



УДК 336.563:659.442

## PROSPECTS FOR THE DEVELOPMENT OF FUNDRAISING ACTIVITIES IN UKRAINE

**Humeniuk Alla***PhD in Economics, Associate Professor,**ORCID : 0000-0003-4333-0478***Garmatiuk Olena***Senior Lecturer,**ORCID : 0000-0002-2589-3269**Uman State Pedagogical University named after Pavlo Tychyna,**Uman, Sadova, 2, 20300*

**Abstract.** *The purpose of writing the article is to study the concept of «fundraising» and its main tools. The experience of using fundraising tools in non-profit public organizations was studied. Fundraising activities, which at the all-Ukrainian and international levels, include several directions that ensure the work of the fundraising department with various types of donors and various types of resources, using the most optimal resource attraction tools for a particular project. The activity of attracting resources is directly related to the general strategic goals of the organization and is part of their implementation. Fundraising activities are also widely carried out at the local level, for the most part, for the holding of promotions and events and the organization of reservoir camps. The relationship between the organization's strategic goals and the need to attract resources was studied. The theoretical foundations of fundraising tools are determined and their effectiveness is determined. A basic fundraising strategy was developed in order to attract funds to project activities. It was established that in order to ensure the sustainable development of such centers, it is necessary to provide initiative groups with the necessary set of tools and provide information resources so that teams can move away from chaotic management and build work with a long-term planning horizon. For this, it is necessary to have a stable income of finances and to have tools for their attraction and diversification.*

**Keywords:** *fundraising; charitable activity; financial sustainability; social entrepreneurship; public organization; donor assistance.*

**Introduction.** Fundraising is the process of attracting funds to finance a certain project, idea or charitable goal. This process may include raising money from individual sponsors, companies, organizations and other sources.

Fundraising can be done using various methods, such as collecting funds on the Internet through special platforms, organizing charity auctions, selling products or services that are related to the project, and much more.

In particular, project management (project management) currently remains one of the most relevant and progressive management technologies, which helps to plan and manage projects of any type using a dynamic plan, a plan that provides a realistic model of expected project behavior. According to the nature of the subject area, projects are divided into projects in the business environment, in the public sphere, and scientific research projects

The study of the concept of «fundraising» is reflected in the works of many Ukrainian and foreign scientists and economists, such as A. J. Douglas, J. M. Bryson, A. N. Sokolova, A. O. Glebova, M. Delini, I. Y. Krupyak like others. However, the problem of implementing a fundraising strategy with the aim of attracting funds to project activities remains little



**Presentation of the main research material.** Fundraising is defined as the process of attracting funds and other resources (material, informational, human, etc.) that the organization cannot provide on its own, and which are necessary for the implementation of a certain project or activity [3]. In the fundraising process, the following are important: searching for potential donors, substantiating the needs of the organization in accordance with the interests of potential donors, long-term work with potential donors (forming, maintaining and developing relationships) formation of public opinion in favor of supporting the activity of the organization or team, collection of letters of support, acquisition of authority, etc. [4].

V. Sokolovska explains fundraising as a professional activity related to the mobilization of financial and other resources from various sources for the implementation of socially significant and scientific research non-profit projects. T. Bogolib substantiated the importance of educational and scientific fundraising as one of the important sources of multi-channel financing of educational and scientific institutions [2], identified two forms of attracting external funding sources: individual and organizational fundraising. The scope of individual fundraising includes internships or advanced training, scholarships for studies, grants for individual research (as a rule, they are provided to the recipient irrevocably for a specific purpose). The field of organizational fundraising includes project competitions, serious scientific and technical developments, innovative research [2 ,p.12].

Therefore, fundraising is a modern means of forming a material base and a tool for the development of social programs, the art of attracting financial and material resources on a voluntary basis for the implementation of socially significant projects and programs. Along with this, it should be noted that the level of fundraising is an indicator of the quality of life in society, as well as the level of its development. The development of fundraising contributes to ensuring the effective operation of non-profit public organizations that require the systematic involvement of resources for the implementation of strategic goals in certain directions.

The main principles of fundraising are [2]:

- 1) a combination of strategy and tactics (working for the future, establishing and developing long-term stable relations with the donor);
- 2) mutual benefit (the donor must also be interested in the results of the project directly or indirectly, materially or morally);
- 3) balance (proving the reality and importance of achieving intermediate goals as a guarantee of the success of the final result);
- 4) compliance of plans and opportunities (avoidance of «increased obligations» as a potential threat of incomplete or poor project implementation);
- 5) complexity (simultaneous involvement of several donors to implement various aspects of a single general goal, depending on the donor's capabilities and specifics);
- 6) cooperation with partners (creating a consortium as a factor that can increase the degree of fundraising efficiency; responsibility and finances are shared by partners by agreement);
- 7) non-commerciality (the need for a clear separation between profit and self-sufficiency).

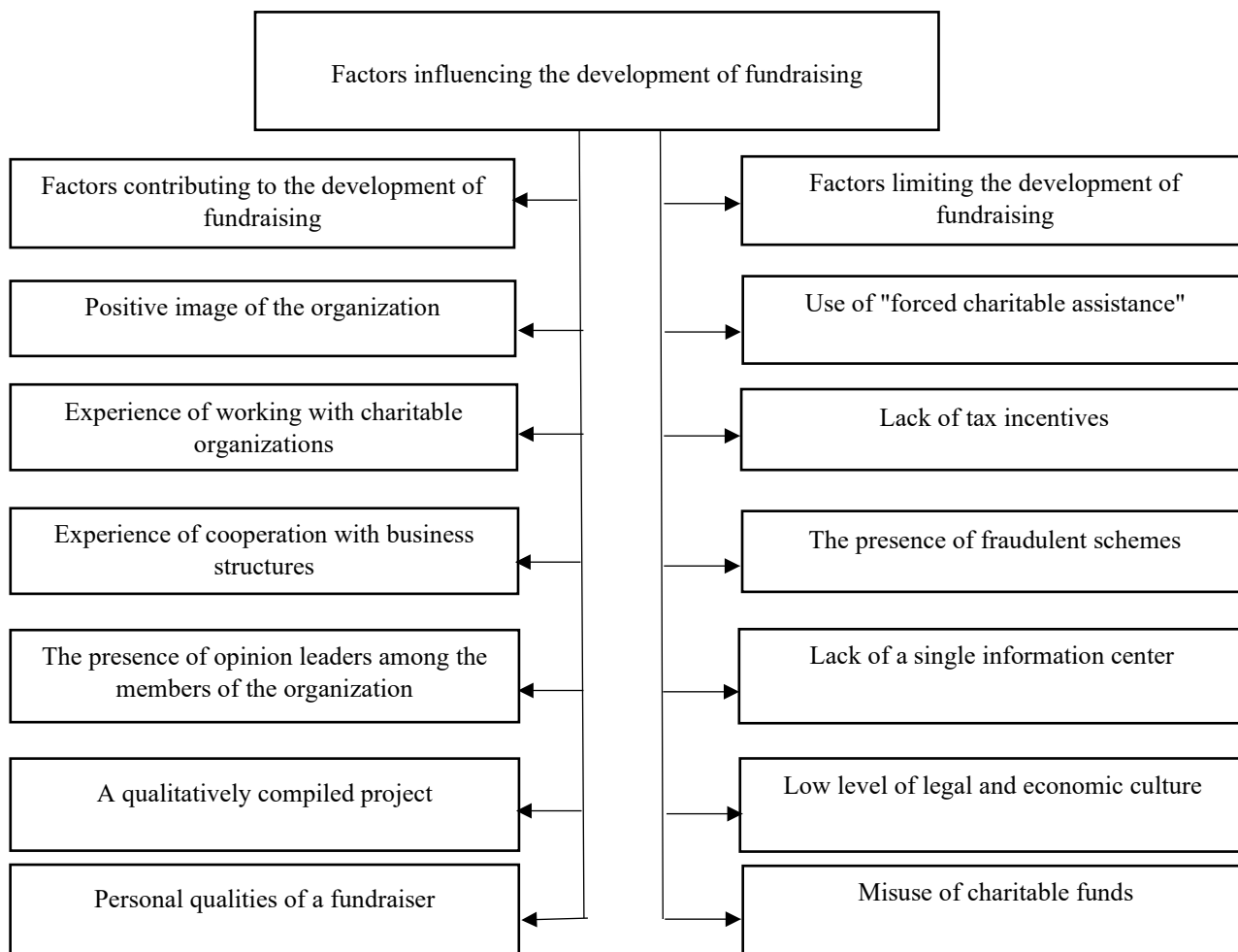
Effective fundraising involves not only obtaining resources, such as finance, but



also establishing productive personal and institutional contacts with donor organizations that are of strategic importance in the long term .

The main tasks of fundraising: attraction of resources for the implementation of development programs of the organization, region, etc.; collection of new ideas for future development programs of the organization, region, etc.; improving the organization's image and strengthening the public's trust in it; informing and educating the public about the problems that are solved by the project or the organization's activities, respect and empathy.

The development of fundraising in Ukraine is characterized by a number of factors that promote and limit its development (Fig. 1).



**Fig. 1. Factors affecting the development of fundraising in Ukraine**

Source: [developed by the authors]

Factors that increase the success of a fundraising campaign include:

- positive public image of the organization;
- a positive impression formed in the process of communication and cooperation with representatives of the donor organization;
- experience of working with other charitable organizations;
- experience of cooperation with business structures;
- the presence among the members of the recipient organization of opinion leaders, well-known figures in the field;
- a high-quality project;



- personal qualities of a person engaged in fundraising, the ability to tell and convince.

At the same time, the factors limiting the development of fundraising are: use of «forced charitable assistance» in educational, medical, etc. institutions; lack of tax incentives; a large number of fraudsters and fraudulent schemes; lack of a single information center that would have information about charitable organizations and their representatives; an imperfect system of verification and control of the legitimacy of the existence of such organizations; low level of legal literacy of potential donors in matters of charity; low level of legal and economic culture of the population; «untargeted» use of charitable funds and lack of punishment; financial institutions do not inform people who open charitable accounts that the funds allocated to them are considered non-targeted and subject to taxation[5].

For successful activities in the field of attracting resources, the team needs to analyze the available funding, the organization's assets and potential sources of increasing financial resources.

At the beginning of the organization of resource-raising activities, you should not take as a positive result only the amount of funds or non-monetary values raised, because at the first stages, a positive result will be a system of established personal connections, a positive grant history, received responses to letters written to potential donors, competently designed and timely reported mini-projects.

**Conclusions.** Therefore, in order to achieve a positive result of the fundraising activity of the cell, it is necessary to create a set of conditions, such as a clear definition of fundraising goals, priority projects, and expected results. The key element of such activities is the creation of a team that will have a clearly defined range of duties and powers, have the most complete information about potential donors and donors and tools for working with them, develop a fundraising plan and respond in time to challenges and changing needs.

Therefore, the successful implementation of the fundraising strategy will ensure stable support for youth initiatives, their further development and additional growth, and will enable others to adopt this experience and adapt it to their needs and projects.

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**Анотація.** Метою написання статті є дослідження поняття «фандрейзинг» та його основних інструментів. Вивчено досвід використання інструментів фандрейзингу в неприбуткових громадських організаціях. Фандрейзингова діяльність, яка на всеукраїнському та міжнародному рівнях, включає декілька напрямів, які забезпечують роботу відділу фандрейзингу з різними типами донорів та різними видами ресурсів, використовуючи найбільш оптимальні інструменти залучення ресурсів для конкретного проекту. Діяльність із залучення ресурсів безпосередньо пов'язана із загальними стратегічними цілями організації і є частиною їх реалізації. На місцевому рівні також широко проводиться фандрейзингова діяльність, здебільшого для проведення акцій та заходів та організації пластових таборів. Досліджено зв'язок між стратегічними цілями організації та необхідністю залучення ресурсів. Визначено теоретичні основи інструментів фандрейзингу та визначено їх ефективність. Було розроблено базову стратегію фандрейзингу для залучення коштів на діяльність проекту. Встановлено, що для забезпечення сталого розвитку таких центрів необхідно забезпечити ініціативні групи необхідним набором інструментів та забезпечити інформаційними ресурсами, щоб колективи могли відійти від хаотичного управління та будувати роботу з довгостроковим плануванням. горизонт.

**Ключові слова:** фандрейзинг; благодійна діяльність; фінансова стійкість; соціальне підприємництво; громадська організація; донорська допомога.

Статтю надіслано: 25.09.2023 р.  
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