Global Compact Local Network

Fundraising Toolkit
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Executive Summary

The purpose of the **Global Compact Local Network Fundraising Toolkit** is to provide practical guidance, tips and tools to Local Networks engaged in fundraising activities. Fundraising is part of a sustainable funding and business model, and must be deeply integrated into – rather than separate from – other organizational activities, such as strategic planning, budgeting, governance, communications and relationship management. It is clear that successful fundraising activities go far beyond soliciting contributions to complement the overall work of the organization.

Key elements of the Local Network Fundraising Toolkit are outlined below including: guidance on building a sustainable funding model; an overview of different types of funders, funds and fundraising activities; and tools designed to help Local Networks develop budgets, workplans, fundraising goals, prospect lists, contributions reports, communications and more. Local Networks are encouraged to use this Toolkit in conjunction with existing Global Compact Local Network guidelines and recommendations as well as resources like the Global Compact Local Network Management Toolkit.

**Developing a Sustainable Funding Model**

Before beginning fundraising activities, Local Networks should establish the structures and narrative needed to support a sustainable funding model. These include:

- A well-defined **mission** that conveys a clear message to stakeholders and funders;
- A brief **vision statement** describing the network’s values and long-term desired change;
- A strong and **unique value proposition** that is compelling to stakeholders and funders;
- A time-bound **strategic plan** outlining key activities and objectives;
- An organizational **budget** that sets a realistic and achievable goal for fundraising activities; and
- A clear, accountable and stable **governance structure**.
**Types of Funders**

Each type of funder may provide multiple types of funding, depending on the programme, activity or organization funded. Different strategies or actions are needed to build and maintain relationships with each type of funder. Local Network management, steering committees and staff are encouraged to think carefully about the possible funders they may have the skills, relationships and resources to reach.

<table>
<thead>
<tr>
<th>Key Benefits</th>
<th>Business</th>
<th>Foundations</th>
<th>Public Sector</th>
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<tr>
<td></td>
<td>• High-level commitment to engaging with the Global Compact • Networks have a strong offering of resources and engagement opportunities designed for business</td>
<td>• May have greater appetite for risk and innovation</td>
<td>• May provide greater legitimacy</td>
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<table>
<thead>
<tr>
<th>Key Risks</th>
<th>Business</th>
<th>Foundations</th>
<th>Public Sector</th>
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<tbody>
<tr>
<td>• Available funding could be limited by budget cuts due to revenue fluctuations</td>
<td>• Receive high volumes of funding applications (thus competition for scarce resources)</td>
<td>• Receive high volumes of funding applications (thus competition for scarce resources)</td>
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As a business-led initiative, the Global Compact and Global Compact Local Networks have a strong comparative advantage in fundraising from business and corporate funders. By signing the CEO letter of commitment, business participants already know or see potential value in their participation in the Global Compact.

**Types of Funding**

As in other aspects of financial management, diversification is key. The proportion of each type of funder and funds in the overall funding portfolio should be carefully considered and regularly reviewed in order to maximize the return on investment of staff time and energy.

<table>
<thead>
<tr>
<th>Most Likely Types of Funding</th>
<th>Business</th>
<th>Foundations</th>
<th>Public Sector</th>
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<tbody>
<tr>
<td></td>
<td>• Annual Contributions • Memberships • Earned income • In-kind &amp; Pro-Bono • Event sponsorships</td>
<td>• Grants • Special project support</td>
<td>• Grants • Special project support</td>
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</tbody>
</table>
Annual contribution campaigns allow for the greatest variety of fundraising methods and techniques. Management and staff of Local Networks should decide the most efficient and effective approach to apply as some strategies may suit specific country conditions better than others and some can be costly. 

A step-by-step guide to conducting a full annual contributions campaign is included in the toolkit starting on page 25.

Relationship Management and Donor Stewardship

Finally, fundraising success may depend largely on an organization’s ability to cultivate and maintain positive, long-term relationships with their contributors and participants. Factors that can improve donor stewardship include:

- Careful record keeping and data-entry in a donor database;
- Timely and sincere thank you letters and donor recognition;
- Regular communications, including a mix of fundraising and programmatic messages that help contributors to feel that they are integral to the success of the initiative;
- Transparency and disclosure in use of funds and disclosure of financial information; and
- Tax efficiency of contributions, if allowable.
Introduction – the art and science of fundraising

The purpose of this toolkit is to provide practical guidance, tips and tools to Global Compact Local Networks engaged in fundraising activities. Fundraising is part of a sustainable funding and business model, and must be deeply integrated into – rather than separate from – other organizational activities, such as strategic planning, budgeting, governance, communications and relationship management. It is clear that successful fundraising activities go far beyond soliciting contributions to complement the overall work of the organization. Local Networks are encouraged to use this toolkit in conjunction with existing Global Compact Local Network guidelines and recommendations as well as resources like the Global Compact Local Network Management Toolkit.

Fundraising, also known as “resource mobilization” or “development”, primarily refers to activities undertaken by social sector (nonprofit or non-governmental) organizations to raise funds. Fundraising is simply business development for social sector organizations. The hope is that Local Networks of all types and structures may gain valuable insights that can apply to their particular organization and context. Local Networks, furthermore, may vary in their available resources or capacity to undertake the activities outlined in this toolkit. Thus, networks are encouraged to use and adapt aspects of the toolkit that are most relevant to their situation.

The only requirement from the Global Compact relating to fundraising efforts is that networks should make clear that they are made on behalf of the network and not the United Nations. Moreover, that the methods used and management of funds raised should be in accordance with the highest ethical standards in keeping with the character of the Global Compact initiative.
Developing a Sustainable Funding Model

Define Mission and Vision

All purpose-driven organizations need a well-defined mission in order to convey a clear message to stakeholders and funders. The mission should be able to cover the following questions in simple and clear manner.

- What is the ultimate goal of the Local Network?
- Who will benefit from the Local Network’s existence?
- How does the Local Network plan to work toward its goal?
- How is the Local Network unique/what is the network’s comparative advantage?

Example mission statement: The Global Compact seeks to mainstream the UN Global Compact’s ten universal principles in business strategy and operations around the world and to catalyze business action in support of UN goals and issues, with emphasis on partnerships and collective action.

A vision statement is a short sentence describing the values and long-term desired change resulting from the organization’s work. Example vision statement: The Global Compact works toward the vision of a sustainable and inclusive economy that delivers lasting benefits to people, communities, and markets.

Establishing a clear mission and vision can also help prevent “mission creep”, or the chasing of funds by organizations simply because they are available and not because the organization’s objectives and programmes are a strong fit with the funders’. Networks are strongly encouraged to thoughtfully develop their own unique mission and vision statements, if they haven’t done so already, as the above statements are examples only.
Planning

Making detailed plans might seem tedious sometimes, but it is the cornerstone of every successful project and organization. A well-developed plan answers many hard questions automatically, for example, what kind of projects should be pursued, do they best serve the purpose of the Global Compact initiative and the Local Network, and what performance metrics can be used for monitoring and evaluation.

A strategic planning tool known as a logical framework\(^1\) can be helpful to identify programme ideas and activities that are relevant and consistent with priorities of the Global Compact Local Network and likely funders. A strategic plan should be developed for a specific period of time. For example, the UN Global Compact develops a three-year strategic plan and assesses the plan on a regular, annual basis. The 2014-2016 UN Global Compact strategy is available here: [http://unglobalcompact.org/news/821-02-10-2014](http://unglobalcompact.org/news/821-02-10-2014).

Unique Value Proposition

Based on a clear mission, vision and strategic plan, Local Networks should be able to offer a strong and unique value proposition that is compelling and attractive to multiple stakeholders and funders. A value proposition should be unique to the Local Network and showcase the network’s comparative advantage over organizations similar in scope, size or focus. A strong and unique value proposition that will create consistent value for stakeholders over time is the key to generating sustainable funding for any organization.

Budgeting

Budgeting means calculating the cost of what a Local Network will need to spend to accomplish its planned activities (expenditure) and the amount needed to be raised to pay for them (income) over a set period of time (fiscal year). Budgeting sets the goal for fundraising activities and should become the reference point for all spending decisions. Below are some general guidelines to conduct the budgeting process and create a final budget document.

1. Reexamine the goals and objectives (for example, by referring to the logical framework).
   - Study the options

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\(^1\) Please refer to Annex 1 for a sample logical framework.

\(^2\) For the purposes of this toolkit, the pool of potential funders from the business community and private
1. Evaluate ongoing programs
   - List and evaluate potential new programs
   - Make preliminary recommendations for new programmes.
   - Develop a sense of priority, significance and impact.

2. Estimate expenses
   - Use the previous fiscal year’s actual expense information to serve as reference for budget estimates of ongoing programs. Refine data and improve forecasts.
   - Carefully estimate the costs of any potential new programmes.

3. Estimate income
   - Carefully examine all revenue streams, which must be based on realistic estimates
     - Grants/special project funds
     - Annual contributions
     - Memberships
     - Events – registration and/or sponsorship
     - Earned Income or service fees
     - Other

4. Reconciliation
   - Compare income with expenses. Expenses must not exceed income! Planned deficits will eventually drown any organization.
   - Estimated income should not be arbitrarily inflated in order to meet overly high estimated expenses, as this will result in unrealistic fundraising goals.
   - Adjust program goals and objectives to appropriate levels.
   - Make the hard decisions and double-check revised figures.

5. Approval by governing body
   - This is not just a formality; the budget must be carefully reviewed and approved

6. Monitor and administer the budget
   - Regular (monthly, quarterly) assessment of income and expenses is key to staying on budget
   - Administer the budget correctly but not inflexibly.
   - If the Local Network’s fundraising plan and timing of activities is similar from year to year, a budget format that compares year-to-date performance to last year’s year-to-date may work well in evaluating performance.

Governance

The steering committee, board or equivalent governing body has the role to act on behalf of the Local Network and guide it toward fulfillment of its vision and mission. Thus it is highly suggested that the governing body also take some leadership in fundraising activities. The governing body’s chief tasks are to oversee a strategic plan, approve budgets and policy statements consistent with the plan, and solicit contributions from prospective peer-group major donors. Meanwhile, the fundraising staff’s role is to implement and support fundraising activities.

Creating and maintaining a clear, accountable and stable governance structure is essential to assuring funders that their funds will be used in a fair, legal, and transparent manner that supports the vision, mission, strategic plan and integrity of the Local Network and the Global Compact.

Key resources:

Ten Nonprofit Funding Models: [http://www.ssireview.org/articles/entry/ten_nonprofit_funding_models](http://www.ssireview.org/articles/entry/ten_nonprofit_funding_models)

Finding your Funding Model: [http://www.ssireview.org/articles/entry/finding_your_funding_model](http://www.ssireview.org/articles/entry/finding_your_funding_model)
Types of Funders

Overview

Social Sector organizations often rely on the following types of key funders: Corporations/Business, Governments, and Foundations. Each type of funder may provide multiple types of funding, depending on the programme, activity or organization funded. Different strategies or actions are needed in order to build and maintain relationships with each type of funder. Local Networks are encouraged to think carefully about the possible funders they may have the skills, relationships and resources to access.

Business

As evidenced by their participation in the Global Compact, many businesses – from MNCs to SMEs – are acknowledged leaders in stepping up to respond to major global issues. As a business-led initiative, the Global Compact and Global Compact Local Networks have a strong comparative advantage in fundraising from business and corporate funders. The resources, tools, thought leadership, issue-platforms, working groups, events, and other deliverables of the Global Compact and Local Networks are designed for responsible business and stakeholders. By nature of signing the CEO letter of commitment, business participants already know or see potential value in their participation in the Global Compact.

Why do businesses provide financial support?

- To fulfill their corporate responsibility and sense of obligation to be responsible “corporate citizens”;
- Recognition that in order to advance the Global Compact’s mission and vision stable funding is needed;
- To support the creation of a common good that benefits not only their own business but also enhances the enabling environment for responsible business in their country and globally;
- To improve the quality of life in the geographic locales in which they operate (cleaner, safer, better-educated communities are good for business);
- To access benefits of membership in a Local Network

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2 For the purposes of this toolkit, the pool of potential funders from the business community and private sector are the active business participants (SMEs, companies, MNCs) of the UN Global Compact and signatories of its issue platforms.
• To increase visibility and enhance reputation;
• To build better public and community relations.

Benefits: Very large pool of potential funders worldwide; corporate sustainability is entering the mainstream; there is a strong business-case for corporate sustainability and responsible business; networks have a strong offering of resources and engagement opportunities designed for business; High-level commitment to engaging with the Global Compact.

Risks: Available funding could be limited by budget cuts due to revenue fluctuations; expectations might be raised in a good year but a lean year might follow.

Key resources:

Guidelines on Cooperation Between the UN and the Business Sector:

UN Global Compact Brochure:
http://unglobalcompact.org/docs/news_events/8.1/GC_brochure_FINAL.pdf

Committee Encouraging Corporate Philanthropy - http://cecp.co/
Foundations

Foundations are purpose-led organizations; that is, they are established for a long-term purpose other than financial return. Foundations may be established as a nonprofit corporation or a charitable trust, with a principal purpose of making grants to unrelated organizations, institutions, or individuals for scientific, educational, cultural, religious, or other charitable purposes. This broad definition encompasses two foundation types: private (including corporate) foundations and grantmaking public charities. A private foundation derives its money from a family, an individual, or a corporation. An example of a private foundation is the Ford Foundation; an example of a corporate foundation is the GE Foundation. For corporate foundations, there is a trend to increasingly align their work to the sustainability agenda of the corporation that has set them up.

The ultimate goal of engaging with foundations is to build a systemic engagement of foundations with the Global Compact and Local Networks, which, in turn, will surely result in fundraising opportunities. When approaching foundations, it is suggested to take a strategic approach based on issue affinity, and not merely a fundraising approach. Think about a long-term partnership and not immediate funding needs. Below are some possible guiding steps for discussion.

<table>
<thead>
<tr>
<th>Learning</th>
<th>Dialogue</th>
<th>Action</th>
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| • Map key foundations by issue and geography | • Invite key foundations to participate in consultations and knowledge products | **Issue based partnerships:**
| • Email introduction to selected foundations | • Invite foundations leaders to events         | Coordinated action with key foundations around each issue platform |
| • Invite foundations leaders to events | • Participate in foundation events            |                               |
| • Participate in foundation events | • Share knowledge products with key foundations |                               |

**Why do Foundations provide financial support?**

• To achieve their own mission, vision and strategic plan
• To implement programmatic activities or fulfill a strategic mandate
• To support the creation of a common good
**Benefits**: Foundations have greater risk appetite and often encourage innovation; foundation support might leverage other sources of funding or increase an organization’s prestige; foundations might also provide additional issue-area expertise or operational guidance either in-house or through their network of grantees and partners.

**Risks**: Receive high volumes of funding applications (thus competition for scarce resources).

**Key Resources**:

- European Foundation Center - [http://www.efc.be/](http://www.efc.be/)
- Rede America – [http://www.redeamerica.org](http://www.redeamerica.org)
Public Sector: Governments and Multilateral/International Organizations

Institutional funders like governments, multilateral and international organizations may provide funds to initiatives like the Global Compact Office and Local Networks in order to fulfill policy objectives, like supporting SME capacity building or South-South cooperation. Different levels of government – national, regional, or local may also each provide funding.

Why do public sector institutions provide financial support?

- To fulfill policy objectives
- To redistribute resources
- To support the creation of a common good that enhances the enabling environment for responsible business in their country and globally.
- To fund projects or models that others may replicate or that can go to scale.

Benefits: Governments may provide additional technical assistance; can provide legitimacy and approval; receiving public funding may lead to a broader network of resources or potential partners; partnering with the government may result in an increased ability to influence public policy.

Risks: Receive high volume of funding applications (thus competition for scarce resources); potential for increased monitoring of programme activities to ensure public funds are well spent; government funds could potentially displace or discourage funds from private sources.

Individuals, Academia, Civil Society, Business Associations and Labour

Although individuals (meaning, those acting in their private capacity and not affiliated with a business, government or other institution) can be a major source of funding for many nonprofit organizations, to-date they have not been a significant source of revenue for the Global Compact initiative. Additionally, while academic, civil society, labour and business association organizations are recognized stakeholders of the Global Compact, they too have not been a significant source of revenue. Due to the business-led nature of the Global Compact, the comparative advantage and unique value-proposition for fundraising from non-business organizations is not strong. In fact, many non-business organizations conduct their own robust fundraising activities.
Types of Funds

Overview

Social Sector organizations may raise many types of funds, including annual contributions, memberships, event sponsorships and registration fees, grants or special project funding, earned income and in-kind or pro-bono contributions. Like many aspects of financial management, diversification is key.

Diversification of funders, types of funds and fundraising activities are all recommended in order to ensure a stable and sustainable funding model. The proportion of each type of funder/funds in the overall funding portfolio should be carefully considered and regularly reviewed in order to maximize the return on investment of staff time and energy.

Below is an example of recent Global Compact funding sources.

**TIP:** For Local Networks new to fundraising, it might seem daunting that there are so many things to do yet so little time. The answer is FOCUS and CONCENTRATION. Ask, “What fundraising strategies will maximize net contributed income?”
Memberships

Most likely funders: Business, some academic and civil society organizations

The UN Global Compact is a voluntary initiative, not a formal membership organization, and therefore does not collect mandatory membership fees or subscriptions. No participant will be delisted for failure to pay a membership fee. However, some Local Networks, in order to fund Network activities, collect participant fees. If an organization decides not to pay a Local Network membership fee, they are still considered a participant of the UN Global Compact, but, depending on the specific funding policy of the network, they may be excluded from certain network activities or events.

Membership fees or subscriptions are similar to annual contributions, however membership fees are required in order to access particular benefits, events or services. Formal members might also have governance rights and responsibilities within an organization. While membership fees are most often paid annually, some Local Networks have experimented successfully with the concept of “lifetime memberships”.

Some questions to consider in collecting membership fees:

• What benefits should you offer to members?
• Will members be segmented into categories – by organization type, by company size, etc.?
• How will you determine the base membership fee?
• How can you best manage joining and expiration of membership?

Creating membership categories is an effective way to incentivize contributions. For example, at the lowest level, a member might receive only newsletters and announcements of events and programs. At the higher levels, a member may be invited to exclusive events or receive specialized resources.

Typical membership benefits of a Local Network might include:

• Name recognition: members and contributors can be listed by category in the Network’s website, newsletters and annual reports.
• Access to seminars, trainings, workshops and other guidance.
• Support the submission of Communication on Progress (COPs)

TIP: Remember, each contributor or member—at whatever level—must know that they are important and appreciated.
**Benefits:** Can be used for unrestricted funding/general operating support; encourages repeat contributions every year; builds allegiance with the organization if strong benefits are offered.

**Risks:** May increase resources needed for member relationship management; members may demand higher levels of accountability or member oversight; may create a barrier to entry if required membership levels are too high.

**Event Sponsorship and Event income**

**Most likely funders:** Business, some Foundations and Governments

Events have the potential to raise funds through multiple methods, though primarily through registration or ticket income and sponsorships. If the Local Network decides to add a major event to the calendar, beware of the wide variation of results. Here are a number of pre-event evaluation questions for Local Networks to consider before they plunge into event fundraising.

| 1) **Have you set out clear objectives?** Events can meet multiple objectives, but be clear about which are paramount and choose only one primary objective. Objectives can include raising funds, generating awareness, cultivating or recruiting participants, celebrating a milestone, launching new programmes, etc. |
| 2) **Have you considered what kind of activities – other than a fundraising event – might meet some of the objectives?** Every investment of time and energy presents opportunity costs: is a special event the most effective way to achieve the objectives? |
| 3) **Have you set a clear and realistic financial goal?** If your primary objective is raising funds, how much would you need to raise in order to make the event worth the investment of time, money and energy it will be necessary to make the event a success? |
| 4) **Are you relying on last year’s numbers as the basis for this year’s planning?** Consider the factors which affected your previous results and which may be sensitive to changes in the economy. |
| 5) **Have you tested the waters with your key participants and largest donors?** How many of the larger donors to the event in the past will give again this year? Will they give at the same level? If not, at what level are they likely to give? |
6) **Are key members of your board and staff ready to get fully behind the effort?** Don’t underestimate the amount of time various kinds of events require and the toll they can take on program objectives and staff and board morale.

7) **Are there past honorees, co-chairs, or other benefit committee members who will support the event again this year?**

8) **Have you explored all options to lower projected expenses?** Can you get any large expense items donated this year, such as the space, food and/or liquor, printing costs, entertainment or speaking fees? Will doing a cocktail reception vs. a sit-down dinner lower expenses without seriously impacting your ability raise income?

Based on the answers to these questions, might you consider changing the primary objective of your event to cultivation or recruitment? It may be possible that investing in cultivation now can do more to achieve financial security in the future. At the very least, try to pay serious attention to the cultivation and recruitment opportunities presented by your event. For example, networking sessions and interactive discussions can foster business-to-business interest in the Local Network and the Global Compact. Try to capture the contact details of potential recruits and make a concerted effort to follow up with them.

**Benefits:** Events can be exciting and glamorous; bring visibility to organization; raise awareness and develop interest in the Local Network; can be an opportunity for collaboration with partner organizations.

**Risks:** Low return on investment of organizational time and energy; potential of higher cost than revenue.

**Key Resources:**
GrantSpace Knowledge Base Resources on Corporate Sponsorship:
http://grantspace.org/Tools/Knowledge-Base/Funding-Resources/Corporations/corporate-sponsorship
TechSoup.org “A Few Good Online Event-Registration Tools”:
http://www.techsoup.org/support/articles-and-how-tos/few-good-online-event-registration-tools
Grants/Special Project Funds

**Most likely funders:** Foundations, Governments, some business

Each grant is an implicit or explicit agreement or contract between the grantor and the grantee. The agreement may outline specific project objectives, activities or outputs as well as a timeline and budget. Many grant agreements include specific monitoring, evaluation and reporting requirements that must be stringently followed.

When beginning research on prospective funders, focus on funders whose interests match the Local Network’s mission and programs. What projects or programs are of greatest interest to the funder? Has the funder contemplated any initiatives in which the Local Network might play a role? Funders respond most favorably to well-planned projects that are innovative yet feasible, offer prototypes or models for others to replicate; or offer strong evidence of community support for a project. Successful applications often have measurable goals or objectives (please refer to the previous section on developing a strategic plan). For Foundation grants, it is suggested that organizations communicate directly with Foundation programme officers whenever possible, as they will best know their Foundation’s current funding priorities and objectives.

Information about funding for grant projects is often published as a request for proposals (RFP) or terms of reference (ToR). The RFP may include a description of the work required, the timeframe or schedule contemplated, detailed application instructions and requirements, the criteria by which the proposal will be evaluated, and – most importantly – an application submission deadline. When preparing the grant application, be sure to follow all instructions meticulously, especially deadlines for submission. Grant applications often have strict content and formatting guidelines. After being notified that the application has been approved, be sure to send a thank-you letter to the relevant programme officer.

**Benefits:** Can provide large-scale, multi-year funds; additional technical assistance might be available; grant proposals can serve as a planning tool to help refine goals, objectives, strategies, and timetables; reporting requirements can promote better recordkeeping and accountability.

**Risks:** Grants are limited in size and duration; most are not renewable and rarely grow larger as time goes on; grant eligibility and reporting requirements are strict; the application and reporting process can be time-consuming; grants are restricted in use and expenditures have to be specified in the grant
budget; grants do not always cover the full cost of a project; funds may be available on reimbursement basis only; careful record keeping is a must, since an audit is always a possibility.

Key resources:
- [http://www.grantspace.org/Tools/Sample-Documents](http://www.grantspace.org/Tools/Sample-Documents)
- [http://foundationcenter.org/gainknowledge/research/internationaltrends.html](http://foundationcenter.org/gainknowledge/research/internationaltrends.html)

Earned Income

**Most likely funders:** Business

Social Sector organizations can earn income by selling or charging a fee for goods or services. For example, an international poverty reduction organization may sell second-hand clothing in a charity shop; revenues are then used in support of the organization’s programmatic activities. In the case of Local Networks, some Networks may consider charging a fee for services like reviewing a business participant’s COP before it is submitted. The legal or tax consequences of earned income activities varies by jurisdiction and Local Networks must abide by local laws and regulations as well as maintain the integrity of the Global Compact initiative.

**Benefits:** Encourages entrepreneurial activity; adds perceived value to the product or service.

**Risks:** May have specific tax implications; may require increased resources for customer service.

Key resources:
In-kind and Pro-bono Contributions

Most likely funders: Business, some governments

Some contributors, due to the nature of their business, are in a position to give free/no-cost goods or services that can be quite valuable when they are directly usable or in direct support of a project activity or special event. In-kind and pro-bono contributions can help to reduce direct costs and allow greater net revenue.

Examples of useful in-kind contributions include:

- Printing of brochures or publications;
- Food or beverages (from an appropriate source) for serving at an event;
- Office space or an event venue;
- Advertising space.

Service contributions (also called pro-bono services) are the donation of professional services. Pro-bono services require a formal commitment between the contributing organization and Local Network and the services must be professional services for which the Local Network would otherwise have to pay.

Examples of service donations include:

- An attorney who provides legal counseling;
- A commercial web developer who designs a website;
- A management consulting firm that provides a specific service;
- A public relations firm that provides marketing or strategic communications support;
- A seconded employee.

Benefits: Adds additional expertise and human resources; frees up funds for other uses.

Risks: May require additional supply-chain or managerial/HR oversight; if not truly useful, then the goods or services may be wasted or not worth the time and effort to secure them.

Key resources:

- [http://www.taprootfoundation.org/about-probono](http://www.taprootfoundation.org/about-probono)
Annual Contributions

**Most likely funders:** Business, some academic and civil society organizations

Annual contributions are voluntary donations paid once within a twelve-month time period. As opposed to memberships, annual contributions are voluntarily given with no expectation of goods or services received in return for the contribution. Annual contributions are not restricted on the use of funds, thus many nonprofit organizations raise annual contributions to cover general operating expenses in addition to programmatic expenses.

Annual contribution campaigns are where the greatest variety of fundraising methods and techniques can be found. Management and staff of Local Networks should decide the most efficient and effective approach to apply as some strategies might suit specific country conditions better than others or can be costly. Annual contribution campaigns combine identifying and recruiting new donors with renewing and upgrading previous donors and a campaign’s success relies on reaching out to a large number of potential contributors. Response rates and contribution levels increase when donor list selection improves, segmentation techniques are mastered, and the message is honed.

**The goals of an annual contribution campaign should include:**

- Stimulating the contribution of unrestricted funds;
- Raising public awareness of the organization;
- Gaining public acknowledgement that financial support is needed in order to advance the mission;
- Developing a base of knowledgeable contributors;
- Cultivating prospects for future funding for special projects and events.

**Benefits:** Can be used for unrestricted funding/general operating support; encourages repeat contributions every year; can generate enthusiasm and a broad base of engaged, knowledgeable participants; raises awareness of programmatic activities; a flexible framework that can be adapted to suit organizations of variable structure, size, and capacity.

**Risks:** Requires extensive outreach to large, broad pool of potential funders.

**Key resources:** see next section “Sample Annual Contributions Campaign”
**Sample Annual Contribution Campaign**

**Five Suggested Steps for Conducting an Annual Contributions Campaign:**

Step I. Determine the Fundraising Goal

Step II. Determine Campaign Target and Donor Segmentation

Step III. Which Solicitation Method(s) to be used

Step IV. Determine Fundraising Timeline

Step V. How to Measure Success

Step VI. Donor Stewardship

**Step I. Determine the Fundraising Goal**

For an annual contribution campaign, it is very important to have a clear fundraising goal and reasonable expectations of potential contributions. (Please reference the section on Budgeting for estimating income and expenditure in order to create a balanced budget.) The following questions are designed to help the Local Network analyze their past contribution trends, if data on past contributions is available; the analysis can then serve as a basis for estimating future contributions.

- What was the total number of donors and the total amount of contributions in each of the previous three years?
- What was the number of business contributors and the total amount of their contributions in each of the previous three years?
- What was the number of foundation grants and the total amount in each of the previous three years?
- From which, if any, government agencies did the Local Network receive grants or contracts in each of the previous three years? What was the total amount each year?
- For the past three years, list the number of contributions and the total amount received in each of the following contribution ranges (only an example, please adjust this scale accordingly):
  - below $250;
  - $250–$499;
  - $500–$999;
  - $1,000–$2,499;
  - $2,500–$4,999;
  - $5,000–$9,999;
  - $10,000 and above.

Based on the result of the previous analysis, the Local Network will better understand the possible amount of funding they can generate this year by summarizing recent contribution trends and adjusting for any known losses.
Another method of setting a fundraising goal is to create a name-by-name analysis of the prospect pool. 

**Resource:** there is a Priority Evaluation Chart available in Annex 2 for your reference in conducting this exercise.

- First list the top donors and prospective donors—those with the capacity to contribute at leadership levels.
- Then, decide how much will be requested from each donor and prospect (for example, based on a company’s annual revenue or number of employees).
- Fill in the percentage probability of attaining each contribution, based on experience and on the following general guidelines:
  - Donors who have given every year for several years, 80-90%;
  - Donors who gave last year for the first time, 60-70%;
  - Donors who have skipped a year, 40%;
  - New prospects, 20-30%.

If a representative of the Local Network has had a conversation with the prospect, and they indicated interest in contributing at the amount discussed, the probability can be rated higher.

Once a realistic and achievable goal for the annual contribution campaign has been analyzed and agreed upon, then the pool of prospective funders can be developed further.

**Step II. Determine Prospective Contributors and Donor Segments**

Segmentation of prospective contributors is key to engagement and when segmentation is done well, the campaign can be much more targeted and efficient. Contributors can be segmented into different categories including past contribution status, geographical location, industry/sector, company size, & etc. The purpose of segmentation is to organize potential contributors into groups that will receive specialized messages and targeted outreach.

Basic segmentation can include:

- **Potential** donors—organizations which have never contributed; either new or long-standing participants in the Network.
- **Current** donors—organizations which have contributed in the past 12 months
- **Lapsed** donors—organizations which have not contributed during the most recent 12- or 18-month period
**Potential donors:** These include organizations that are current participants of the UN Global Compact but have never made an annual contribution. Prospective donors may also include new participants in the Global Compact. Thus, recruitment is a key part of a successful fundraising strategy. Craft a message outlining the unique value proposition of the network and show how their contribution can make a difference to the Local Network.

**Current donors:** Current donors should not be taken for granted, and it is important to demonstrate how their most recent financial contribution was used to support the mission and vision of the Local Network.

**Lapsed donors:** Make a carefully crafted message letting past donors know that they are important, appreciated and missed; send this message periodically. If done carefully, it may be worth asking lapsed donors if there is any particular reason why they stopped contributing. Then, the Network can take steps, if appropriate, to improve their value proposition or service offerings.

**Resource:** Annex 5 offers a sample workplan of activities to reach different donor segments

**TIP:** If any contributor is unable to provide current support, they may be able to include a contribution in a future budget if asked politely.

**Step III. Determine Which Solicitation Method(s) are to be used**
Annual contribution campaigns are where the greatest variety of fundraising methods and techniques can be found. Each method has its benefits and risks; management and staff of Local Networks should decide the most efficient and effective approach to use.
**Direct mail**

**Benefits:** Effective in building up and expanding the contributor base; can raise awareness of the Local Network in addition to raising funds.

**Risks:** Response rate is relatively low; mail packages can be costly; need a large pool of current, lapsed and potential donors to be most effective.

**Make the Case**

Think about the key information you want to deliver to different donor segments and make a case for each. The purpose of the case statement is to inform donors about the aim and objectives of the Local Network; key projects; success stories; potential benefits for donors; and how the donor’s participation can make an impact. It is also important to include how much funding is needed and how the funds are going to be used.

The following questions may provide guidance in preparing the case statement:

- What is the Local Network’s history and major accomplishments?
- What pressing problems does the Local Network address?
- How does the Local Network address these challenges?
  - What programmes does the Local Network offer?
• What evidence can be offered regarding the Local Network’s stability?
What are the goals for the future?
How will the networks’ participants be served better?
How will the donor’s contribution be used?
  • Why is the fundraising campaign being conducted?
  • What are the Local Network’s key budget items?
  • How do these expenditures relate to the Local Network’s mission and service?
How will the donor benefit?
What impact can the donor make by participating?

Prepare the Letter
Using the case statement, draft a compelling, but easy to read letter. Direct mail letters can vary widely in terms of quality and personalization. When preparing the letter, certain factors like personalization and name-recognition or seniority of the signer may influence response rate.

Local Networks can use mail merge functionality to create personalized letters. This tutorial provides a step-by-step guide on how to use Microsoft Word Mail Merge http://office.microsoft.com/en-us/word-help/word-mail-merge-a-walk-through-the-process-HA001034920.aspx

**TIP: MAKE THE LETTER EASY TO SKIM** – not to read word for word, but to SKIM! This means plenty of white space, short paragraphs, variety in paragraph length and sentence phrasing.

**Resource:** Example letter from the Foundation for the Global Compact is available in Annex 3
Prepare the Package

Direct mail packages can be comprised of a letter, pledge card/invoice based on annual revenue, pre-stamped return envelope and other printed materials such as brochures, reports or flyers. Brochures or flyers can be quite helpful. They can fit easily inside envelopes and make convenient enclosures for mailings. Their brevity makes them useful for the vast majority of people who do not take the time to read lengthier documents. However, brochures and flyers can also be expensive and the Local Network should review the cost and benefit of using brochures. Most prospective major donors are more motivated by personalized materials and communication than by more expensive but generic printed materials.

TIP: Be sure to ask for a specific contribution! Prepare a pledge form or invoice that indicates specific contribution amounts.

Determine How Many Companies Need to Be Asked

Direct Mail is a low response rate method and the result largely depends on the total number of letters sent. However, sending more letters also means higher costs. It is highly suggested that Local Networks have a sense of cost and possible response rate in order to track and evaluate the effectiveness of direct mailing. The Gift Range Chart in Annex 4 can be useful to identify the total number of potential contributors needed in order to achieve the fundraising goal. Guidance on how to navigate through the chart is included.

Email

Benefits: Inexpensive; response rate can be tracked
Risks: Can be quickly deleted; low response rate

Email communications are most effective when used together with other relationship building and outreach strategies. For example, email can serve as a communications tool, not just a contributions solicitation tool. Use email to keep donors and potential donors informed about upcoming events, to stay up-to-date with issues, and to become involved in activities through regular communication, rather than asking for contributions in every email. One model is to email a recipient four times with a non-solicitation communication for every contribution request email. However, the four non-solicitation messages should be more than simply “read this.” Emails can be built around asking the recipient to
take an action. For instance, the recipient can be asked to watch a video, register for event, or take part in an online survey. This promotes interaction online and increases the recipient’s involvement with the Network. After three or four non-solicitation messages, then send an email soliciting a contribution.

**Key Resources:** Learn the art of email outreach to larger groups while still having each message appear to be sent to one person only. Service providers such as Constant Contact ([www.constantcontact.org](http://www.constantcontact.org)) and Campaign Monitor ([www.campaignmonitor.com](http://www.campaignmonitor.com)) help nonprofits and small businesses with their electronic communication needs.

**Online Giving**

**Benefits:** A website may enhance the credibility of Local Network; facilitate easy-to-make contributions.

**Risks:** Require more behind-the-scenes architecture and staff support; data must be kept secure.

Local networks are encouraged to develop a strong, easy to navigate website with a “Contribute Now” or “Join Now” button on the home page. Don’t make donors have to click into the site too many times to make a contribution, or they may click away from the site. It is also very important to make the payment method simple. For example, using PayPal or another payment system may be less attractive to donors than the ability to securely enter credit card details. The fundraising staff, working with an accountant, can examine the current payment handling system and eliminate all obstacles to smooth and speedy contribution processing. Update the website frequently with timely, interesting and useful information and resources.

**Key Resources:**

TechSoup.org Articles and How To’s on Web, Multimedia and Design:

Telephone solicitation

**Benefits:** More personal than email or direct mail; allows for the contributor to ask questions and the Local Network to provide feedback; helpful in ongoing relationship-building.

**Risks:** A number of volunteers or staff is needed to make the calls.

In some cultures where the telephone is a major means of business communication, telephone solicitations can be productive. It can be most effective when calling current and past donors who are already familiar with you and your organization. Management of Local Networks are encouraged to take the lead in making targeted phone calls due to the fact that they can have more effective conversations with their peer group (other business leaders) and the success rate is likely to be higher.

Below are general guidelines for making telephone solicitation calls:

- Plan each call and be sure to call during an appropriate time (schedule ahead of time if necessary).
- Review the contribution or membership history. Decide on an appropriate request amount (for example, based on company’s revenue, number of employees or most recent contribution amount).
- Prepare a script to help you keep to your main points (refer to the case statement).
- Smile and convey a warm, polite and respectful tone of voice.

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**Sample Outline for an Annual Campaign Phone Call**

1. Introduce yourself: Identify who you are and why you are calling.
2. Connect with the donor: Explain briefly how you got their name and how you know them (if you do).
3. Make the case: Provide information about why the Local Network needs their contribution and what it will do with the contribution (use specific examples).
4. Support the case: Provide some recent highlights showing the Local Network’s effectiveness.
5. Ask for a contribution: Ask for a specific amount, for example, based on the company’s revenue.
6. Listen to the donor: Let them respond and ask questions.
7. Respond to their concerns: Try to answer their questions, or offer to find answers and get back to them.
8. Close the contribution: Try to reach an agreement about what specific amount they are willing to give.
9. Agree on method of delivery: Be explicit about how they will send in the contribution and whether you need to mail them a pledge card/invoice or refer them to the Network’s secure website.

10. Thank the donor: Sincerely thank them for their supporter and note how important their contribution is to the Local Network.

11. Keep a record: Write down the donor name and pledge amount and any questions or issues that arose. It is surprising how easy it is to forget the details of each call after making several calls to different donors, so keep your records straight.

12. Send a thank-you note confirming the contribution.

Some fundraisers may prefer to call on contacts they already know, figuring that they can be more effective with someone who recognizes their name. Others might like to call contacts they don’t know because they find it less awkward to ask strangers for contributions. It is suggested to try both kinds of calls to see which feels better and to become comfortable with both situations. Local Network fundraisers may also try practicing phone calls with trusted colleagues in order to gain practice and constructive feedback on how to improve their pitch.

TIP: Don’t forget that you are asking for contributions on behalf of an organization you care about. The gift is not for you, nor is it for your family’s benefit, but it is all about local benefit. If someone says no, don’t take it personally, since you are not asking for a personal gift. Receiving a “yes” means that you have successfully conveyed how important this contribution is for advancing the Local Network and Global Compact mission.

Major Donor Solicitation

Benefits: Can be highly effective; best used to ask for large contributions or to develop partnerships.

Risks: Requires investment of time for research, preparation and relationship-building.

The objective and purpose of major donor solicitation is to secure a substantial amount of funding from a small number of donors, as each donor is asked to make a significant contribution. The contribution can be either an annual contribution or funding for a specific event or project. The process includes donor identification, cultivation, and solicitation. Most often the relationship-nurturing activities and the solicitations are conducted in face-to-face settings.
**Major donor solicitation is a highly cost-effective strategy.** It is the most personalized and targeted fundraising method and success rate can often be high as a result of the significant research, planning and preparation necessary. This method requires solid research, strong presentation materials and skills, a process to generate serious prospects, patience for relationships to be cultivated, a method of tracking assignments, and management and staff members willing to ask for large contributions. Management is encouraged to take an active part since they may have more personal or peer-level connections with business leaders who can make major contributions.

In-person meetings can take many different forms beyond standard office visits. For example, relationships with potential donors can be built through social and informal gatherings. Consider hosting a gracious dinner with a guest speaker describing the Local Network’s accomplishments and aspirations. Networking sessions can be very productive at turning out more attendance at events, thus raising the profile of the Local Network. Informal lunch meetings with an executive, board member, or key staff are useful tools in the cultivation process. Lunch is still a favorite of many business leaders who find it enjoyable to meet outside the office. Gracious thank-you notes also are called for after a meeting with a prospective major donor. The person should be thanked for the time he or she took to meet with the Local Network—whether the visit resulted in a pledge or contribution or not.

**Resources: Annex 7 provides a sample Major Donor Solicitation Work Plan.**

**Step IV. Determine a Fundraising Timeline**
An organization usually adopts multiple fundraising methods throughout the year. Some of the methods such as direct mail might last for months from drafting the appeal letter to finally shipping the mail packages. It is thus important to have a time frame, along with designated human resources, in mind for each method adopted. Be sure to account for the time needed to research, plan and prepare each fundraising activity.

**Do not compete with yourself!** Different fundraising methods and activities should be complementary to each other. For example, they can target different segments of donors or be conducted at different periods of time. It is harmful to the organization to appeal to the same donors with different programs
at the same time. Donors will get distracted and confused and it might be a sign for them that your organization has weak internal coordination and planning.

**TIP:** Be conscious of any holidays, seasons, fiscal deadlines or other key dates that may increase or decrease the success of fundraising activities.

**Step V. Determine How to Measure Success**

It is important to track results of an annual campaign since the methods and techniques used can be expensive and unproductive if not managed well. If the Local Network has used same fundraising methods as previous years, it will be helpful to compare year-to-date fundraising achievements with previous years’ year-to-date results. In this way, the Local Network can benchmark against past results and observe any deficiencies.

**Resource:** The sample reports shown in Annex 6 might be helpful to monitor progress in two areas of activity, (1) sources of contributions, (2) purposes and uses of funds raised. Monitoring the sources of contributions will show where increases and decreases in the number of donors occur as well as their level of support and average gift size. The report on purposes and uses of funds gives managers an idea of possible gaps with fundraising goals.
**Donor Stewardship and Relationship Management**

Fundraising success may depend largely on an organization’s ability to cultivate and maintain positive, long-term relationships with their contributors and participants. Contributors want to feel that they are integral to the success of the initiative and no donor wants to be viewed only as a cash machine.

**Donor Database**

A donor database is essential in any fundraising activity. Although Local Networks might differ in capacity to build a donor database, maintaining timely and accurate records of all contributions should be part of the standard routine in any organization. Donor databases can also be important tools for analyzing historical contribution trends.

Local Networks can begin to strengthen their system by focusing on the most important elements of data entry. First of all, it is essential to capture the donor’s key information including organization name, type of organization (e.g. Foundation, corporation), address, contact person, phone number, and email address. Next, record the important data points pertaining to every single contribution: (1) contribution amount; (2) contribution date; (3) how the contribution was raised, (e.g. from an annual campaign or from an event); and (4) how the contribution is to be used (e.g. general operating support or for a particular programme or activity).

For Local Networks that would like to use specialized donor database software, make sure to have a clear understanding of the resources available and needed.

- How much money can be committed up front, and over time to purchase or renew software?
- How much time do staff have to setup, learn and maintain a new donor management system over the long term?
- What are the strengths and limitations of the current technology infrastructure?

**Resource:** The [Salesforce Foundation](http://www.salesforcefoundation.org/nonprofit/) offers user licenses at a deep discount for registered non-profits. For more information, please visit [http://www.salesforcefoundation.org/nonprofit/](http://www.salesforcefoundation.org/nonprofit/)

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3 This information should be already captured in the GC participant database. Local Networks are strongly encouraged to leverage this tool.
Recognition
A very important aspect of donor stewardship is to recognize and thank donors for their contributions. Every contribution is worthy of justifiable praise and should be acknowledged. Those who are able to give more in a single contribution may indeed receive more attention, but other donors who give smaller amounts should not be ignored.

Prepare and send timely acknowledgement letters to donors (refer to Annex 8 for a sample acknowledgement letter). Contributors who support a specific event or project also like to know that their support is effective and has made an impact. Acknowledgement letters should be used to graciously and sincerely thank contributors for their financial support, as well as serve as a receipt of their contribution. Contributor lists and acknowledgments in newsletters, websites, annual reports, and other publications are also excellent means of recognizing donors’ contributions and incentivizing donors to contribute at higher levels.

Communications
Local Networks play an important role in keeping their participants informed on Global Compact policies, new tools, cases and best practices. Sending periodic newsletters, reports and articles to participants, contributors, and potential supporters is a great way to maintain relationships. As noted previously, a balance of fundraising and non-fundraising communications should be maintained so that donors do not become fatigued by fundraising messages. However, fundraising communications can also be used to further educate participants and prospective contributors about the added value to their operations and strategy provided by the UN Global Compact.

Cultural Considerations
Fundraising, and the obvious need to discuss money, requires an understanding of and respect for the business and social culture of an organization’s pool of contributors. Local Networks are encouraged to adapt the tools, activities and guidance of this toolkit in a manner that is culturally appropriate as well as effective for their language, country or region. Since Local Networks have a very large geographical span, this guide cannot provide country specific fundraising guidance in every context. It is highly suggested that Local Networks strive to better understand regional or country trends and cultures as they relate to fundraising.
**Resource**: The Foundation Center, a US based organization, provides free funding information through Funding Information Network locations, including in Australia, Canada, China, Germany, Mexico, Nigeria, Singapore, South Africa, Spain, Sri Lanka and Thailand. For details visit [http://grantspace.org/Find-Us](http://grantspace.org/Find-Us) (use “Browse by: State or Country Map” function).

**Accountability and Transparency**

Networks should make clear that they are asking for contributions on behalf of the Network and not the United Nations. Moreover, networks must ensure that the methods used and management of funds raised should be in accordance with the highest ethical standards in keeping with the character of the Global Compact initiative. Contributors and donors like to know that their funds are being used effectively and with integrity, otherwise they may no longer make financial contributions. A common tool used to provide information on the finances, governance, activities and impact of organizations is an Annual Activity Report. View the UN Global Compact Activity Report 2013 at: [http://www.unglobalcompact.org/resources/881](http://www.unglobalcompact.org/resources/881)

Other important documents that should be made available upon request can include audited financial statements, board meeting minutes or reports, strategic plans, tax-filings, and registration or incorporation certificates.

**Tax deductibility**

Contributions to qualified nonprofit or nongovernmental organizations may be tax-deductible in many countries. However, as tax and legal frameworks vary greatly across jurisdictions, each Local Network should understand their relevant legal and tax situation to produce more effective fundraising results. At a very minimum Networks should be prepared to provide receipts for all contributions – which requires careful record keeping (please refer to the previous section on donor databases) – as well as documentation on the Network’s own governance or business/legal structure.

**Resource**: *Giving Around the Globe*, a study done by CECP on regional and international corporate giving trends, includes a brief overview on certain countries’ tax regulations on donations. For the complete study, please visit [http://cecp.co/measurement/global-measurement.html](http://cecp.co/measurement/global-measurement.html)
### ANNEXES

#### Annex 1: Logical framework

Start from top to the bottom and determine each level carefully.

<table>
<thead>
<tr>
<th>Project Structure</th>
<th>Key Performance Indicators</th>
<th>Means of Verification</th>
<th>Assumptions &amp; Risks</th>
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<tr>
<td><strong>Impact/Goal/Objective:</strong></td>
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<td></td>
<td>[Assumptions made from outcome to impact. Risks that impact won’t be achieved.]</td>
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<tr>
<td>[What are the wider objectives which the project will help achieve; longer term project impact. For example, “a sustainable and inclusive global economy which delivers lasting benefits to people, communities, and markets”.]</td>
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<tr>
<td><strong>Outcome:</strong></td>
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<td></td>
<td>[Assumptions made from outputs to outcome. Risks that outcome won’t be achieved.]</td>
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<td>[End-of-project change. For example, “mainstream the Global Compact’s Ten Principles in business strategy and operations around the world”.]</td>
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<tr>
<td><strong>Outputs/Solution/Deliverable:</strong></td>
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<td>[Products and services provided]</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Activities:</strong></td>
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<td>[Preconditions for implementation of activities.]</td>
</tr>
<tr>
<td>[Tasks performed to produce outputs]</td>
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#### Annex 2: Priority Evaluation Chart

<table>
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<th>Priority Evaluation Chart</th>
</tr>
</thead>
</table>

39
<table>
<thead>
<tr>
<th>Prospect</th>
<th>Amount to be asked</th>
<th>% Probability of Success</th>
<th>Value of the ask (Amount times %)</th>
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<td>90%</td>
<td>$4,500</td>
</tr>
<tr>
<td>Company 2</td>
<td>$5,000</td>
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</tr>
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<td>Company 3</td>
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</tr>
<tr>
<td>Company 4</td>
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</tr>
<tr>
<td>Total Asked</td>
<td>$50,000</td>
<td></td>
<td>$26,500 (Amount likely to achieve)</td>
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Annex 3: Sample contributions outreach letter

Dear [prefix] [last name],

As a United Nations Global Compact participant, your company is part of a growing global corporate sustainability movement. More and more companies like yours know that corporate sustainability reaches far beyond the public relations realm to a strategic one handled at the highest levels of the company.

The Global Compact is working to provide companies like yours with the tools and resources, expertise and global networks that will help to accelerate your sustainability journey. To do so, we depend on voluntary financial contributions from businesses – large and small. I am writing today to urge you to make your 2014 annual contribution.

**Why Contribute?**

- Invest in the future of the world’s largest voluntary corporate responsibility initiative by sustaining the Global Compact’s role in linking the universal and enduring values of the United Nations with a practical framework for global action.
- Raise your profile with global leaders and key stakeholder groups by ensuring the continued convening power of Global Compact events.
- Shape the future of global policy frameworks, such as the post-2015 development agenda, and cutting-edge practices on a range of topics by investing in the development of Global Compact issue platforms and thought leadership.

Furthermore, wherever your company has operations, I encourage both headquarters and your local affiliates to engage with and financially support Local Networks in those countries. Many companies have found network participation to be an invaluable means of engagement with national companies and civil society organizations, as well as a source of local information and business intelligence.

Enclosed is an overview of your Local Network.

To facilitate your global 2014 annual voluntary contribution, please find enclosed an invoice with your company’s suggested annual contribution amount. All contributors at the global level will be acknowledged through both their public participant profile on the Global Compact website and the Foundation for the Global Compact website. Also enclosed is the Global Compact Activity Report 2013, which gives an overview of the major activities that your contributions help to fund and acknowledges last year’s financial supporters.

Yours Sincerely,

[signature]
Annex 4: Gift Range Chart

<table>
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<tr>
<th>Contribution Amount</th>
<th># of Contributions Required</th>
<th># Prospects Required</th>
<th>Subtotal</th>
<th>Cumulative Amount</th>
<th>Cumulative %</th>
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<td>$72,500</td>
<td>88%</td>
</tr>
<tr>
<td>$500</td>
<td>10</td>
<td>40</td>
<td>$5,000</td>
<td>$77,500</td>
<td>94%</td>
</tr>
<tr>
<td>$250</td>
<td>20</td>
<td>40</td>
<td>$5,000</td>
<td>$82,500</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td><strong>129</strong></td>
<td><strong>$82,500</strong></td>
<td><strong>$82,500</strong></td>
<td></td>
</tr>
</tbody>
</table>

Follow these steps to use the Gift Range Chart:

1. First, separate possible contributions into different amounts, based on management judgment and historical data, and then fill in number of contributions needed in each range.
2. Add up the number of contributions needed to get total number of contributions needed.
3. Number of Prospects is the most important part and it is based on management judgment and response rate of previous years. The column reveals how many prospects should be asked to contribute in order to achieve the number of actual contributions received.
4. Add up the number of prospects needed to get total number of prospects needed.
5. The total cumulative amount value should be the fundraising GOAL.
6. **Purpose**: Is this goal most effectively reached through annual contributions, event sponsorships, project funding or another method?
7. **Target**: Who are the prospects? Which companies can make contributions at the different amounts?
8. **Method**: Which fundraising method(s) or activities should the Local Network use for each type of target or prospect?
9. **Timeframe**: When does the Local Network plan to launch the activities and how long will it last?
Annex 5: Sample workplan of activities to reach different donor segments

GOAL I

Ensure repeat contributions from companies that made contributions in 2013 and 2014.

*Overall goal: xx% repeat contributions by Dec 2015.*

- **Activity 1**: Launch fundraising – mail and email
  
  Mail letters, invoices and stakeholder letters by xx/xx/2015.
  
  - xx% repeat contributions by xx/xx/2015

- **Activity 2**: Second round communication, follow up pledges
  
  - xx% repeat contributions by xx/xx/2015

- **Activity 3**: Mid-year communication to all business participants who have not yet contributed – mail and email by xx/xx/2015
  
  - xx% repeat contributions by xx/xx/2015

- **Activity 4**: Call top X% of participants identified as champions by engagement or past contributions
  
  - xx calls per month.

- **Activity 5**: Leverage peer-to-peer fundraising
  
  - Ensure LN Steering committee, board, etc. is well involved
  
  - Use LN communications (bulletins, updates, newsletters, etc.) to reinforce importance of collaborative fundraising.

GOAL II

Recruit new participants and increase pledges.

*Overall goal: xx new participants by Dec 2015.*

*New participant pledge payments make-up xx% overall of annual contributions*

- **Activity 1**: Host or attend xx recruitment event per xx
  
  - xx new business participants join

- **Activity 2**: Follow-up on new participant pledges
  
  - xx% pledges are fulfilled after three months

- **Activity 3**: Phone calls with “high-value” prospective participants
  
  - xx phone calls per month, resulting in xx new participants by xx/xx/ 2015 that are “high-value” – FT500, sectoral leaders, national leaders, etc.

- **Activity 4**: Recruitment campaign via mail and email
• **Activity 5**: Leverage planned GC and LN events for recruitment, where appropriate.
  
  o *Invite xx non-participants to each planned event and provide with material/key points about joining the GC and LN.*

**GOAL III**

Increase contributions from active participating companies that have never made a contribution.

*Overall Goal: contributions from xx % of non-contributors*

• **Activity 1**: Call highly engaged and large companies that have not contributed
  
  o *xx calls per month*

• **Activity 2**: Leverage value-proposition and issue workstreams
  
  o *xx% of issue signatories make an annual contribution*

• **Activity 3**: Leverage peer-to-peer messages
  
  o *Attend xx informational gatherings per xx.*

**GOAL IV**

Drive contributions from lapsed contributors (i.e., no annual contribution since 2012)

*Overall Goal: xx% of lapsed contributors make a contribution in 2015.*

• **Activity 1**: Draft and use fundraising messages specifically for outreach to lapsed contributors.

• **Activity 2**: Leverage issue workstreams
  
  o *xx% of issue signatories make an annual contribution*

• **Activity 3**: Call lapsed contributors
  
  o *xx calls per month*
Annex 6: Sample Contributions Reports

<table>
<thead>
<tr>
<th>Source of Contributions</th>
<th>Number of Contributions</th>
<th>Contribution Income</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporations</td>
<td>15</td>
<td>$25,500</td>
<td>$1,700</td>
</tr>
<tr>
<td>Foundations</td>
<td>1</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Government</td>
<td>1</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Associations</td>
<td>1</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>$1,000</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>20</strong></td>
<td><strong>$35,000</strong></td>
<td><strong>$1,750</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose or Use of Contributions Received</th>
<th>Number of Contributions</th>
<th>Contribution Income</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Funds/Annual Contributions</td>
<td>15</td>
<td>$25,500</td>
<td>$1,700</td>
</tr>
<tr>
<td>Water Stewardship</td>
<td>1</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Combating Climate Change</td>
<td>2</td>
<td>$5,500</td>
<td>$2,750</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>2</td>
<td>$2,000</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>5</strong></td>
<td><strong>$9,500</strong></td>
<td><strong>$5,750</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>20</strong></td>
<td><strong>$35,000</strong></td>
<td><strong>$1,750</strong></td>
</tr>
</tbody>
</table>
Annex 7: Sample Major Donor Solicitation Work Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Person Responsible*</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHASE I: BACKGROUND RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Determine ABC Company as potential donor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Identify connections between ABC Company and the Local Network and determine appropriate company contact person</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Identify issue areas ABC Company might be interested in that the Local Network addresses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Analyze ABC Company’s giving history, for example by finding out how much it has contributed to other organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PHASE 2: DEVELOP A PLAN OF ACTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Determine amount of funds to be solicited (for example, based on annual revenue or history of contributions to other orgs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Determine Steering Committee member or other high-level person responsible for the solicitation, ideally based on peer-to-peer connections to ABC Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Identify next steps to secure a meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PHASE 3: ACTION (EXAMPLES)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. An initial phone call should be made to ABC company’s contact person to set up a meeting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. A meeting date will be set and Steering Committee member together with a staff member will meet with the contact person to present the work of Local Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. A handwritten thank-you/follow-up note will be sent to the contact person after the meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Determine the next step based on information from the first meeting. Example: Follow up phone calls, Set up another meeting, send information requested, or invite contact person to an event or other engagement opportunity with the Local Network.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PHASE 4: MAKING THE ASK</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. After several rounds of activities, determine when the relationship is matured. Is the contact person engaged in a Local Network activity? Have they displayed interest in the success of the activity or work of the Local Network?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Determine who should ask</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Set up a meeting to ask the contact person for their financial support</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Can include Staff, Management, Intern, etc.*
Annex 8: Sample acknowledgement letter

Subject: Thank you for your annual contribution to [organization]

[CEO prefix] [CEO first name] [CEO last name]
[Title]
[company name]
[city]

Dear [CEO prefix] [CEO last name],

Thank you for your organization’s important annual contribution to the Foundation for the Global Compact, in the amount of USD [amount]«Amount_Rcvd» received on [date].

You are part of a growing group of contributors – over 1,250 companies large and small in the past year – that provide vital support to the UN Global Compact and our work to drive the global corporate sustainability movement forward. With over 8,000 participants in 135 countries, we have truly become a global movement.

Funds raised by the Foundation support the UN Global Compact mission as well as high-impact activities carried out by the UN Global Compact, including leadership platforms, such as Caring for Climate, the Women’s Empowerment Principles, the CEO Water Mandate and Business for Peace, and specialized workstreams on human rights, labour, anti-corruption and supply chain among others. We encourage you to visit www.unglobalcompact.org to learn more about how to engage with our initiative as well as the state of corporate sustainability today in the UN Global Compact’s flagship Global Corporate Sustainability Report.

To learn more about how your company can engage further with the UN Global Compact, please contact the Relationship Manager for your country, [RM name] ([RM email] or [RM phone]).

Your contribution will be recognized on your company’s UN Global Compact public profile and on the website of the Foundation for the Global Compact. Thank you again for your strong support of the Foundation for the Global Compact; we are truly grateful.

Yours Sincerely,

[Signature]