

Key software solutions for the VCS

What's available, and how it can be used to improve operational performance

Fundraising Products



Introduction

This report was commissioned by the ICT Hub and CITA have developed these resources in partnership with the VCS. This section of the research looks at fundraising software products and online information available to the VCS.

This report looks at fundraising software in the following categories:-

- Donor (donations) management and tracking
- Online fundraising
- Identifying funding streams
- Writing better applications

and provides two case studies.

Donor management and tracking

For some Voluntary Sector Organisations, a simple, in-house database containing information on donors, donations and possibly Gift Aid recovery would be perfectly adequate. This database could be created using software such as Microsoft Excel.

For other Voluntary Sector Organisations, whose income is based heavily on donations, a fundraising software package and/or donor relationship management (DRM) system may be the best option.

As with the other categories of fundraising software, such packages range in price and complexity.

DRM systems are designed to record and track fundraising in the form of donations management, funding applications, communications with donors both existing and

prospective, gift aid and regular giving and include report writing facilities which is, in many cases within the sector, a very useful tool.

Fundraising software packages may be compatible with existing accounting software packages which could potentially improve the Financial Management function within the organisation. For example, packages such as “Raiser’s Edge” from Blackbaud which is designed to manage large quantities of donors can be linked to Sage as well as other financial software, which would improve financial reporting.

As with all software packages the training aspect of implementation should be considered for budgeting and staff allocation purposes. The more complex the package, the higher the training overhead.

As well as buying software packages to be used on site, outsourcing companies are also available offering database hosting, security and back-ups which may appeal to those Voluntary Sector Organisations where space and manpower are issues.

Online fundraising

The easiest way for most donors to give money online is to use a credit card. This process needs to be secure, quick and user friendly.

Some Voluntary Sector Organisations may have the capability to handle credit card transactions, thus receiving donations in this manner through their own websites.

Packages are available to enable an organisation to carry out credit card

transactions by being transferred to a third party website for the secure element (World Pay or Protex). In house systems keep the transaction within the website and make use of supporting software for the secure banking transactions element, these are commercial packages and come at a premium. Transaction provision packages are usually based on a weekly/ monthly or annual subscription fee.

The Charities Technology Trust (www.ctt.org/fundraising – CTX) has an online transaction system available to the sector, “CP Terminal”.

The trick with getting donations via your own website is to be able to attract traffic to your site and from there to persuade people to donate on a one off or longer term basis.

Another option is to subscribe to a website which provides an online fundraising tool whereby the organisation’s information is entered onto a “Fundraising Page”. Websites such as “Just giving”, “Efundraising” (Charities Aid Foundation - CAF), “edirectdebit” offer this facility. Donations are processed and transferred on either a weekly or monthly basis. Such companies often offer gift aid recovery as part of the subscription which gives the advantage of reducing valuable administration time.

There are also a number of philanthropy sites and services which can direct donors to your organisation or help plan campaigns (“Philanthropy UK”)

Also available are websites providing donations through online shopping.

For example, “easy fundraising” or the free “BuyAt”, whereby a percentage of purchases from retailers are given to registered organisations.

Other systems offer banners or search boxes on a “penny a click” basis (“homepages-friends”). Another option is to promote the use of “Give or Take” to your donors, this is a cash-back shopping website where people can choose to keep or donate their cash-back. To get nominated e-mail them at charities@givortake.com. There is little effort involved in the above and returns reflect this.

Payroll Giving offers a means of donating via an employer. The process is similar to Gift Aid and access to these schemes is available via the Inland Revenue website. The employer’s scheme and benefiting charity need to be registered with the Inland Revenue.

Identifying funding streams

This section is mainly web-based. Voluntary Sector Organisations can subscribe to online funding databases or portals which provide access to a variety of available funders and grants. They provide the facility to search potential funding opportunities according to project and criteria. These websites include, “grant finder,” which provides access to comprehensive information on UK and European financial support provision and “grants online,” which gives information on funding opportunities in the form of latest funding news via weekly e-newsletter and e-mail alerts.

Many regional portals are being launched allowing for local funding opportunities to be identified.

As with the previous section of research, prices for subscriptions vary.

There are some very good sites such as “UK Fundraising” offering free subscription which give information on grants available, although access to specific databases is often limited. J4Bgrants is available via some Local Authorities, but access may be variable depending on the level of subscription taken up by the authority. J4B send e-mail alerts and have a searchable database.

For those sites where a subscription is payable, newsletters, e-mail alerts, testimonials and other resources are made available. There are also sites which provide handbooks to guide through search criteria. Some sites make use of new (Web 2.0) technologies such as RSS.

Many funders also offer e-mail alerts direct from their websites (Big Lottery, Government agencies). One very good service is available via UK on line, Funding Matters.

Writing better applications

Many of the fundraising software packages detailed in the first section of the research have funding and grant application features but there are also service providers available to assist with this process and improve the likelihood of securing such vital bids.

As with the second section of this research, access to this information

and service is often subscription based. There are many companies whose services are available to the Voluntary Sector to assist in improving strategy. Organisations such as “The Charities Aid Foundation” aim to assist charities in making the most of what they get. This service is not only designed to improve applications to ensure funding but promoting awareness through improving websites and assist in online fundraising.

Other subscription websites provide access to fundraising consultants for example “Expertsonline” or “Free Funding Update”

Funders themselves aim to help you to bid successfully for their funds and often offer tips and advice on how to apply (Awards for All, Lloyds TSB).

The fundraising software market is rapidly changing. New software is continually available while existing software is being evolved or discontinued.

Before a decision is made on purchasing or subscribing to such software, an organisation must decide which package is compatible with both needs and budget.

Case Study – COCO

COCO (Comrades of Children Overseas) is a Children's Charity based in the North East of England supporting children whose lives are affected by poverty, famine, war, illness and disease.

The initial need for this particular software was to segregate the data with regard to specific donors and donations. Coco had over 3000 donors and required reports which segregated data on the grounds of date, amount, particular events etc.

The organisation had previously been using spreadsheets to collate data so a contact management system seemed to be natural progression from this method.

The organisation hoped that by purchasing the Raiser's Edge software, efficiency would be improved in terms of reducing the man hours required for the analysis of data.

The Raisers Edge software is a Contact Management System containing specific features for charities. These features include Contact Management with prospects and donors, Operational Management in the form of letters etc, Relationship cultivation and diverse fundraising methods. One of the features which particularly attracted Coco was the facility to link the software with the organisations existing financial package which they have successfully achieved.

The organisation is very happy with the results of investing in the Raiser's Edge package which has considerably improved performance

in terms of improved communications and financial reporting.

The main problems with the software have been financial implications. The initial purchase of the package was a significant cost and was spread on a monthly basis over a period of three years. The organisation found the maintenance cost was too much of a financial burden which, on occasion, has caused problems and resulted in one off payments for trouble shooting telephone calls.

The training sessions offered by Blackbaud are both expensive and time consuming and the organisation did not feel they could spare the resources for this. As a result, the package is only being used at around 50% of its potential capacity.

In conclusion, the purchase of the Raiser's Edge package has considerably improved data processing and donations management as well as communications but cost limitations have resulted in the system not being used to its full potential.

www.coco.org.uk

Case Study – Percy Hedley Foundation

The Percy Hedley Foundation is a charity providing specialist services for disabled people in the North East of England.

The Foundation was established in 1953 as a small charitable school for children with cerebral palsy. The Foundation now meets the needs of disabled people with cerebral palsy, communication impairments and complex learning, social care and therapeutic needs.

During the Financial Year 1 April 2006 to 31 March 2007 the Foundation spent £11m providing specialist quality services.

The Foundation raises in the region of 10% of funds from events and received a lot of requests for sponsorship forms from supporters. For example, supporters of the organisation may decide to donate proceeds from sponsorship of a sports or social event. The handling of such events had previously been carried out by the Fundraising department which required a considerable amount of administration time in terms of sponsorship form collection, analysis, counting and banking monies.

The “Just Giving” website provides an easy to use online fundraising tool which enables online events sponsorship. A “Fundraising Page” is

created to collect donations in support of any event or appeal (like an online sponsorship form). Donations are processed and transferred to Charities at the end of every week and gift aid is automatically reclaimed. A 5 % transaction fee is charged on donations.

The Foundations Director of Resources considers the introduction of the “Just Giving” package to the organisation’s website as being very successful and good value. The website has a direct link to “Just Giving” which enables supporters to choose the “Donate” option and create a “Fundraising Page” for their chosen event.

The Foundation’s event fundraising is becoming more successful, particularly since the use of the Internet is becoming more widespread. The “Just Giving” package is particularly successful as recommendations can be made for friends and colleagues to donate achieving widespread awareness.

In conclusion, the Foundation would recommend the introduction of the “Just Giving” package to other organisations with events fundraising needs. For a relatively small administration fee, the site provides a user friendly service which requires little or no input from the organisation itself.

www.percyhedley.org.uk

	Comparison Table	Cost	Ease of Use	Set up
The Raiser's Edge	Donor Management System Features for Charities:- Contact Management(prospect/donors)/ operational management/ relationship cultivation/ diverse fundraising	££££	*	*
Donorflex (Care Data Systems)	Fundraising Administration Package. Records and Tracks the application of funds. Monitors fundraising, can record expenditure associated with application of funds.	££££	*	*
World Pay	Enables organisations to accept payments/ donations online by phone, fax or e-mail. www.worldpay.com	£££	****	**
Just giving	Easy to use online fundraising tool to help raise money. A "fundraising" page is created to collect donations in support of any event or appeal. www.justgiving.com	££	****	****
Easy fundraising	Free fundraising service where funds can be raised for any charity when you shop online. Over 500 of the UK's best known retailers are registered. www.easyfundraising.org.uk	£	****	****
Grant finder	Subscription provides access to powerful tool for searching all aspects of your funding priorities. www.grantfinder.co.uk	££	****	****
UK Fundraising	Free registration information site: News/ jobs/ suppliers/ books/ forum/ training/ resources etc. www.fundraising.co.uk	£	****	****
Charities Aid Foundation	Aim to assist charities in making the most of what they get:-"Efundraising" facility/ fundraising support etc www.cafonline.org	££	****	****
Cost £ Free ££ Under £100 £££ up to £500 ££££ £thousand plus	Ease of use * Extensive training needed ** Some training required *** Requires use of a manual **** Easy – no training required	Set up * Specialist setup required ** Expert user setup only *** Setup for experienced users and/or practitioners **** Very easy		