

STRONG PARKS, STRONG COMMUNITIES

Tool 11: Revenue Planning for Fundraising

Revenue planning is the process of anticipating your expenses and income for the coming year, based on the work you plan to do. It starts with establishing your overall organizational strategy in your Strategic Plan and then defining your programs by year. You will develop an Annual Work Plan for the first year of your Strategic Plan. Once your annual work plan is complete, you can anticipate the people and infrastructure you will need to accomplish that work, and the associated costs: the salaries, office overhead, vehicle costs, insurance, and everything else it takes to run your operation – including supporting the park’s priorities.

A budget, showing those expenses and the income sources that will pay for those expenses, is the financial tool that makes your Annual Work Plan a reality. If your guaranteed and likely income will not fully cover your expenses, you have a gap. Community fundraising from memberships and individual donors is one way to fill that gap. Here is a summary of how revenue planning works:

1. Set strategy & work plan	What is your organizations working on this year? What programs will you offer? What is your goal for supporting the park?
2. Plan operational details	What staff, outside contractors, equipment, materials, supplies, technology, etc., are needed to deliver your programs?
3. Develop budget	What will all that cost?
4. Identify guaranteed income	What funding can you expect from contracts, grants, investment income, or other funds you know you can count on this year?
5. Identify likely income	What revenue can you anticipate from fee for service or sales?
6. Identify gaps	How much more is needed? This is what you need to raise through community fundraising.

In the example below, a Friends Group that conducts educational programs and is working to support a menu of \$150,000 in park expenses has determined a \$280,000 expense budget for its operations. The table below does not show every expense item – it just shows the total expenses. On the income side, this organization has some reliable contracts and grants, and it expects income from product sales. The total income it can count on comes to \$250,000. That leaves a \$30,000 gap to fill for its own operation, plus the \$150,000 it wants to raise to fund park priorities.

USES/SOURCES	EXPENSES	INCOME
Support for the park	\$150,000	
Salaries, equipment / vehicles, supplies, materials, etc.	\$280,000	
Grants		\$75,000
Corporate sponsorships		\$35,000
Investment income		\$5,000
Product sales		\$135,000
TOTAL		\$250,000
Fundraising goal (expenses minus income)	\$430k - \$250k =	\$180,000

This Friends Group’s community fundraising goal for the year is \$180,000. The Fundraising Campaign tool includes a template for use when planning a campaign.