

Charity Law Information Program

# FUNDRAISING FUNDAMENTALS SERIES

Evaluating Fundraising

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## EVALUATING FUNDRAISING

Evaluating your fundraising program helps your board and chief executive (or E.D.) make informed decisions to improve efforts in future years. This article will provide examples of numerous questions leaders should ask when determining efficiency and effectiveness.

The benefits of performance evaluation and planning include:

- Increased understanding of what works and what doesn't work
- Criteria to measure success
- Better use of volunteers in fundraising
- More volunteers to help with fundraising
- More money for the organization
- Specific fundraising activities assigned to volunteers and staff with a timeline and goals

Briefly, your evaluation asks:

- Based on last year's results how would we change next year's set of goals?
- What budget items need to be adjusted?
- What could be done more effectively in the action plan?

There is a difference between measuring fundraising efficiency (minimizing the cost per dollar raised) and effectiveness (maximizing the net income). The most logical method of evaluating your fundraising is to look at the bottom line.

- Did you reach the financial goal you had set?
- How much money was spent on fundraising activities and how much did you raise?

Clarifying and standardizing the cost of raising funds is one of the priorities of Revenue Canada's 2009 Fundraising Guidance (<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-028-eng.html>). Supplemental information on the Fundraising Guidance (<http://www.cra-arc.gc.ca/chrts-gvng/chrts/plcy/cps/cps-028-ddn-eng.html>) provides very practical examples of how to apply the information to your charity.

### Other Ways to Measure Effectiveness

There are many questions to consider when assessing all your fundraising activities:

- How did staff, board and volunteers perform?
- Was there any new leadership identified and engaged?

- Could the leadership team have been better prepared? If so, how?
- Was the budget realistic?
- How diversified was the funding? (Are funds coming from a variety of sources or just a few key ones?)
- How did front-end systems perform? (e.g. gift processing, research, solicitation methods, production)
- Are back-end systems working? (e.g. gift processing, donor acknowledgement, donor information tracking)
- By what percentage have we increased or decreased our income since last year?

### Evaluating Your Special Event

Let's start with the basics. The most common fundraising that many charities try first is some form of special event. It seems like a safe bet with minimal risk. However, this method can be extremely labour intensive (therefore expensive if you're honest about the staff time) so it's even more important to ensure that your investment will pay off one way or another.

Special events usually have at least two purposes:

- 1) To raise funds for the charity
- 2) To raise public awareness

You will need to set up systems to track information as soon as the planning begins so you can have an accurate reflection afterwards. In order to strategically capitalize on your goals to raise funds and awareness, considering choosing an event that will help educate the public on the mission of your charity. For instance, a music school could hold a concert highlighting its students. Coming up with an appropriate choice is more difficult for organizations in social services, but if an educational and engaging movie has been produced about your cause hold a screening and offer a panel of experts for discussion. Sarah Polley's heart wrenching film "Away From Her" taught viewers a lot about the effects of Alzheimer's disease and inspired dialogue on the topic.

By dividing your evaluation into the following streams, you can examine the various goals your charity intends to achieve through the special event:

#### Financials

- Did we reach our goal? (includes all proceeds from ticket sales, gifts in kind, sponsorships and other underwriting opportunities, cash donations, pledges, food and beverage sales, raffle and auction revenues minus staff time, hired help during event, printing, publicity, donor recognition, venue costs, decorations, catering, entertainment and any other cost that was directly related to the event)
- Have we accurately and transparently reported all income and expenses as opposed to just providing the net amount? (This is a priority of Revenue Canada's Fundraising Guidance.)

- Did we stay within our budget? If not, where did we go wrong? What have we learned in hindsight?
- How can we make more money next year with the same event?

#### Event Attendance

- Did we get the attendance expected?
- Was there an increase in numbers from previous years?
- Is there a capacity to improve numbers next year and if so, what's recommended?

#### Awareness-Raising

- How and where were promotional materials distributed? (Flyers on community bulletin boards, email blasts, ads in local newspapers or online, public service announcements)
- Which media received press releases and publicized the event? (Find out their distribution numbers)
- Did any media attend the event and do a story? Was the information they provided accurate? (Correct promptly if not!) Was a photo included?
- Have we kept all media clippings and tapes for future use?
- Did we generate a buzz from a fun (or educational) event? Have we captured any testimonials? Did we ask people how they heard about the event so we know which avenues work best?

#### Volunteer Engagement

- Did we have a strong volunteer chairperson(s) for this event and provide them with a clear plan of action?
- How many new volunteers did we recruit for this event? (And what is our strategy for keeping them engaged?)
- What was the total number of volunteers and their estimated work hours? (The more volunteer involvement you can inspire the more cost effective the event.)
- What was the total number of paid staff and their estimated work hours? (This figure is often fudged or worse, ignored entirely ...be sure to track this information honestly for a reality check on your *real* return on investment!)

#### Final Report

Invite the event team to reflect upon what worked and what didn't work. Often people are so exhausted or totally burnt out that they ignore this important task. Don't lose the opportunity to share "lessons learned" and decide (while it's still fresh in everyone's mind) what improvements could be made in the future. Take the opportunity to share your report with the volunteer team in a celebratory way to keep them engaged and kick off preliminary planning for the next event.

By setting your benchmarks before you start and measuring your progress along the way you are better prepared to report back on all the above-mentioned items. However, with time at the essence you want to examine at minimum:

- The 3 greatest benefits to the organization
- The 3 greatest drawbacks of the event
- How would you improve volunteer participation?
- What changes should be made in staff participation?
- Do you recommend repeating this event?

### Owner's Manual

Seize the opportunity to document every step of the planning process from set-up to take-down as the work unfolds. If time doesn't permit during preparation, be sure to collect the data and file it in a binder as soon as possible.

Include a sponsor, donor and prospect list (those who committed and those who said "give me more warning in the future") sponsor benefits, volunteer contact list, vendor lists, copies of contracts, detailed maps of the event. Include recommendations from post-event meetings, photographs, testimonials, dated copies of all promotional materials (including the year!) and press clippings.

### Conclusion

Don't keep reinventing the wheel. Encourage learning from the experience of shared perspectives. Identify benchmarks, set goals and measure your progress. These are the steps you can take to strategically capitalize on all your efforts.

Source:

Cynthia J. Armour, CFRE      [www.elderstone.ca](http://www.elderstone.ca)  
705-799-0636                      [cja@elderstone.ca](mailto:cja@elderstone.ca)