

Published on National Council of Nonprofits (<u>https://www.councilofnonprofits.org</u>)

Original URL: <u>https://www.councilofnonprofits.org/running-nonprofit/fundraising-and-</u> resource-development/fundraising

## Fundraising

Most charitable nonprofits rely upon the generosity of donors for some or all of their funding. Consequently, fundraising is an activity of major importance to the charitable nonprofit community.

The National Council of Nonprofits does not provide funding or offer assistance with fundraising. However, your <u>state association of nonprofits</u> may offer training and other support such as in-person workshops, webinars, peer learning programs, self-paced learning courses, and even discounts on products and services that are used by charitable nonprofits to fundraise.



Fundraising from private foundations requires research to learn which foundations provide grants for which missions. The Foundation Center provides free funding information through more than <u>400 Funding Network locations</u>, many in public libraries, community foundations, and other nonprofit resource centers. Fundraising capacity is just one of many muscles that an effective and sustainable charitable nonprofit needs to be in "top form" to advance its mission.

### Be aware! Fundraising is a regulated activity

Before your nonprofit solicits donations, consider that the state(s) where your nonprofit operates has the authority to regulate its fundraising activities.

- Fundraising guidelines from the IRS
- <u>Charitable solicitation registration with state governments</u>
- Professional fundraising consultants and grantwriters
- <u>Ethical fundraising practices</u>
- International Statement of Ethical Principles in Fundraising (AFP)

# If your nonprofit does not have tax-exempt status, can it fundraise?

- <u>Can our organization fundraise if it is not yet tax-exempt</u>? (NEO Law Group)
- Consider <u>fiscal sponsorship</u> as a way to raise funds when your organization has not been recognized as tax-exempt by the IRS.
- If your nonprofit receives a percentage of sales through an arrangement with a for-profit business, make sure you understand the implications of <u>cause-related</u> <u>marketing and commercial co-ventures</u>.
- What happens to donors' contributions when a nonprofit <u>loses its tax-exempt</u> <u>status</u>?

#### **Donor Relations**

- <u>6 More Fundraising Legal Tips</u> (Nonprofit Law Blog)
- Tax tips to share with donors (Source: IRS)

- Saying "thank you" to donors.
- Help donors value their purchases through <u>charity auctions</u>
- <u>Gift acceptance policies</u>
- <u>Toolkit</u> for great relationships between grantmakers and nonprofits (Exponent Philanthropy)

#### **Related Insights and Analysis:**

- <u>How Much Money Should a New Development Director Be Expected to Raise?</u> (September 2023)
- Legacy Giving: Are Your Donors Waiting to Be Asked? article with webinar recording (April 2021)
- <u>Have a Fundraising Plan, Work the Plan</u> article with resources (March 2019)

#### **Additional Resources:**

- <u>A Consumer's Guide to low-cost Donor Management Systems</u> (2020 Edition -TechImpact)
- Building a fundraising plan: <u>Fundraising and Development Toolkit</u> (Texas Commission on the Arts)
- The <u>Fundraising Effectiveness Project</u> (FEP) offers free reports, resources, and tools to help you measure and evaluate your individual donor fundraising program against a set of more than 100 performance indicators.
- Online training on fundraising, grantwriting, and other topics (Candid)
- <u>Year-Round Donor Engagement Plan</u> (TechSoup)

Disclaimer: Information on this website is provided for informational purposes only and is neither intended to be nor should be construed as legal, accounting, tax, investment, or financial advice. Please consult a professional (attorney, accountant, tax advisor) for the latest and most accurate information. The National Council of Nonprofits makes no representations or warranties as to the accuracy or timeliness of the information contained herein.