Fundraising

External Relations - Chapter 3
BEE Tutorials

elsa

The European Law Students' Association

Let's recap

External Relations is aimed at fulfilling the needs of the Group. One of those needs is financial support to ensure that the Board and the projects are able to function.

That is generally called fundraising.

In ELSA we tend to focus on two main sources of fundraising:

- Partnerships (normally private funding);
- Fees (event or membership fees are the most common ones);
- Project revenue.

But there are more and it is up to you with your Treasurer to create a diverse set of sources of income!

Let's start with the ones we know

Partnerships

These are the most common ways we search for funds in ELSA.

They most often than not imply contacting private organisations (law related in most cases) for them to financially support a project or the association in general, in exchange for some agreed benefits (most likely promotion).

These do not differ much from the rest of the lessons in this Chapter, in as much as they are normally more complex and require Partner Packages (we will look into that later)

These partnerships are a joint effort between:

- the President (as the coordinator of External Relations);
- The Treasurer (to help define the adequate fee for the partnership);
- The Marketeer (when it comes to the promotional aspect);
- The Key Areas (for the involvement in projects).

Membership Fees

These are typical in ELSA and are based on periodical contributions (normally yearly) from the members of the Group in question.

For that reason, we normally proceed this way:

- National Groups pay a membership fee to ELSA International;
- Local Groups pay a membership fee to National Groups;
- Individual members pay a membership fee to Local Groups.

While this is true in some National Groups, that is not to say that all Groups have this fee system, especially towards individual members.

Also important to realise is that this system normally needs some sort of regulatory structure in order to be applicable. For example, in some Groups it is needed for the fee (or the way of calculating the fee) to be enshrined in the internal regulations of the Group.

Project Revenue

Project revenue is based on having more income than expenses when organising projects.

Some projects are more prone to create these sort of situations - ex. webinars, workshops, etc. - while others are dependant on more effort in order to make them profitable.

For that reason, sometimes the revenue of some activities can be used to pay other expenses from the Group, namely other projects that are not as profitable for having heavier expenses.

With that in mind, when focusing on this source of income, it is important to talk to:

- Key Areas, to understand the projects that are going to be organised;
- Treasurer, to understand the budget for each of the projects and where you have more income than expenses.

Let's go to other sources of income

Grants

To some extent, grants are similar to partnerships. They differ on certain aspects such as:

- they are normally done with public institutions or foundations,
- they cover a set of costs that are provided beforehand by the applicant through a budget, meaning that, unlike partnerships, grants do not provide more money than the precise amount that you need;
- They normally have a reporting system, in which the grantee needs to report how the money was spent.

This type of financing can also be divided into:

- Structural: if it supports the general administration of the association (ex. Allowances, rent of an office, travel and other general expenses)
- Project based: if they support the expenses of a specific project

Also bear in mind, that grants are normally one of the biggest sources of funds. So, pay attention to them when planning your term as they can substantially increase your income (whether generally or associated with a project).

Grants

Grant applications are normally published and associations like ours can apply through open calls. After submitting the necessary documents, the ones that best fit with the priorities of the grant are selected.

In this sense, each grant normally has a set of priorities that it intends to sponsor, so there is a great deal of research involved in this process. Much like partners, grants have to be researched in order to understand which ones fit with your Group's activities and priorities.

Also, applying for these grants is a team effort, that is to be coordinated by you and the Treasurer, as that person is normally the one responsible for drafting the budget for the grant, as well as the reporting if granted.

If you are applying for a project grant, you will also need the participation of the Key Area in charge of that project, since that person is the one that best understands that activity.

If you are applying for a structural grant, normally you will need the support of the whole team, since these grants more often than not focus on the general structure of the association.

Donations

A source of income you may want to explore derives from donations from individuals.

Unlike partnerships and grants that are oriented at corporate or public organisations, donations tend to be directed at individuals and are based on smaller sums of money.

In this regard, different tools may be used in order to start a donation system, of which crowdfunding for a goal (ex. charity) tends to be the most used one.

Also, donations can be used to create a smaller source of income for the budget of your Group. This works more efficiently in National Groups that have a strong Alumni network that is engaged and interested in financially supporting the Group.

Nevertheless, bear in mind that this may not be an efficient fundraising tool by itself as the sums acquired will most likely be less than the ones provided by other means. Furthermore, when engaging with Alumni, bear in mind that they may prefer to assist through in-kind support instead of financially.

Merchandising

Another way that can be used to generate income is by producing goodies and selling them to interested members.

This would not only create a new source of income but contribute to the image of ELSA within your Group, reinforcing the sense of belonging of those involved.

Nevertheless, it is not an easy process to create and maintain. You would need to focus on creating the designs, finding a partner to provide the service, as well as a good selling system in order to guarantee enough production that justifies the costs.

As a source of income, this is one that takes longer to create and to make sustainable. Nevertheless, besides helping with the budget, it also gives your members some goodies that they can use, so it is more than just financial benefits.

How to use these tools?

How to effectively fundraise

These tools can be used both to fundraise for the general functioning of the Group, as well as for concrete projects.

Nevertheless, it is important to have in mind some guidelines in order to ensure the long-term financial sustainability of what you are fundraising for.

- Some sources of income are more efficient for some purposes than others

If talking about the general expenses of the Group, grants, partnerships and membership fees tend to be more efficient than with small projects such as webinars. With the support of your Board you need to identify which sources of funding are more efficient for the purpose you have.

- Diversification is key

Besides understanding which sources of income are more efficient, it is also important for you to try to ensure income from different ones, instead of focusing on just one. This is due to the fact that if you focus all your efforts on one source and you lose that support, then you jeopardize the goal you wish to achieve.

- A successful fundraising strategy takes time

Bear in mind that fundraising takes time as it is difficult to focus on all priorities at same time and the contacts that you start need time to develop. For that reason, it is important for you to have in mind a strategy that stretches over your term, so that you and your successors help each other to make your Group and its projects grow.

You will find tools on how to plan your fundraising in the Officers' Portal

Lesson 3 done!