right members of the public to attend the auction (generally people who have more disposable income). Auctions require both time and resources to reach out to companies as well as set-up and organisation costs of the auction itself (i.e., food and drinks, hire of space).

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

2.3 Crowdfunding

2.4 Direct mail

- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Events

A popular way of raising funds is through events. In recent years, some charities have set up their own selected events such as 'sponsored runs', 'sponsored cycles' or other challenges, where members of the public sign up to undertake a certain challenge for sponsorship (i.e., payment of an agreed amount on completion) by other individuals.

Other events such as music concerts may make money for an NGO but the expenses may also be high and setting the right ticket price can be difficult. Or organisations can look at how they may be able to utilise the skills of the older people they support to set up events to raise funds.

Organisations are also now encouraging their supporters to hold their own smaller fundraising events, such as bake sales whereby they give the organisation the profits.

In all your fundraising events, consider the cost of the fundraising as this will need to be deducted from any profit made.

An important principle for individual giving

To achieve success with individual giving, NGOs must work to ensure that they are able to encourage donors to both increase their donations and become regular supporters of the NGO.

One key principle is that organisations have to ensure that they are in regular communication with their donors (68% of individuals surveyed by HelpAge India noted they stopped donating to an organisation due to the lack of communication from the NGO). To support with this, organisations should ensure that they have donor care plans in place for different types of public Resource Development they engage with.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Fundraising events

such as cake sales, or a sponsored cycle, are a great way of engaging the public in the cause.

Annex A.

Message from Global Giving, updating donors

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

2.1 Introduction to individual giving

2.2 Online fundraising

2.3 Crowdfunding

2.4 Direct mail

2.5 Other methods of individual giving

- *Annex A. Message from Global Giving, updating donors*

Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

Updates from the Thar Desert

By Prakash Tyagi - Executive Director of GRAVIS



COVID-19 Response for Older People in Rural India by HelpAge USA has just posted a report about the impact of your donations. You have made 2 donations to this project. Your most recent donation to this project was last year. Here's the unedited update from the field:

As the unprecedented public health challenges related to COVID-19 continue to spread, the evidence is firm that older people in India are facing the most challenges. Both in the context of infectivity and fatality rates, they are at a much greater risk. The fatality rate for the age group 70+ is alarmingly high compared with younger age groups. Despite older people's greater vulnerabilities being recognized, the attention on prioritizing older adults in the COVID-19 response has been far from adequate. With certain biases arising, there is an increasing possibility of discrimination and stigma against older people.

GRAVIS is one of the oldest and largest NGOs in the Thar Desert and covers over 1,300 villages with its work. Over the last 37 years, GRAVIS has reached a population of over 1.3 million, and it has supported the capacity-building of over 3,500 Community-Based Organizations. GRAVIS has been a HelpAge Network Member for many years and has received funding support from HelpAge for various needs and projects.

In September 2020, HelpAge USA helped to raise funds during the GlobalGiving Accelerator that allowed GRAVIS to continue its COVID-19 relief efforts in the Thar Desert region, Rajasthan, India. Thanks to donors, GRAVIS was able to conduct the following activities in February 2021:

1. Distribution of 235 Food Supplies Kits

These kits were distributed to older people and their families. Each kit contained food supplies that would last for about 20 days for a family of six. These kits contained wheat flour, lentils, cooking oil, spices, and matchboxes.

2. Distribution of Hygiene Kits

235 older people were given hygiene kits to remain healthy and protected from COVID-19. Each kit had supplies for up to 2 older people in the family and would last for 45 days.

All of these kits were given to **older people in the Jodhpur District Villages** which are remotely located, and drought-impacted. Members of the Village Older Peoples Associations (VOPAs) prioritized the individuals who needed these kits the most. Social distancing and hygiene measures were followed during the distribution of the kits. GRAVIS team members carried the kits to villages.

Food and hygiene kits are of great use to older people during this time. Food supplies would support the family for at least three weeks at a time when supplies are low. Hygiene supplies will last about six weeks. **470 older men and women and about 1,800 family members** have benefitted from the activity.

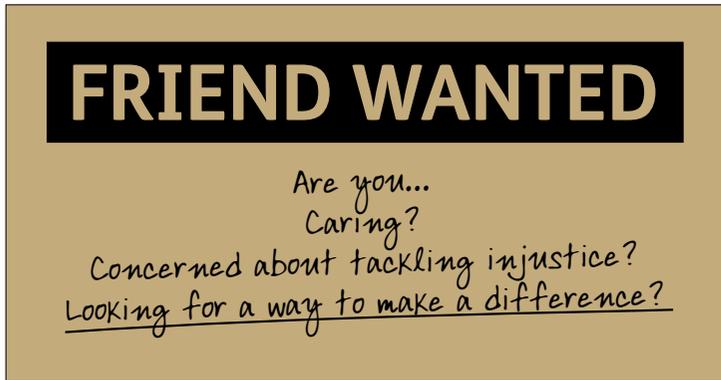
HelpAge USA and GRAVIS are deeply grateful for the donations made to support these efforts. We'll continue to provide updates on the work as GRAVIS continues its COVID-19 response.

Check out the GRAVIS website!



Annex B.

Sample direct mail package



Front and back of outer envelope.
 There is also a return envelope
 in the pack



Tavis House
 1-6 Tavistock Square
 London WC1H 9NA

www.ageinternational.org.uk
 0800 032 0699
 contact@ageinternational.org.uk

Lines open
 Mon-Fri 9am-5pm

Spring 2021

Will you be a friend?

Dear friend,

If you've opened this envelope, I believe you are just the friend we are looking for – someone who cares about the most vulnerable older people around the world and is willing to take action to tackle the injustice they face.

Does that sound like you?

I hope it does, because I'd like to invite you to join our community of friends at Age International. By giving a regular gift each month, you could provide the practical support that older people living in poverty need as we navigate our way out of the pandemic and into the uncertain years to come.

I don't know if you've heard of Age International, but we help some of the most disadvantaged older people around the world. You'll perhaps recognise us as the international arm of Age UK.

Our work builds on a long and distinguished history stretching back to the 1960s. We focus on the older people who need us most, helping them access healthcare that is tailored to their needs and working with their communities to ensure they are cared for. We support older people to earn a living or get the pensions they deserve. We challenge age-related prejudice and discrimination wherever we find it. And when a disaster strikes, we ensure that older people are not forgotten.

In short, our goal is to redefine what it means to be older in today's world.

Does that sound like something you would like to be part of?

Again, I hope it does. Because it's only thanks to the kindness of our supporters that we can help people overcome the difficulties and injustice that getting older can bring. I'd like to think you an example of the work we do with a focus on one country where we're proud to have helped pioneer an inclusive, community-led approach to supporting older people: Vietnam.

In Vietnam, more than 40% of people aged 60 and over do not receive any form of pension. Roughly the same proportion lack the health insurance card that many others rely on. As a result, many older people struggle to live healthy and dignified lives. To address this, we helped to establish a network of Older People's Associations: community-based organisations that support healthy ageing through a variety of activities and provisions. One of the most crucial of these provisions is social care.

By recruiting and training local volunteers, we're able to equip people from the community with the skills needed to look after those who aren't able to fully care for

Coronavirus has had a profound impact on older people around the world – especially the most disadvantaged, whom we support.

But it's not just about surviving coronavirus. It's about all the effects that have come with lockdowns, pressure on health systems and further instability. It's about the impact on the health, income and isolation of older people.

A regular gift will help us to support more older people as the world deals with the impact of COVID-19 in the months and years to come. The work we do has never been more important – will you become a friend of Age International and help some of the older people who need us most?

Please complete and return the enclosed form to help older people in need. Remember to follow social distancing guidelines if posting your response. Alternatively, give securely online at ageinternational.org.uk/friend or call our friendly helpline on **0800 032 0699**.

Please turn over...

With thanks,

Chris Roles

Chris Roles
 Managing Director
 Age International

Follow us: [f/AgeInternational](https://www.facebook.com/ageinternational) [@Age_Int](https://www.instagram.com/age_int) [@age_international](https://www.linkedin.com/company/age-international)

HelpAge International UK, trading as Age International, is a registered charity (no. 1128267-8) and a subsidiary of Age UK (charity no. 1128267 and registered company no. 6825798); both registered in England and Wales. The registered address is Tavis House, 1-6 Tavistock Square, London WC1H 9NA.

P.S. By becoming a friend of Age International, you will touch the lives of so many older people around the world. I've also enclosed some stickers which I hope will serve as a reminder of the difference that your gift could make. Thank you



Registered with FUNDRAISING REGULATOR

ID204623 03/21 L5946



It's volunteer carers with everyday tasks such as cleaning and hair

...mply wouldn't be ...osity of people like

...ing support through ...unities on the ground. ...t, that they most need.

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*...y committing to a ...ay safe on your trip to ...n call **0800 032 0699**.*

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Part 1. Resource Development with institutional donors →

Part 2. Individual giving

- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

- Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



When you become a friend of Age International, you'll be helping to change lives.

You could help someone like Candeado to see clearly again

You could help provide essential healthcare to older people who would otherwise struggle to access what they need. Candeado, from Mozambique, had very poor eyesight - but the glasses he received from Age International changed his life.

"It made a big difference when I got my glasses. Before, I could not do anything for myself. I could barely eat and I could not even go to the toilet by myself. Now, I can do everything."



Credit: Judith Eace/Knowledge International



Credit: Sarah Bevan/Age International

Join with fellow supporters like actress Miriam Margolyes

"I would urge people - if you have a charitable instinct, and if you care about the world we live in, and if you recognise that there are other older people in the same position as you all over the world, who need your help, and you can do something about it...Give what you can.

"People who may never know you, will bless you for giving them a chance of happiness. You can give them the gift of a further life."

You can trust Age International to be there for older people

In 1961, a dedicated group launched the *Help the Aged Refugee Appeal* to assist older people escaping conflict and disaster abroad. This appeal was the start of the organisation that would go on to become *Help the Aged* and then, together with *Age Concern England*, formed *Age UK*. The desire to help older people in need wherever they are was always part of the charity and to recognise this more formally, *Age International* was formed as a separate organisation in 2012.

Today, *Age International* is a UK leader in supporting older people overseas, working with in-country partners through a localised approach, and as the UK member of the global *HelpAge* network. Our vision is a world in which women and men everywhere can lead dignified, healthy and secure lives as they grow older. But, as back in the 1960s, we depend on the generosity of supporters like you to help realise this vision.



Credit: Age International archive

Project examples are illustrative of Age International's programme and donations will be used to support Age International's work worldwide, where the need is greatest.

Will you be a friend? Please turn over to complete the form and become a friend of Age International

Donation form 2-sided

I do not wish to receive communications by post You can change your mind at any time by phoning 0800 032 0699 or emailing contact@ageinternational.org.uk

For further details on how your data is used and stored: ageinternational.org.uk/privacy

Gift Aid Declaration

Yes, I want Age UK and its partner organisations* to treat all donations I have made for the four years prior to this year, and all donations I make from the date of this declaration until I notify you otherwise, as Gift Aid donations. I am a UK tax payer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

Today's date , , *Age Cymru, Age Scotland and Age NI. Please ensure you provide your full name and address, and let us know if you wish to cancel your declaration, or if your tax status, name or address changes.

Please return this form in the envelope provided and follow Government isolation and distancing guidelines if posting.

HelpAge International UK, trading as Age International, is a registered charity (no. 1128267-8) and a subsidiary of Age UK (charity no. 1128267 and registered company no. 6825798); both registered in England and Wales. The registered address is Tavistock House, 1-6 Tavistock Square, London WC1H 9NA. ID204623 03/21 R7672



When a friend puts a smile on your face, it makes the world a better place

Because of friends, I laugh a little harder, cry a little less and smile a whole lot more



Credit: Kate Holliday/ Age International

When you become a friend, you'll be helping older people like Ernestina. She was one of the first women to receive a pension in Zanzibar, thanks to a campaign supported by Age International.

Hard times always reveal true friends

Friends never apart, in distance or in heart



Sheet of stickers

most to access the disaster strikes, or empowering older people and vital programmes around the world. the form below. Thank you for your support.

My choice of £ ____ a month (month), (year)

pay by Direct Debit



Service user number 4 3 8 2 0 5

Reference number (Age International use only)

Instruction to your Bank or Building Society: Please pay Age International Direct Debits from the account detailed on this instruction, subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Age International and, if so, details will be passed electronically to my Bank/Building Society.

Signature(s) _____ Date _____

Direct Debit Instructions for some types of account.

XXXXXXXX XXXXX Surname

Postcode

Part is helping older people

the vital work we do for older people, our appeals, will never sell your data.

mail phone SMS

Part 1. Resource Development with institutional donors →

Part 2. Individual giving

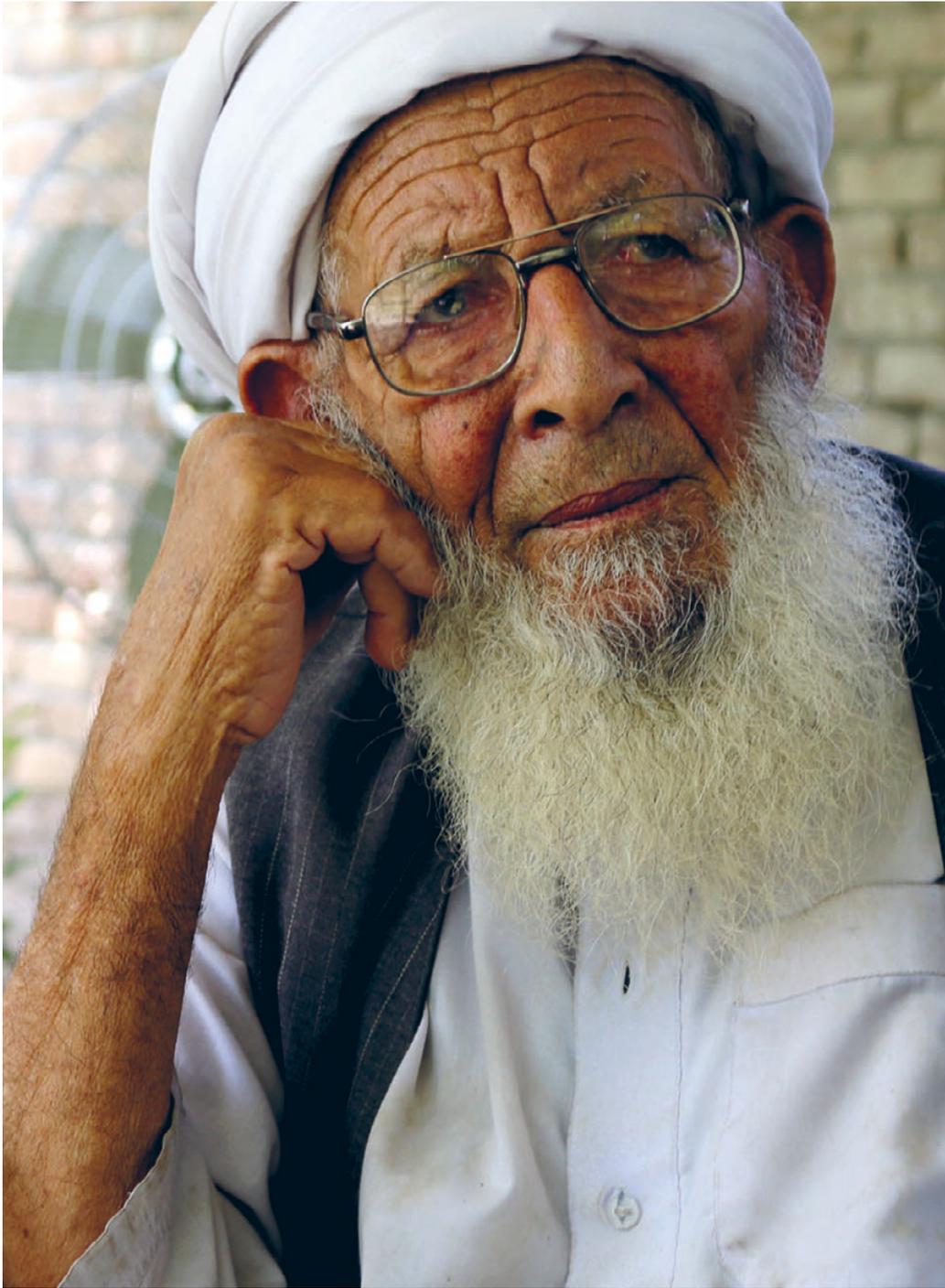
- 2.1 Introduction to individual giving
- 2.2 Online fundraising
- 2.3 Crowdfunding
- 2.4 Direct mail
- 2.5 Other methods of individual giving

Annex A. Message from Global Giving, updating donors

- Annex B. Sample direct mail package

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →



Resource Development Training
Module 5: Implementing different types of
Resource Development



Part 3.

Resource

Development

with corporates,

trusts and

foundations

HelpAge

International



Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

Corporate Resource Development focuses on organisations partnering with commercial companies/corporations for financial support. Partnerships with corporates can be both effective and beneficial for NGOs as corporates can also provide both knowledge and expertise to an NGO as well be a good source of funding.

It is important to regard the relationships between NGOs and corporates as a joint endeavour, and one that needs to work for both parties. Both parties should have scope to negotiate to achieve what is best for them and the partnership. An NGO should not just accept without questioning the terms proposed by the company.

Different forms of corporate partnerships can include:

- Corporates donating funds for specific projects, *such as mobile health clinics or food packages*
- Corporates donating funds for core costs to support the NGO achieve its mission
- Employee fundraising events to raise funds for the NGO, *i.e. a company quiz or sports day*
- Licensing – *i.e. use of an NGO's name and/or logo in conjunction with the sale of goods/services. An example of this could be a company creating assistive devices, such as wheelchairs partnering with an NGO working to support older people with disabilities*

- Cause-related marketing – *i.e. a commercial activity by which businesses and charities or causes form a partnership with each other to market an image, product or service for mutual benefit*
- Payroll Giving (often matched by the employer) – employees donating to an NGO through a deduction in their salary. The donation will come directly from the employee's salary each month and is often matched by the company they work for
- Secondments of company staff to the NGO – this may be to support build the NGO's capacity, *i.e. a company may second finance staff or communications and marketing staff to help build an NGO's finance capacity or develop new brand communications and products*
- Employee involvement and volunteering to support different NGO activities
- Gifts in kind – *this could include communications equipment or office furniture*
- Fundraising events – *i.e. auctions of company products*
- Innovative projects linking business and social value. *For example, a company may be able to provide the business skills to support you in developing your social enterprise.*



Quiz nights are an example of an employee event that could raise funds for an NGO.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

- 3.1 Introduction to corporate Resource Development
- 3.2 Key considerations in corporate Resource Development
- 3.3 How to make your first contact with corporate donors fruitful
- 3.4 Understanding corporate donors
- 3.5 Employee engagement
- 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Corporate Social Responsibility

Corporate Social Responsibility (CSR) and an enhanced public image are the two prominent reasons why corporate companies work and give to NGOs. CSR is a form of self-regulatory business planning where companies integrate initiatives focusing on achieving sustainable economic, social and environmental benefits for all stakeholders involved (employees, consumers, investors and other groups). The purpose of CSR is to encourage businesses to conduct their companies in an ethical manner and work towards having a more positive impact on society and ensuring sustainable growth.

Different types of CSR:

- **Philanthropic CSR** whereby a company will give some of its profits to NGOs or other good causes.
- **Environmental CSR** whereby a company will adopt practices (such as waste disposal or carbon emission trading) so that their environmental impact is reduced; or
- **Ethical CSR** which may focus on how the company treats its staff and undertakes its operations, for example, checking that child labour is not used in its supply chains.

Many corporates are increasing their commitments to CSR in light of Environmental, Social and Governance (ESG) criteria standards which are now being used by investors to screen companies before making investments. ESG looks at a company's environmental impact and their relationships in the area they operate in, including with employees, suppliers, customers and the wider community (social) as well as internal structures and controls (governance).

Google Philanthropic CSR

Google is well known for its corporate philanthropy, running multiple charity programmes through Google.org that have provided over \$100 million in grants and investments. The company carries out a volunteer programme which allows employees to dedicate up to 20 hours of work time to volunteering in their communities each year. In addition, Google has a matching gift programme in place where donations made by employees that are between \$50 and \$12,000 are matched at a 1:1 ratio. Beyond these programmes, Google has carried out numerous initiatives focusing on improving particular regions. One example is their work with **Learning Equality** (www.google.org/our-work/) towards making digital content accessible online in order to allow students without the internet to have better access to learning resources. By making materials available through a cloud library, Google hopes to help contribute to reducing the gap between disadvantaged communities in India, Latin America and Africa and countries with better access to technology.

With the company's motto being 'You can make money without doing evil', it makes sense that Google is known for its philanthropy, having a track record of meeting the interests of its stakeholders and their communities.



Topeka K. Sam/The Ladies of Hope Ministries

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

- 3.1 Introduction to corporate Resource Development
- 3.2 Key considerations in corporate Resource Development
- 3.3 How to make your first contact with corporate donors fruitful
- 3.4 Understanding corporate donors
- 3.5 Employee engagement
- 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



HelpAge India CSR

India is a good example of where Philanthropic CSR is taken seriously by the government. A law passed by the Indian Government in 2014 obliges companies of a certain size to pay 2% of their profits to good causes which may include NGOs. HelpAge India has developed a corporate Resource Development programme utilising this law and the principles of CSR, to partner with numerous companies to support the running costs of some programmes, such as the Mobile Healthcare Units, sponsoring cataract surgeries or supporting their Sponsor-a-Gran programme. They are also included in some companies' payroll giving initiatives and receive donations in kind.



HelpAge India

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

- 3.1 Introduction to corporate Resource Development
- 3.2 Key considerations in corporate Resource Development
- 3.3 How to make your first contact with corporate donors fruitful
- 3.4 Understanding corporate donors
- 3.5 Employee engagement
- 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



3.2 Key considerations in corporate Resource Development

As with other types of Resource Development, there are some key elements for an organisation to consider when undertaking Resource Development with corporate companies.

Research

When an NGO is approaching a corporate or has been approached by a corporate, it is important that you learn as much as you can about the company and undertake a full assessment to identify why it might be inclined to support your organisation. This should be done before companies are approached, opportunities discussed and a partnership is finalised. NGOs should also be sure about the values of the company and assure themselves that a partnership with that company will not contravene their ethical fundraising policy.

As part of any assessment, organisations should undertake research and due diligence. *See Module 1, part 4.*

Other key questions to consider:

- Is there a history of charitable support or charitable giving within the company? If so, what was it, when was it, and was it successful? (*Check with any previous NGO partner(s) and current NGO partners? What was their experience?*)
- What are the company's motives for corporate giving?
- What is the public's perception of the company and its brand? (use the internet to search the company name)
- Is what the NGO expected to bring to the partnership a fair exchange for what the company is offering in return? The company and the NGO should be equal partners, although this may not always be feasible. Both NGO and company should be clear about the benefits they expect to gain from the relationship.

Both the company's and the NGO's brands should be regarded as valuable assets to protect. Organisations should consider whether the association enhances or damages the NGO's brand?

Decision-making process

A policy on working with companies, agreed by the trustees, is essential for an NGO to be able to engage effectively with the corporate sector. The policy should define the parameters of associations across all types of corporate partnerships and activities. There also needs to be a process for decision-making, including a clear delegation of responsibilities, since working with companies is the classic example of where value judgements need to be made. All those responsible for the development of these relationships should be given specific instruction on the NGO's boundaries on corporate engagement and at what point the decision-making body decides whether or not an initiative should proceed. The complexity of the issues that need to be addressed will define the process. As part of this process there needs to be:

- A proper due diligence of the company by the NGO (*see Module 4, part 3 for more information on this process*)
- Clarity of what each party is offering. This should form part of a Memorandum of Understanding (MOU)/agreement between the NGO and the company
- Clarity on who the key contact people are in each party
- Engagement at a senior level – ideally between the CEOs or senior management
- A review of the proposed partnership according to the NGOs ethical fundraising policy.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

- 3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Communicating and marketing plans

If part of the reason for going into a corporate/NGO relationship is publicity, thought should be given as to how it is to be communicated externally and internally within both of the organisations. It is advisable for a communications plan covering both parties to be written at an early stage that details the relevant information to the relevant people. Both sets of employees should be informed about the relationship and nature of the partnership. Messages should be agreed by and adhered to by all.

It is also important to be clear on what both the company and the NGO do independently and what they are trying to achieve together. Communications to the public and customers should always include the aims of the partnership and what the relationship is about. It is important that each party respects the other's branding guidelines, and that both parties agree the final procedure for press releases and media liaison, being aware of each other's needs and timescales.

Conflicts of interest

It is important that an NGO is driven by its mission and works to achieve this. This will help define what its aims are as an organisation and help establish the right kinds of companies to be associated with. When selecting a company an NGO should establish that there are no conflicts of interest.

A conflict of interest is a situation in which a person or organisation is involved in different interests, and one of those interests may involve working against another interest (leading to a conflict).

Good partnerships often result from common interests and agendas. It can be a fine line between a common interest and a conflict of interest. The types of conflict that may arise and affect a relationship are where:

- Ethical considerations are not discussed: what is ethically acceptable by a company (who set out to make profits) may be at a different standard than for an NGO

- A company is working with two NGOs in the same sector – this may cause conflicts if both NGOs/charities are working on the same issues and with the same beneficiaries
- An NGO is working with two companies from the same sector. **For example:** *if your organisation works with two companies in the pharmaceutical sector and they are rivals, that should be declared as it may create a conflict of interest*
- A company charges the NGO for a product or service that helps the NGO achieve its mission but also partners with it for philanthropic purposes. **For example:** *a pharmaceutical company supplying, in a commercial arrangement, anti-cancer drugs to a hospice and supporting that hospice 'philanthropically' at the same time*
- A company wants the partnership to be exclusive – this needs to be considered by the NGO, as it may limit options for other partnerships
- The company wants access to the NGO's supporters
- A company is both a supporter and a supplier to an NGO. **For example:** *a bank providing banking services and also fundraising for an NGO*
- An employee or non-executive director is also a trustee of the NGO, and wants to exercise influence over artistic aims/products
- A company wishes to link direct material benefits for their product through the association with the NGO. **For example:** *implying a health benefit from a product through an association with a medical NGO.*



A communications plan should identify what the relationship is between a corporate and an NGO and what you want to achieve together.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

- 3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Risk assessment

NGOs should undertake a risk assessment to identify any element of risk involved in potential partnerships. Working with a company brings with it many benefits but there is almost certainly an element of risk. This could be in terms of the ability to meet the expectations and demands of the corporate, loss of credibility for the NGO in forming partnerships with certain corporates, or becoming resource-dependent on a corporate, limiting an NGOs ability to challenge any negative actions. Research will bring up any issues that could adversely affect the NGO and action can then be taken at an early stage to negate any identified risk.

Duties, obligations and rights

Within any partnerships, including corporate/NGO relationships there will be both legal and moral obligations. Where the law does cover the position, the issues are clear cut (i.e. the need for a commercial participator agreement where financial gain is evident for the corporate), but clarity may be required where the law does not cover the position. In setting up a partnership with a company it is necessary to make clear certain issues at the outset and their implications, for example:

- The use of the brand and the NGO's name and logo
- Who owns what: copyright, events, services, products, brands and logos
- Who is going to do what, and when it is to be done
- How the relationship is going to be presented to the outside world and what is going to be said about the company and the NGO
- The duration and clear terms of the relationship (for instance whether that should include exclusivity agreements or allow access to a supporter database)
- Regular communication, evaluation and review.

It is important that NGOs always consider the following points:

- A written agreement governing the relationship between the company and the NGO is executed (even where this is not strictly legally required). This should be approved and understood by all parties
- If the company falls into the definition of a 'commercial participator' by selling goods or services and promising a fixed donation to an NGO, then the specific rules need to be followed
- An NGO ought to take advice if at all unsure about any tax or legal aspects arising out of a fundraising partnership with a business.



Shashank/HelpAge International

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

- 3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



3.3 How to make your first contact with corporate donors fruitful

Making first contact with corporate donors can be tough and intimidating. The corporate culture differs a lot from the NGO world. NGOs need to make a lot of effort to reach out to a corporate, to make them listen, and to tell them why they stand out by the good work they do. It will be more than just completing one application!

An NGO should work to secure a meeting with a corporate they are interested in collaborating with. Acceptance of a meeting request will be a good indication that a corporate is interested in understanding more about the NGO. *Some of the tools and methods of donor engagement are presented in Module 4.*

Be prepared for the first meeting and do your research to understand the corporate – its plans, values and attitudes.



Tips on preparing for a face-to-face meeting:

1. Appointments

You should ensure that you have an appointment with the person from the company that your organisation wants to meet (research and discussions will help you understand who this is). It is important that the individual wants to be in the meeting as well as you, and that they also have the power to make decisions and take steps towards achieving a partnership! Before the meeting, NGOs should also try to reach out by telephone to set the foundations for your meeting or send an email defining the objectives of the meeting.

2. Preparation for the meeting

Your organisation should aim to make a positive impact at the meeting. In order to do this, make sure you have done your research, relevant preparation and understand the key points you would like to get across before the meeting. Share anything that you would like the company to know about your organisation before the meeting – this can be a link to your website or a leaflet about your organisation's work. *More information on preparing for the meeting is in Module 4.*

Do your research: As a part of your preparation for the meeting, and for developing good strategic relations with the company, you must put in adequate efforts to understand the company, its strategic plans, values and work, and their work in the area of CSR. **A little bit of research about the company, including any previous and current social projects it has implemented (if any), and which SDGs they are supporting, can tell you a lot about the corporate.** In undertaking research, you will have a better understanding of the corporate and present an appealing proposition.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

- 3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



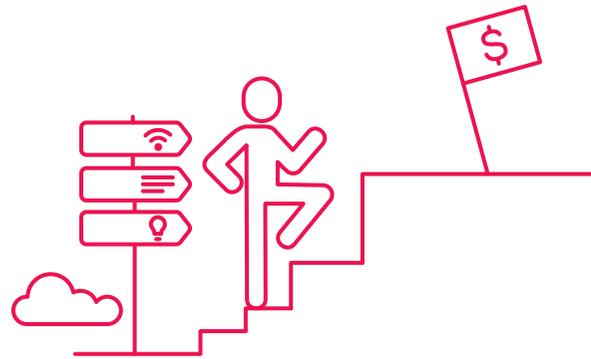
3. Keep it simple

Keep the first meeting simple. Although you need to display what your organisation does, impact areas and success stories, keep it light and **emphasise what makes you different – your unique selling point**. You do not need to carry bulky documentation, or your reports, accounts etc. to the first meeting unless asked to. Aim to use the first meeting to discuss, brainstorm, explore areas of collaboration, further understand each other to arrive at a conclusion towards working together to support the cause of older people and ageing.

4. Communicate your impact

Most corporate donors do not like to risk their funds, reputation, and time, so most of them like to go for a known, reputed and trusted organisation to work with to support social development projects.

You need to communicate how your NGO is unique, what is it that you do, why you are needed and how your organisation is best placed to do it. Communicate why the corporate should invest in ageing and older people – present significant data, success stories, even videos with a ‘master’ presentation about the organisation and its programmes. Before asking for donations, you need to communicate why the corporate must be interested in your organisation’s cause.



5. Take the first small step, aim for the giant leap

There is an expression in fundraising: *If you ask for money, you get advice, and if you ask for advice, you get money*. Make sure you do not come across as just another NGO asking for a usual donation, considering the corporate as ‘just another donor’. Discussions, brainstorming, analysing the needs of the community will help you come to a conclusion about how both organisations as a team can work together to bridge the gaps.

Cultivating relationships with corporate donors is the key to a successful collaboration and long-term association that hold huge potential for the cause of your organisation, and the older people and their families that you support. Help the corporate understand how CSR can help them, and how your organisation is making a difference to the lives of the beneficiaries you work with.

3.4. Understanding corporate donors

HelpAge India suggest that there are four key reasons why corporates work with NGOs in India:

- For enhanced company image (as a responsible corporate)
- For improved staff morale and loyalty
- For greater community involvement
- For improved investor and public relations

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

- 3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →

Figure 3: How NGOs can interpret what companies are thinking

What the company is thinking	What this means for the NGO
<p>Selecting a cause: Management will be deciding their CSR strategies based on improving their image and brand and will be looking to support a cause that aligns with their business values and will help engage and increase the morale of their employees.</p> <p>They will undertake research on potential NGO partners and often share ideas with employees.</p>	<p>Make sure that your organisation's cause is very clear and only target companies where you think their cause may coincide with yours.</p> <p>NGOs should think outside the box – look at both older people and how older people fit into the broader society. Look at how you can contact employees from the company to see if you can get any further insights before formally approaching the company.</p>
<p>Looking for an NGO which has an aligned mission, vision and values: Corporate's will be searching for an NGO with which it can align its vision and core values, and professional staff and expertise.</p> <p>For example, multinational information technology corporation could commit its CSR efforts towards IT training and skilling for older people, so it may collaborate with various NGOs working with older people. This helps them align their goals and objectives with that of the NGOs, while working towards the social responsibility.</p>	<p>Think about how to align your organisations mission, vision and values with that of a corresponding corporate company.</p> <p>Think outside of the box – even if companies do not focus particularly on older people, there may be other aspects of their work, such as IT, that can be adapted to older peoples' needs. Be creative! Be imaginative!</p>
<p>Long-term thinking and collaboration: Corporates link their CSR strategies and sustainability initiatives with long-term goals. How will a partnership with an NGO benefit the company and act as a long-term strategic investment?</p>	<p>If organisations think long term, then you will not be thinking so much of a project (thought that may be the vehicle for funding) but your overall strategy. The company wants to build relationships so go into the discussions with the same approach. Talk about the relationship as long-term collaboration – sell a vision and how you can do this together.</p>
<p>Clearly define roles and responsibilities: Setting the roles and responsibilities of each party in the beginning will be helpful in the long run. A contract/Memorandum of Understanding (MOU) can serve as a documented guide for the implementation of the programmes later.</p>	<p>If it is not suggested by the company, then ask for clarity. You may primarily want their money, but what do they want from you? How much time will it take to provide it? Have you got the resources to do so? If you deduct the cost of resources needed to manage the relationship from the grant they will give, is it worth it?</p>
<p>Trust: Trusting your NGO partner is the key to a successful partnership. Trusting would not mean completely agreeing to everything or thinking the same way as the other. It means developing an equation that allows you to communicate freely, express your opinion, debate and discuss and then come up with conclusions with everyone's inputs.</p>	<p>Take part in creating an environment of trust.</p>
<p>Make use of your 'core competency': Each organisation has its own strengths and core competencies. Your core competency might be marketing, while an NGO may have expertise in climate and environment. Finding a good match, making best use of each other's strengths is the attribute of a successful partnership.</p>	<p>This is important. Apart from money, what else can the company offer the NGO? Can they help train your finance staff or give their time freely in other ways?</p>

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

- 3.4 Understanding corporate donors

3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Companies may also like to provide match funding for projects so that you are not relying on them entirely and they will be more convinced of the sustainability of a project. It is also possible that the company will be able to give you 'in-kind' support – for example a law firm may offer free legal support; an accountancy firm may offer free training on accounting and financial management. NGOs should fully understand the company to make sure you are able to make the most of partnerships.

3.5 Employee engagement

Many companies who engage in corporate partnerships with NGOs do so partly so that their staff can engage with the NGO, and both contribute to the work of the NGO, and learn from them.

From their experience, HelpAge India suggest that employee engagement is important for several reasons:

- Helps create awareness, empathy, and support for an NGO's cause
- Builds a better society
- Creates future donors
- Encourages companies to give grants
- Facilitates a regular stream of income for an NGO

Employee engagement can take many forms:

- Payroll giving – employees provide regular contributions to an NGO via an agreed amount deducted from their salary by the employer and this is then paid by the employer to the NGO (some organisations will match their employees' contributions)
- Volunteering for the NGO – especially useful when the company are offering their specialist skills (e.g. communication, accountancy, legal).
- Hold fundraising events or participate in sponsored events (like marathons or bake sales) to raise money. These may be matched by the corporate.
- Employees can engage in events promoting your cause and have fun at the same time, so this may also be a form of team building for the company.

Organisations need to engage corporates to help them reach their employees. This can be done through one-off information sharing events and presentations by the NGO or engaging HR/ Senior Management to circulate information. The aim should be to engage employees on both the cause of the NGO and also create a spirit of giving and enthusiasm amongst the individuals. NGOs could also look to engage specific individuals within a company to help create a sense of ownership within the company who can support the NGO increase their reach to other employees.

3.6 Trusts and foundations

This section briefly looks at trusts and foundations as another potential source of income for an NGO.

Introduction to Resource Development with trusts and foundations

A **Trust** is a fiduciary relationship whereby a person or persons (trustee/s) hold(s) and manage(s) property for the benefit of one or more others (beneficiaries). Fiduciary means 'in good faith' or 'in trust' so trustees have to act in the interests of the trust. A charitable trust is set up to fund specific social development or charitable causes. A Trust's purpose and rules are set out in its governing documents (normally trust deed or Memorandum and Articles or Association where company limited by guarantee).

A **Foundation** is, for the purposes of this training, synonymous with a 'trust'. They have a slightly different legal basis, but for the purpose of Resource Development we can treat them the same.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

- 3.5 Employee engagement

3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Estimates show there are over 250,000 foundations and trusts in the world today.⁴ Trusts and foundations vary in size enormously, from the extremely large foundations such as the Bill and Melinda Gates Foundation in USA (with an endowment of \$42 billion), the INGKA Foundation in Netherlands (valued at \$34 billion) and the Wellcome Trust (UK) (with \$20 billion)⁵ to very small family trusts who give grants of just a few hundred dollars.

Some of the larger companies not only run CSR programs, but also run foundations separate from the company itself. Corporate foundations are typically funded by the company. However, they have their own boards and operate independently in most cases. This means these foundations are focused on wider charitable partnerships and causes rather than just internal CSR or employee engagement initiatives. Examples include the Coca-Cola Foundation, Ikea Foundation, MasterCard Foundation, and Toyota Foundation.

There are numerous sources of funding available but it is important to know where to look and how best to approach the funders. Establishing which options are right for your organisation is an important first step.

Trust fundraising refers to the process of asking for support from trusts and foundations that are empowered to make grants for charitable purposes.

Applying to trusts/foundations is often attractive as the applications are less onerous than for larger institutional donors. Trusts and foundations are also likely to support both core and project funding.

Important guidelines for Resource Development with trusts and foundations

Defining the need

Good Resource Development with trusts and foundations starts with a clear articulation of the need that the applicant requires to be met. This may be for its general purposes, for buildings or equipment, or for special projects. Only by first defining the need clearly is it possible to accurately identify prospective funders. Therefore, the first step in making an application to grant making trusts and foundations should be a clear articulation of the need for which the grant is being sought in the context of the organisation's whole mission.

Research

It is advisable for applicants to explore their own organisation's records to identify past approaches to trusts/foundations, past donations and existing contacts that can be pursued. Next, carry out external research in published directories of trusts and foundations or via internet searches. Directories cost between \$150 and \$250 per year but this may be a good investment if your organisation is successful in raising funds (see box below for links to paid regional directories). The research is essential and will identify those trusts and foundations whose objectives and policies match the need for which the grant is required. The more research undertaken, the greater the chances of success; for example, this can include looking at past grant recipients, trustee backgrounds and influences.

Links to directories of trusts and foundations (paid access only):

African Foundations Directory 2021

www.api-publishing.com/shop/foundations/african_foundations_directory/

Directory of Asia Pacific Foundations 2021

www.api-publishing.com/shop/foundations/directory_of_asia_pacific_foundations/

Directory of Foundations of the Islamic World 2021

www.api-publishing.com/shop/middle-east/directory-of-foundations-of-the-islamic-world/

Directory of Latin American Foundations 2021

www.api-publishing.com/shop/foundations/directory_of_latian_american_foundations/

Directory of Middle East Foundations 2021

www.api-publishing.com/shop/middle-east/directory_of_middle_east_foundations/

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

• 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



If possible, try and obtain a trust or foundation's guidelines, through directories, websites or by asking for them. If there are no guidelines, it will be useful to undertake research to find out the trust's interests and preferences, geographical area and the typical size of grant awarded. Since grant making bodies sometimes change their criteria, it is advisable to revisit these sources from time to time.

During your research, you should take time to summarise key details about prospective trusts and foundations:

- Name of the organisation
- Website
- Thematic focus
- Typical grant amount and/or range
- Giving process and conditions
- Entry point (for example, any personal connections or previous contacts, fundraising webinars or events or links that can be made by others, including your Board Members)
- Contact details
- Any positive signs or red flags to consider
- Any questions that you may have



Key details

will help you analyse and compare prospective trusts and foundations. This will help you select the right organisations to approach.

Making the approach

Trusts and foundations are extremely varied. For example, a trust could be small or large, institutional or family-based, so good practice will inevitably vary when planning individual approaches. Foundations can also range from corporate foundations to public foundations, family or community foundations. Some grant making charities may also be set up as foundations. It is important to understand the type and size of organisation you are hoping to approach, information guidelines they may have, their websites; and details of how they may wish to be contacted to help determine the most suitable and effective approach.

If possible, your NGO should also utilise any contacts that you may have to introduce you and the NGO to the trust or foundation. This could range from a Board Member, staff member or partner organisation that may have contact with staff or leadership at the trust /foundation. A direct approach through a personal relationship will often help facilitate a conversation that may not happen through a cold application. This could be by facilitating a meeting between the organisations, through an email introduction, introductions at networking events. This approach often allows you to build a more collaborative introduction to introduce the work of your organisation.

With trusts and foundations it is important to focus on building a relationship to establish trust for initial investment as well as continued and often larger investment. Many trusts and foundations often choose to fund smaller projects at first, and once they have supported an NGO for a while, built relationships and believe they are seeing good impact/results, they will look at providing larger grants. A longer-term strategy and plan is important when approaching an NGO – remember it is easier to start small and build from there.

Donor engagement and retention methods are discussed in Module 4.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

- 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



The application

When considering your organisation's application to a trust or foundation, ensure that your proposal matches the aims and interests of the trust being approached, whilst fitting your own organisational strategies and objectives. Express the purpose of your proposal clearly whilst adhering to the trust's guidelines. This need not inhibit your creativity in framing applications and if in doubt, contact the trust to ask for clarification. You should avoid applying to trusts/foundations where you cannot link your thematic focus or approach.

Where appeals are for general funds, any specific projects mentioned should be clearly identified as examples of the applicant NGO's work. Make sure that your proposals are clear, accurate, and above all, honest. For a good application, information will be relevant, using clear and concise, non-technical language. If a trust requests further information, this should be provided as soon as possible. If any of this is not clear, seek clarification with the trust, wherever possible.

Unless a trust or foundation's application procedure specifies other requirements on financial information, it is important that full budgets with breakdowns and explanations of costs appropriate to the application are included. Any reasonable and justified management and administration costs should be included in the proposed budget (even if these costs are not being asked for), and how figures were reached explained.

Check project timescales to ensure that they are appropriate to trust/foundation's assessment timescales. It is worthwhile to provide the trust with at least two contacts in case the trust requires further information and the original contact is not present.

Responding to approval or rejection of applications

When an application is approved, it is good practice for receipt of the grant to be promptly acknowledged in writing, confirming the purposes of the grants, and thanking the trust and trustees. It is advisable that all appropriate members of an applicant organisation's project staff and/or volunteers are informed as soon as decisions are known.

Administrative requirements of the trust should be strictly followed, so a successful organisation understands any conditions attached to the grants, such as the trust having management, advisory or other inputs into the work. Also check any requirements for public acknowledgement of the trust/foundation's support. All of this should be understood and agreed to in writing by both parties before the grants are formally accepted.

When applications are rejected try and obtain feedback. Appeals or attempts to persuade trusts to reconsider are usually only made in rare circumstances – such as where there are clear mistakes of fact or trusts have specified appeal procedures. In some instances a trust might accept further applications at a later date, when trusts indicate that no further applications will be considered, it is advisable for the situation to be accepted, unless there are special reasons for making further applications.

It is important to maintain excellent internal and external relationships with grant making trusts/foundations and with staff and volunteers. Once a relationship has been developed, you should work to maintain and develop it. Keep in touch with your main contact and offer information which promotes your organisation's work and could be useful to them, including your newsletters, project summaries or inviting them to events.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

● 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Don't forget
to say thank you!



Additional resources

Corporate funding in UK:

<https://ciof.org.uk/events-and-training/resources/corporate-fundraising-a-snapshot-of-current-practi>

A guide to Corporate Social Responsibility:

www.thegivingmachine.co.uk/corporate-social-responsibility-simple-guide/

Overview of trusts and foundations:

www.institute-of-fundraising.org.uk/guidance/corporate-fundraising-trusts-and-foundations/grants-and-trusts/

Build and keep good relationships with non-profit funders:

www.missionbox.com/article/371/crucial-points-to-build-and-keep-good-relationships-with-nonprofit-funders-while-working-remote



Endnotes

3. Alta Alonzi, Proposals for NGOs
4. www.worldatlas.com/articles/which-are-the-wealthiest-charitable-foundations-worldwide.html

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations

3.1 Introduction to corporate Resource Development

3.2 Key considerations in corporate Resource Development

3.3 How to make your first contact with corporate donors fruitful

3.4 Understanding corporate donors

3.5 Employee engagement

- 3.6 Trusts and foundations

Part 4. Resource Development through social enterprises →



Peter Caton/HelpAge International

Resource Development Training
Module 5: Implementing different types of
Resource Development



Part 4.

Resource

Development

through social

enterprises

HelpAge

International



Part 4. Resource Development through social enterprises

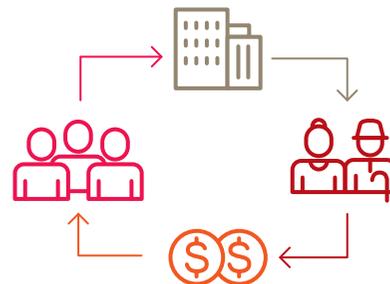
4.1 Introduction to social enterprise

Social enterprises are businesses which trade in order to address social and environmental problems. They generate income like other businesses but reinvest all or most of their profits into their social mission. They create jobs, reduce inequalities and are accountable for their actions, bringing together the entrepreneurial skills of the private sector and the values of public service.

In other words, a social enterprise is an organisation that adopts commercial strategies to make profits with a social objective. A social enterprise could sell things (e.g., a restaurant that trains survivors of violence and abuse); could provide a service (e.g. a training institute); or promote employment of certain excluded groups (e.g. persons with disabilities, refugees). These are just examples, and there are thousands of social enterprises globally. **The main goal of a social enterprise is to achieve financial sustainability and have a social impact among the beneficiaries they serve.**

Part 4 is not a 'how to' guide of how to set up a social enterprise (it is very much like setting up any business and the same principles apply), but it will examine what a social enterprise is and discuss how relevant social enterprises are for NGOs. Some of the key steps when planning and setting up a social enterprise are shared below:

1. Do your **research** and speak to other social enterprises to find out their experiences. Join social enterprise networks, as well as organisations that specialise in this area.
2. Understand what **products and services** you could sell and why.
3. Think about your **potential stakeholders and collaborators**.
4. You should draft a **feasibility study**. The business canvas model is a useful starting point and is a widely used tool to map your idea.
5. Write your **business plan and prepare a pitch** to sell your idea.
6. Look for **start-up funding**, perhaps from a corporate partner investor, or even government.
7. Work on creating a **strong brand** for your enterprise.
8. **Register** your social enterprise in your country. The legal entity you establish will depend on the country in which your organisation is based.



Social enterprises
aim to be financially sustainable
– with a social objective.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

- 4.1 Introduction to social enterprise
- 4.2 Should NGOs consider developing social enterprises?
- 4.3 Social enterprise models
- 4.4 Challenges and risks and how to manage them
- 4.5 The transition process
- 4.6 Is a social enterprise right for your NGO?



4.2 Should NGOs consider developing social enterprises?⁶

This section presents the key factors that should be considered by NGOs setting up social enterprises:

- **Avoid a mission drift:** In their search to become more **financially self-reliant** more NGOs are experimenting with social entrepreneurship. Many are doing this to strengthen their financial situation, but social entrepreneurship can do much more and it opens up new ways to help communities, but to ensure they stay on track NGOs should think about how this new venture links to their mission. NGOs should avoid setting up social enterprises which do not connect with their organisational objectives or exclude their beneficiaries.



A mindset shift

is needed, for NGOs to start thinking in a more business-like way.

- **Looking for self-reliance and becoming more independent:** Some development organisations turn to social entrepreneurship to increase financial sustainability. The social entrepreneurial model does promote independence and self-reliance, allowing NGOs to generate their own income while the overall social mission of reducing poverty and fighting injustice and inequality remains the same. It is all about recognising business opportunities that can, at the same time, solve social and civic problems. However, it is important to recognise the risks involved in setting up and investing in a business model that relies on the dynamics of local markets and economic factors. Further, organisations should be prepared for other commercial entities in the market which may undercut their social enterprise.
- **The paradox of NGOs relying on market principles:** Organisations must address how social entrepreneurship can help NGOs, not only by making them self-reliant and more independent of donors, but also by increasing their social impact on such a scale that it has the potential to change the power relations in the communities. There is a paradox that in creating social enterprises, NGOs start relying on the very market principles that may be a cause of the problems their missions call them to deal with.
- **Shift in mindset:** Many studies have shown the difficulties, as well as the opportunities, non-profit organisations face when they turn to business. Implementing entrepreneurial values requires a shift in mindset within organisations, from seeing poor and marginalised communities as victims or in need of development assistance, to seeing them as people who can generate market opportunities. Organisations will also need to start thinking in a more business-like way. This will include rethinking their financial management such as understanding and building in profit margins into budgets and ensuring cash flow reflects the needs of the social enterprise and is managed separately from its grant funded projects.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

4.1 Introduction to social enterprise

- 4.2 Should NGOs consider developing social enterprises?

4.3 Social enterprise models

4.4 Challenges and risks and how to manage them

4.5 The transition process

4.6 Is a social enterprise right for your NGO?



4.3 Social enterprise models

To become social entrepreneurs NGOs must earn money in the market. They are therefore searching for business models that can help them obtain self-generated income through the market without compromising their general social mission.

Four different types of social enterprise models that NGOs can explore and research are:

- **Embedded model:** The social enterprise is embedded into the social programme of the NGO. The NGO effectively operates the business, i.e. sells products or services which is central to its mission.
- **Integration model:** This model involves integrating business activities into an NGO's social programme. The NGO uses the business activities, which are often related to its mission, to generate income to subsidise its operations or fund and extend its social programme. Structurally, the business and social sections of the organisation may share costs, an office and operational staff.
- **External model:** In another model the NGO establishes a separate legal entity, such as a for-profit subsidiary. This may have financial implications, such as having to pay a tax on profits that they would not have to pay if they remained registered as a non-profit organisation. In this model, the NGO's business activities are different from their social activities. The organisation or part of it is a separate legal entity, it is fully commercialised, and its revenues must cover all its costs at market rates. The purpose of the business is fundamentally to support the parent NGO financially.
- **Mixed model:** Combines elements of the integration and external models described above to best achieve the NGO's double bottom-line of providing a variety of goods and services and pursuing multiple social goals. This mixed operation may occur at the level of the parent NGO or of the social enterprise. For instance, while some programmes or operations may be turned into for-profit ventures, others remain non-profit but cover their operational costs with money earned from the market.

4.4 Challenges and risks and how to manage them⁷

To set up or integrate social entrepreneurship within an existing organisation is a bumpy road for most NGOs. If the connection between the social enterprise and the NGO's core work is weak or non-existent, there is a risk that it will do more harm than good by diverting resources or causing confusion amongst partners over the NGO's priorities.

- **Does your organisation have the right skills?** NGOs should avoid simply replicating a successful business idea from another organisation. Social entrepreneurship may not be appropriate for all types of NGOs and to all sectors. NGOs should take account of factors such as the background and skills of their managers and staff, and their other resources, in deciding whether engaging in a business is appropriate for them. A number of successful social entrepreneurial NGO managers caution against using NGO staff who lack business skills and a business mindset in a new social enterprise venture and advise recruiting key business staff, whenever possible, from outside to manage and operate the enterprise. However, there is a downside to this, because it can create a cultural split in the organisation, while having only people from the business sector might result in the NGO adopting entrepreneurial values without a social impact. One way of getting the right kind of expertise might be to partner with a corporate body who would be willing to share their expertise.
- **Good governance:** The second issue relates to governance and transparency within an NGO. This is a particularly important factor for countries (e.g. emerging economies) where corruption and misappropriation of NGO income may be more prevalent. A strong board of directors and transparency are also important in a decision-making process where all stakeholders, especially staff and beneficiaries, are engaged and their opinions are valued. A democratic governance mechanism in social entrepreneurship means that NGOs can be held more accountable to their constituencies and beneficiaries, promoting a bottom-up or grassroots approach to development.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

4.1 Introduction to social enterprise

4.2 Should NGOs consider developing social enterprises?

- 4.3 Social enterprise models

4.4 Challenges and risks and how to manage them

4.5 The transition process

4.6 Is a social enterprise right for your NGO?



- **Get the balance right:** It is also important to strike a balance between the economic and social objectives of entrepreneurial NGOs. For example, how to pursue the social objective of generating jobs and income for deprived and disabled villagers while ensuring that the quality of the handicraft products they make are up to the market standard. To safeguard their mission NGOs should ensure strong governance and a robust financial system while having a strong emphasis on social impact assessments.

4.5 The transition process

Unlike charities, social enterprise models can access additional types of finance. The main sources are outlined below:

- **Equity investment:** Many social enterprises can access equity investment just like for-profit businesses. Equity investment is money that is invested in a company by purchasing shares of that company.
- **Repayable loans:** As with other types of businesses, social enterprises can approach banks or other financial institutions for investment/set up loans. Loans are repayable, and in most cases, loans have interest charges associated with them. As such, organisations need to exercise caution and think about it carefully.
- **Venture philanthropists** can also provide investment – they adopt the tools and approaches of private sector venture funding for philanthropic ends and may also provide mentoring support.
- Most social enterprises can also obtain **non-repayable grants** like charities and NGOs.
- **Government schemes and loans** may be available so check what is available in your country and/or region.
- **Corporates, high-net worth individuals, trusts and foundations** are often open and keen on social or innovative ideas.

- **Accelerators, hackathons, incubators and competitions** are often run by corporates, the charity sector and universities. An organisation could also consider an internship or fellow from organisations to provide support or develop the social enterprise.
- **Partnering** with a corporate, NGO or others who may have expertise in this area will mean you **gain support** and share the risk. They may also provide additional support – both human and financial resources.

It is important for organisations to note that the financial needs of social enterprises change at different stages of their growth. Start-up ventures need capital (i.e. funds to test and prove the viability of a new idea) whilst established organisations may need finance for growth or to help with cash flow.

There are some successful models such as Vision Spring who provide affordable eyeglasses, vision screening and training and work with NGOs, social entrepreneurs, governments and corporates. BRAC has also proven highly successful and have a clear sustainable social enterprise model.



Juan Pablo Zorro/HelpAge International

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

4.1 Introduction to social enterprise

4.2 Should NGOs consider developing social enterprises?

4.3 Social enterprise models

4.4 Challenges and risks and how to manage them

- 4.5 The transition process

4.6 Is a social enterprise right for your NGO?



FOPDEV – Buddy HomeCare social enterprise

A HelpAge global network member, FOPDEV in Thailand has implemented a **mixed model**. In the blog *'How FOPDEV's Buddy HomeCare is bringing generations together in Thailand'* →, FOPDEV discuss how they created the social enterprise to increase their own financial sustainability (reducing their reliability on traditional sources of funding) as well as addressing an intergenerational challenge in Thailand. They undertook an analysis of the market opportunities to create a viable business plan and understand how best to structure their new enterprise. They then reached out to social entrepreneur start up programmes for initial funds to start their new venture and have worked with their employees to shift from project-based operations to operating a business to produce business strategies and income targets and growth plans. The model allows them to operate as a business whilst also having a social impact.



It is of course possible for the whole NGO to transition into a social enterprise, though such a step would need careful thought and planning. Community Initiatives Concern, an NGO in Kenya transitioned to a social enterprise with the support of the British Council. More information on this transition along with other resources on how NGOs can create social enterprises can be found in the Additional Resources section on the *next page* →.

4.6 Is social enterprise right for your NGO?

Social entrepreneurship certainly has many potential benefits that are worth consideration by NGOs who are seeking more financial stability, independence and sustainability. However, it should be more than just a way to diversify funding sources. If well implemented it not only enhances an NGO's independence and self-sufficiency but can also improve the quality of programmes. Entrepreneurial values can open up new grassroots-driven initiatives and local partnerships that respond to the real needs of the communities NGOs serve.

However, social entrepreneurship also has a number of side effects, including the potential risk of NGOs being diverted from their missions. NGOs should be aware of and address these risks and challenges as they consider an appropriate model for social entrepreneurial engagement. Social entrepreneurship is not the right solution for all social problems. For example, some development and social service NGOs may find it easier to adopt a social entrepreneurial approach, while those with a political and advocacy agenda may find it difficult to reconcile social entrepreneurship with their work.

Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

4.1 Introduction to social enterprise

4.2 Should NGOs consider developing social enterprises?

4.3 Social enterprise models

4.4 Challenges and risks and how to manage them

4.5 The transition process

- 4.6 Is a social enterprise right for your NGO?



Additional resources

Article on how NGOs embrace social enterprise

www.thebrokeronline.eu/balancing-social-and-entrepreneurial-values-d26/

British Council guides on Social Enterprise

www.britishcouncil.org/society/social-enterprise/reports

Article on the state of social enterprise in 14 countries

www.britishcouncil.org/society/social-enterprise/reports/state-social-enterprise

Examples of social enterprise in Africa

www.howwemadeitinafrica.com/six-african-social-enterprises-that-had-people-talking-in-2019/64020/

British Council article on social enterprises and the SDGs

www.britishcouncil.org/society/social-enterprise/news-events/news-social-enterprises-tackle-SDGs

Kenya: Transforming an NGO to a social enterprise

www.britishcouncil.org/education/skills-employability/what-we-do/entrepreneurial-africa/news-events/kenya-transforming-ngo



Part 1. Resource Development with institutional donors →

Part 2. Individual giving →

Part 3. Resource Development with corporates, trusts and foundations →

Part 4. Resource Development through social enterprises →

4.1 Introduction to social enterprise

4.2 Should NGOs consider developing social enterprises?

4.3 Social enterprise models

4.4 Challenges and risks and how to manage them

4.5 The transition process

- 4.6 Is a social enterprise right for your NGO?

Endnotes

6. Adapted from an article in The Broker, 2013: Balancing social and entrepreneurial values: NGOs embracing social entrepreneurship

7. www.thebrokeronline.eu/balancing-social-and-entrepreneurial-values-d26/