

Fundraising Basics: How to Get and Process Donations

Introduction

A 501(c)(3) nonprofit does not have to pay income taxes under an Internal Revenue Service (IRS) rule. These nonprofits can also get donations from people. People can subtract these donations from their taxes. Both organizations that are not yet a 501(c)(3) and those that are 501(c)(3)s will want to fundraise.

The purpose of this guide is to provide a set of tools and tactics for fundraising. This guide will cover:

- Ways to process money if you do not have a 501(c)(3)
 - What is a fiscal agent?
 - Who should be your fiscal agent?
- Ways to raise money
 - State Developmental Disability Council grants
 - Fundraising software
 - Local community foundations
 - Business sponsorship of events
 - Crowdfunding
- Key principles of fundraising to remember
- Crowdfunding sites compared

Ways to process money if you do not have a 501(c)(3)

What is a fiscal agent?

A fiscal agent is a non-profit with a 501(c)(3) that agrees to handle your money for you. When you get a donation, the fiscal agent collects the donation. Then, they write a check to you for the donation amount. Organizations that are not 501(c)(3)s must have a fiscal agent to receive donations.

Who should be your fiscal agent?

Another non-profit organization with a 501(c)(3) or other ability to handle funds can be your fiscal agent.

Here are some tips on how to choose a fiscal agent:

- Do you foresee a long, stable relationship with the organization? Your relationship with your fiscal agent is important. If the relationship goes downhill, it could jeopardize your ability to have funds.
- Have they shown a commitment to self-advocacy and self-determination? This ensures that they will let your organization choose how to use the money.

Ways to raise money

State Developmental Disability Council grants

[State councils on developmental disabilities \(DD councils\)](#) are different in every state. The federal government funds DD councils in each state. DD councils work on the needs of people with developmental disabilities in their states. In general, DD councils focus on:

- outreach
- advancing self-advocacy
- technical assistance
- coalition-building, and
- public policy.

As part of their goal to advance self-advocacy, DD Councils have grants available for self-advocacy groups coordinated by people with developmental disabilities. If your organization focuses on people with developmental disabilities, you are eligible to file for grants through DD Councils if you have an appropriate fiscal agent. To get a grant, you would have to come up with a project to run.

We also have a [guide about networking with DD councils and related groups](#).

Fundraising software

Fundraising software helps nonprofits to:

- Get new donors
- Maintain relationships with donors
- Process donations

There are lots of options for fundraising software. Many of them cost money. You can [compare different fundraising software with this tool](#).

Local community foundations

Local community foundations are small grant-giving foundations. They vary greatly in their missions and are often location-specific.

Business sponsorship of events

Businesses – especially local ones – are often interested in promoting good causes and getting their logo on materials. The best way to do this is approach businesses and ask for them to sponsor any big events you do. Talk about how it will benefit the community and give them visibility. Use existing connections if you have them – have a friend or relative who owns a shop? It might be worth a try.

Ask for more money than what the event will cost to host – you want to raise money, not just offset the cost of the event. In exchange for sponsorship, you will need to have the business's logo placed on any materials given to people at the event. And, you need to list them as a sponsor on any online event pages.

Certain events are better for sponsorship. Cultural events that celebrate self-advocacy and disability identity are a great choice. Businesses are eager to get their name out there and also to prove they are culturally wise. Protests are not a good way to get sponsorships. Businesses shy away from being associated with protests. Also, there isn't a good, clear way to show they are a sponsor of a protest.

Crowdfunding



Crowdfunding is a way of funding a project through many small donations. You can set up a project page on a public platform that lets you get donations. These fundraising drives are usually known as “campaigns.” Crowdfunding pages are usually set up to be easy to share.

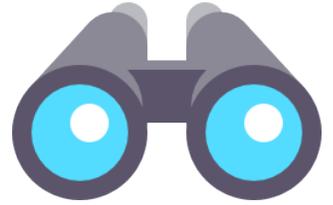
One advantage of crowdfunding is that it is fairly straightforward to set up the actual donations page. It may not be so easy to craft a message that will appeal to people and cause the page to be shared a lot.

It is important to have a lot of social media presence for crowdfunding campaigns, or it probably will not work very well. If you do not have 501(c)(3) status, it is best that you have a fiscal agent set up the page on your behalf.

A disadvantage of crowdfunding includes the public perception of crowdfunding. Some people think that crowdfunding and getting donations means you aren't doing enough on your own. Some people may also disagree with what you are crowdfunding for. On some crowdfunding websites, people can leave comments without donating, so they could leave comments that disagree.

Key Principles of Fundraising

- Always be on the lookout for fundraising opportunities.
 - For example, every time you host an event, ask businesses for sponsorships.
 - You don't want to only fundraise when you really need the money.
- Be guiltless and shameless, but polite.
- Businesses will want to know how it benefits them. Find a reason it will, and offer them exposure.
- The community and other donors will need a compelling reason as to why it will benefit the organization and the community. Find a way to craft that message.



Crowdfunding Sites Compared

Indiegogo

Basics

Indiegogo is a crowdfunding tool that is project-driven. Indiegogo has a mobile app.



Advantages

- You can make the campaign have flexible or fixed funding. Flexible funding means you will receive all of the money even if you don't meet your goal. Fixed funding means you must hit a certain goal to accept the money.
- There is a 0% hosting fee for nonprofits and "social-minded campaigns."
- You can also offer perks to funders at certain donation levels.

Disadvantages

- More aimed at project-based causes, rather than general fundraising. This could mean that you are raising for a specific purpose, i.e. an anthology, documentary, resource fair or other costly event.

Tilt

Basics

Tilt is a crowdfunding website where you set a certain goal and once it reaches the goal, it “tilts” and you get the money, even if it is not at the total campaign goal.



You need to set a reasonable “tilt” goal. Tilt campaigns can last up to 60 days. Tilt has a mobile app.

Advantages

- It is free to collect money and fundraise.
- Donations can be made almost immediately after creating the page.
- Tilt fundraising doesn’t have to be focused on a specific project.
- You can offer perks for certain donation levels.

Disadvantage(s)

- If you don’t “tilt,” you don’t get your money.

YouCaring

Basics

YouCaring is a crowdfunding site usually used more for personal fundraising than charities, though they have that category.



Advantages

- There is no fee to host a crowdfunding campaign.
- You can make the campaign as long as you want.

Disadvantages:

- The perception that it's more for personal use. If you use it, YouCaring is best used for individual member expenses or accessibility purchases (i.e. sending a member to a conference, or fundraising for sign language interpreters at an event).

Fundrazr

Basics

Fundrazr is similar to YouCaring.



Advantages

- You can offer perks.
- Contributors pay no fee to donate.
- It offers flexible or fixed funding.

Disadvantages

- Processing fee for using the site and hosting a campaign.

GoFundMe

Basics

GoFundMe is similar to YouCaring, but has a website processing fee and is best for one-time projects.



Check out their websites for more information, including their policy on credit card processing fees when people donate.

Additional Resources

- Pacific Alliance on Disability Self Advocacy (PADSA) webinar on fundraising and asking for money (presented by Ari Ne'eman): <https://www.youtube.com/watch?v=DUAZeQOFFWc&feature=youtu.be>