

SCHOOL OF ECONOMICS AND BUSINESS
UNIVERSITY OF SARAJEVO
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UNIVERSITY OF LJUBLJANA

MASTER'S THESIS

**THE FUND RAISING STRATEGY IN NON-GOVERNMENTAL AND
NON-PROFIT ORGANIZATIONS: THE CASE STUDY OF RED
CROSS SOCIETY OF BOSNIA AND HERZEGOVINA**

Sarajevo, October 2013

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AUTHORSHIP STATEMENT

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THE FUND RAISING STRATEGY IN NON-GOVERNMENTAL AND NON-PROFIT ORGANIZATIONS: THE CASE STUDY OF RED CROSS SOCIETY OF BOSNIA AND HERZEGOVINA, written under supervision of Doc. dr Sandra Penger.

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INTRODUCTION

The broad research field of the master's thesis concerned aims to explore various means of funding in non-governmental and non-profit organizations. Center for improvement of Brčko (2006, pp. 6-9), highlights the importance of underlying the significance of the existence of non-governmental organizations (hereinafter: NGO), because they act as to address numerous challenges in the society, such as slow economical reforms, weak system of social and health protection, severe environmental pollution, corruption, inadequate educational system and widespread poverty. Also, the role of non-profit and non-governmental organizations is crucial to social politics of developed countries, especially considering the fact that modern and powerful countries cannot satisfy all their citizens' needs and a lot of them hand over their programs to non-profit and non-governmental sector. Based on the research conducted by the United Nations Development Program (2006, pp. 10-11, hereinafter: UNDP), NGOs provide vital contribution to development and further survival of democratic societies, especially through improvement of public consciousness raising and active people participation in public life. Likewise, they provide equally significant contribution to cultural life and social situations of such societies, which are the main reasons for setting up many non-governmental organizations that, in spite of numerous problems that they encounter, still manage to survive.

According to Herman & Associates (2005, p. 278), in the era of increasing demand for service, crowded market, declining sources of traditional support, and a rapidly changing social and economic environment, there is a growing interest of many nonprofit organizations in practices and ideas imported from the business sector. Center for improvement of Brčko (2006, p. 31) states that one of the main problems of NGOs is a lack of funds for actions, which creates a strong sense of competition within the NGO sector. The cause of this problem lies in NGOs' continuous orientation on a single fund source – local authorities. To get their financial sustainability, NGOs have to adopt strategic approach in financial planning and use other sources as well. Very important thing is that the aim of the sector is clear (United Methodist Committee on Relief, 2005, p. 6, hereinafter: UMCOR). Namely, the organizations need to establish fundraising as a core activity; continually develop capacities and plans for raising funds domestically to ensure financial sustainability as availability of international funding continues its downward trend; and work towards building a stronger public profile and key relationships with their local communities, the business sector, and the government of Bosnia and Herzegovina. The main points of focus in the research are the fundraising methods in non-governmental and non-profit organizations, having in mind that the role of the nonprofit sector as a government partner is tremendously beneficial to the nation and to individual communities (Raymond, 2010, p. 170).

Non-governmental and non-profit organizations, including the Red Cross Society of Bosnia and Herzegovina daily cope with a tremendous problem of raising funds. Nowadays, the situation in the world is such that governments are not in the position to solve all the problems they encounter alone. Therefore, this research sets it as its primary objective to explore ways of funding and fundraising methods used by the organizations of the Red Cross Society of Bosnia and Herzegovina. Various funding sources have been taken into consideration so as to provide relevant evidence on the importance and advantages they bring to the organizations. The research itself is focused on the fundraising methods employed by the Red Cross organizations because these methods seem to be essential part of their work, especially because they are co-dependent to the activities that the organizations aim to conduct. The main purpose of the research is to identify the current situation regarding the level of awareness of the benefits of continuous use of the fundraising methods within the Red Cross Society of Bosnia and Herzegovina. In the research part of the thesis, an online survey was conducted in order to answer the set research questions. The need to explore this topic has been noted in order to define reasons and causes for the current tendencies, which serve as a basis for further suggestions on how to enhance the financial situation. Furthermore, a generally recognized lack of understanding of the importance of possible funding sources that increase income and improve the financial situation of the Red Cross organizations, will serve as a basis for further research.

The results of the research will contribute to an increased awareness among people responsible for fundraising in the Red Cross organizations, but they will also point to the possible benefits of proposing a fundraising strategy. Bearing in mind the present practices and resistance towards funding sources among the Red Cross organizations in Bosnia and Herzegovina, the thesis will hopefully serve as a practical example of the benefits of a fundraising strategy. The research investigates which fundraising methods should be used to facilitate the fundraising processes within the Red Cross Society of Bosnia and Herzegovina organizations. The contributions to practice will also have a great effect on the understanding of non-governmental and non-profit organizations regarding the way of financing their work and activities as well as the possible funding sources.

The content of this paper is multilayered, i.e. it is divided into a theoretical section starting with the theoretical background, covering the main aspects of the funding in non-governmental and non-profit organizations, with a special emphasis on the current situation regarding the ways of working and funding sources in this sector. A more practical section of the paper concerns the process of fundraising in non-governmental sector which has been analyzed. Within this chapter, the fundamental types and principles, as well activities and cycles of fundraising have been presented. Since the fundraising is the main goal of non-governmental and non-profit organizations' work, funding from the government, individuals,

business and organizations, associations and groups has been investigated. Special attention within this chapter is dedicated to the ideas for fundraising, such as sponsorship, techniques of direct approach, campaigns, advertising, membership and charity contributions. In the next chapter, the thesis focuses on the research itself, covering the top-down and bottom-up perspectives. The quantitative research and its results have been reached through a survey conducted among employees of the organizations of the Red Cross Society of Bosnia and Herzegovina. Towards the very end, the thesis focuses on the possible solutions for the advancement of the current situation in the process of fundraising among the Red Cross organizations. It is based on the recommendations rising out of the quantitative research, proposed as fundraising methods that should be used to improve financial situation within the organizations and to provide funds for the implementation of their activities.

1 FUNDING IN NON-GOVERNMENTAL AND NON-PROFIT ORGANIZATIONS

Regional Center for NGO Development (2005, pp. 44-46), defines non-profit sector as a sector that consists of non-governmental organizations dealing with the issues of public interest without the motivation to gain profit. Non-governmental organization is defined as a kind of a civil society organization that is non-profit, nonpolitical and that serves the public interest or the interest of a specific group. The non-profit organization is the synonym for non-governmental organization. Non-profit organization is the organization usually managed by the volunteer management board whose work is not aimed at gaining profit. Since non-governmental and non-profit organizations are very important elements of a society, their role of introducing and proposing the concepts of funding and the way of working and financing organizations' activities, should not be overlooked.

1.1 Concept of funding

Funding plays a very important role in every company, organization and institution's work. It should be emphasized that financial management includes planning, organizing, controlling and monitoring of organization's financial resources to achieve its objectives. Every step of this process is very important and unavoidable. There are two main ways of fundraising¹ - opportunistic and strategic (UNDP, 2006, p. 41):

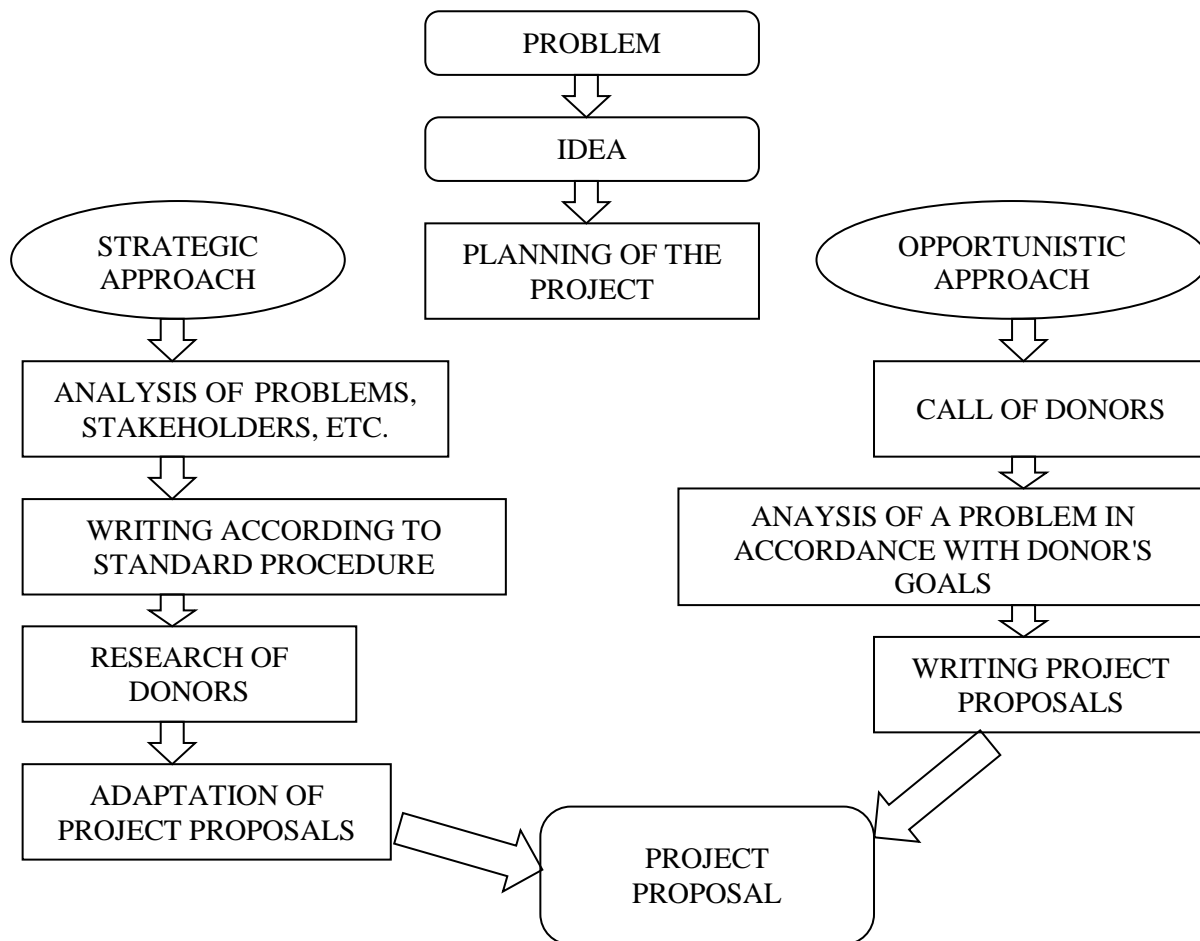
- **Opportunistic**, or fundraising by indicated opportunity is the answer to the circumstances within the organization itself. This is a one-time activity.

¹ Term fundraising and raising funds would be used interchangeably in the course of the paper.

- **Strategic.** This kind of fundraising demands that there be a clear goal of what organization aims to accomplish. The organization should have planned steps for accomplishment of that goal and all activities are the result of the organization's long-term planning, as it is specified by the Center for Improvement of Brčko (2006, p. 29). These approaches are presented below, in the Figure 1.

Center for Promotion of Civil Society (2001, p. 95) states that non-governmental sector has a key role in society as a third sector that works together with government and business sector. With its engagement through volunteers, services provided and support given to individuals and groups, contribution to a community and civil life of this sector is immense, invaluable and irreplaceable.

Figure 1. Diagram of different approach in planning/writing project proposal



Source: J. Draganić, I. Šehović & E. Pulić, *Handbook for Non-government Organisations*, 2006, p. 6.

Writing project proposals and applying to participate in them in order to get funds from different donors, plays very important role in every non-governmental and non-profit organization. In Figure 1 presented above, two approaches of writing project proposals may be noticed – strategic and opportunistic. Strategic approach starts with analyzing the problem and stakeholders. The next step in strategic approach is writing the project proposal according to standard procedures. A further step includes the research on donors, which in accordance with the chosen donor results in the adaptation of a project proposal. In contrast to strategic approach, opportunistic approach is done in a different way. Opportunistic approach is done after donors call for project proposals. Applicants then analyze the problem in accordance with donors' goals. The next step is to write a project proposal taking into consideration these goals and the previously defined problem. Obtaining the final version of project proposal applicants proceed to apply for donor's funds.

Initiative and civil action (2002, p. 10, hereinafter: ICVA) notices that the crucial step these organizations should take is to identify different social problems, start initiatives for solving them, offer government sector alternative possibilities and solutions, and create conditions for continuous improvement of the environment. In addition, it should be noticed that, NGOs have a wide range of expertise, often demonstrate considerable operational capacity, and can utilize valuable local knowledge (Oxfam International Policy Compendium Note on Humanitarian Funding, n.d., p. 3). Considering the fact that there is an increasing number of organizations that work in this field, non-governmental and non-profit organizations funding represents a very important contemporary topic. Having in mind that these organizations implement their activities with minimum or no funds whatsoever, it is necessary for their sustainability to have a clearly defined mission and goal which is often more important than financial resources.

1.2 Way of working and funding in non-governmental and non-profit organizations

UNDP (2006, pp. 1-37) states that it is clear that the dominant role in the financing of NGOs still belongs to international organizations and foreign donations. In some parts of Bosnia and Herzegovina support from local institutions is visible but this method of financing is still insufficient. Some NGOs try to finance themselves independently by initiating independent jobs and by introducing a membership fee, which is a step towards self-sustainability. One of the most common fundraising instruments of NGOs is preparing project proposals and finding financial resources for their implementation. As a rule, donors are foreign foundations and international non-governmental organizations, as well as agencies for development of foreign countries or their embassies. For the non-governmental organizations, money can be, and it

usually is the second priority, following the target objectives, enthusiasm and devotion of employees, volunteers and donors. Yet, money is still constant and indispensable resource for most activities that an NGO seeks to accomplish. United Nations - Economic and Social Council (2013, pp. 16-18) mentions that the global financial crisis continues to affect the amount of resources allocated to population activities. The rate of increase in population assistance has slowed down and while the number of donors that have been particularly affected by the crisis has decreased funding levels for population. Future funding levels will very much depend on the impact of the financial crisis on both donors and developing countries.

In Table 1 presented below frequent fundraising mistakes that nonprofits make can be seen.

Table 1. Fundraising mistakes

Nonprofits don't raise more funds because they:
<ul style="list-style-type: none"> • Don't ask for support, • Don't develop a plan, • Don't get the organizational CEO involved as the chief fundraiser, • Don't develop relationship with their constituents or the right constituents , • Don't engage governing board members in actively promoting, networking, and fundraising for the organization, • Don't spend money to raise money, • Don't recognize the reality of competition, • Don't develop excellent programming, • Don't talk about something other than their need, • Don't develop an ethically impeccable record, • Don't understand the role of fundraising consultants, and • Don't recognize they no longer have a viable mission.

Source: R. Rogers, *Why Nonprofits Don't Raise More Funds*, n.d.

It is thus essential that donor countries, international agencies and developing countries continue to strengthen their efforts and their collaboration to avoid duplication, identify funding gaps and ensure that resources are used as effectively and efficiently as possible. Coordinating donor-financing policies and planning procedures will help to enhance the impact and cost effectiveness of contributions to population programs. However, non-governmental and non-profit organizations in Bosnia and Herzegovina have very small amounts of ensured funds at their disposal which they are required to distribute in order to meet their daily needs. Although NGOs' role in addressing community problems, that government usually does not have

enough time to deal with, is valuable to this country. Funding from government is achieved only by a small portion of organizations and mostly from budget of municipalities that recognized some of the problems. UNDP (2006, p. 39) defines some advantages and disadvantages of having such donations. Positive examples of such donations include their help to non-governmental organizations, although not distributed equally yet sufficient for them to survive. Also, the donors recognized that NGO sector could contribute a lot to the development of our country. Negative aspect, on the other hand, is that financing is limited and usually targeted at areas that specific donor is financing thus disregarding broader organization's needs in the field. Taking into consideration the fact that financial fund extractions from government are at minimum, there is a possibility for using tax benefits and other privileges that will alleviate NGO sector's work and reduce its costs.

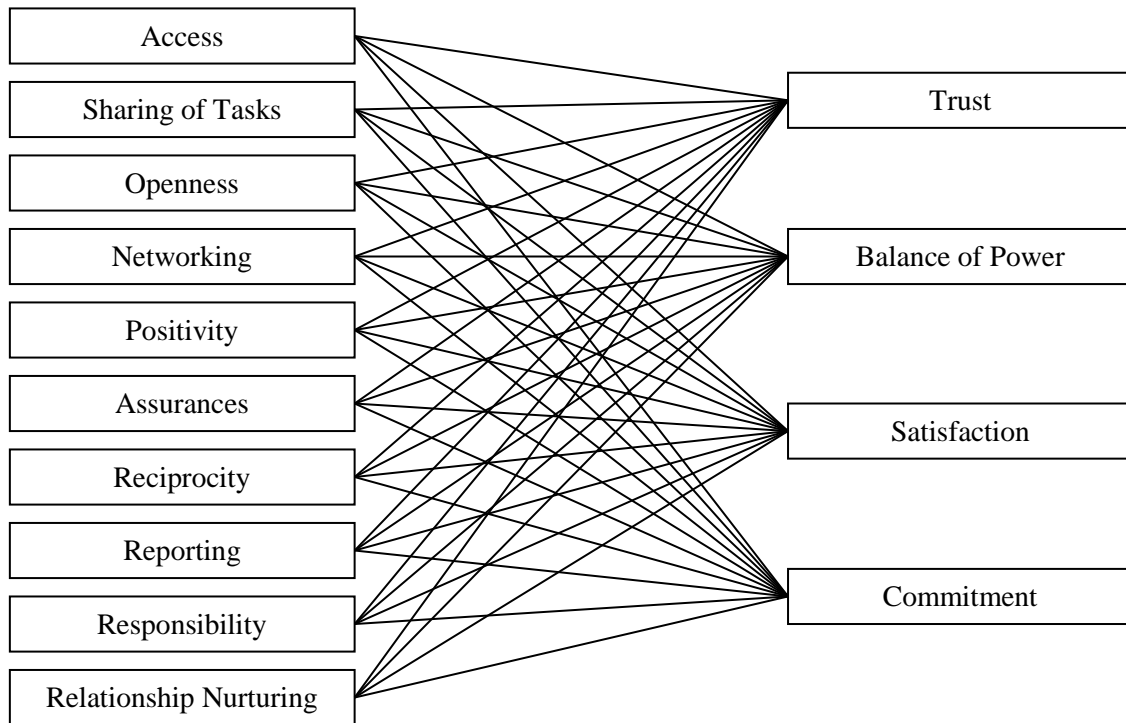
2 FUNDRAISING IN NON-GOVERNMENTAL AND NON-PROFIT SECTOR

2.1 Fundamental types and principles of fundraising

According to Mutz & Murray (2010, pp. 90-91) fundraising plan includes all campaigns, events, grants, etc. that one uses in the overall fundraising strategy. When you start a fundraising campaign, you first have to decide where you want to go – what your fundraising goals are. Then you have to choose which fundraising method you want to use to reach your goals. The best fundraising plans do not focus too heavily on a single market; instead, they mix and match constituencies to make sure they are continually raising both short- and long-term funds. For qualitative fundraising strategy, which will lead to desired and efficient results, it is essential to incorporate the basic principles and types of fundraising. Two basic types of fundraising – opportunistic and strategic, have already been mentioned and elaborated in the first part of this paper. As a part of fundraising strategy, great importance is attributed to basic principles which are followed in fundraising. The most important principle is to determine the objectives of fundraising, which will follow the previously clearly defined goals of the organization. Then, by determining the type of donation thereby, the type of program or project we want to implement during fundraising is specified. Selection of donors primarily from our closer surrounding, and then widely in order to establish a long-term cooperation, is the next principle for successful fundraising. It is understood that the management and the employees in the organization by their active donations contribute to fulfilling the purpose of raising funds for the organization.

Waters (2011, p. 458) mentions that fundraisers have traditionally recognized the value that relationships play in securing major gifts and planned giving programs. The nonprofits–donor relationship means that dedicating more time to donor relations and stewardship can strengthen a donor’s loyalty to the organization. The relationship management approach to fundraising can result in significant gifts from donors. Over time, fundraisers work to demonstrate the organization’s effectiveness and responsible management of donations to grow these relationships. They may use suggestions in direct mail pieces or verbal cues with telephone solicitations to suggest specific donation amounts to help the organization for annual giving donors whereas face-to-face meetings and solicitations are used for major gifts. In Figure 2, initial model of the relationship between relationship cultivation strategies and organizations-public relationship (hereinafter: OPR) dimensions is presented.

Figure 2. Initial model of the relationship



Source: R.D. Waters, *Increasing Fundraising Efficiency Through Evaluation: Applying Communication Theory to the Nonprofit Organization -- Donor Relationship*, 2011, p. 468.

Waters (2011, pp. 459-460) says that relationships, such as the nonprofit organization–donor, can be measured by assessing the levels of trust, commitment, satisfaction, and power in the relationship:

- **Trust** is critical in cultivating relationships with donors. Organizations that demonstrate accountability have a greater likelihood of seeing repeat donations from individuals who believe the nonprofit is working efficiently towards achieving its goals.
- **Commitment** is the highest stage of the relationship because it hints towards future behavior. It can be defined as the extent to which one party believes and feels that the relationship is worth spending energy to maintain and promote.
- **Satisfaction** - organizations that invest in developing satisfying relationships with stakeholders are likely to produce beneficial long-term results for the organization, such as the evolution of annual gifts into major gifts.
- **Balance of power** - The balance of power is often misunderstood as weighing heavily in favor of the individual donors because they are the ones giving money to the organizations. However, the mixed-motive model of fundraising has shown that nonprofit organizations hold a substantial amount of power in the relationship. Nonprofit organizations have the power to refuse donations that are inappropriate or are offered under unacceptable terms.

Organizational research has indicated that an organization's behavior, intentional or accidental, can damage the relationship with stakeholders. Therefore, Waters (2011, p. 461) states that nonprofit organizations cannot simply maintain relationships with their donors, but they should also work to restore relationships that may have been damaged based on past organizational behavior.

Waters (2011, pp. 461-463) defines strategies that outline how nonprofit can properly cultivate relationships with their donors (see Figure 2, p. 10):

1. **Access** - is a strategy involving the willingness of both entities to go to the other party directly when they have complaints or questions about issues instead of taking it to a third party.
2. **Positivity** - this strategy can be helpful in conflict resolution and all aspects of public relations.
3. **Openness** - open communication is necessary if an organization seeks to create a climate conducive to long-lasting relationships with donors.

4. **Assurances** - occur when each attempts to assure the other that it and its concerns party in the relationship are legitimate and to demonstrate that it is committed to maintaining the relationship.
5. **Networking** - is the opportunity for organizations to build coalitions with different stakeholders.
6. **Sharing of tasks** - is organization and public's sharing in solving joint or separate problems.
7. **Stewardship** - has its four underlying dimensions: reciprocity, responsibility, reporting, and relationship nurturing. These elements of stewardship are the second most important part of the fundraising process behind research.
 - Reciprocity – simply means that organizations must demonstrate gratitude toward their stakeholders.
 - Responsibility – fundraisers have an obligation to make sure that funds donated to specific causes or programs are only used for those programs.
 - Reporting – organizations need to keep its publics informed about developments on issues for which support was sought.
 - Relationship nurturing – the extra effort required to cultivate relationships with any public will benefit organizations in the future because this demonstrated concern will reduce the impact of potential crises.

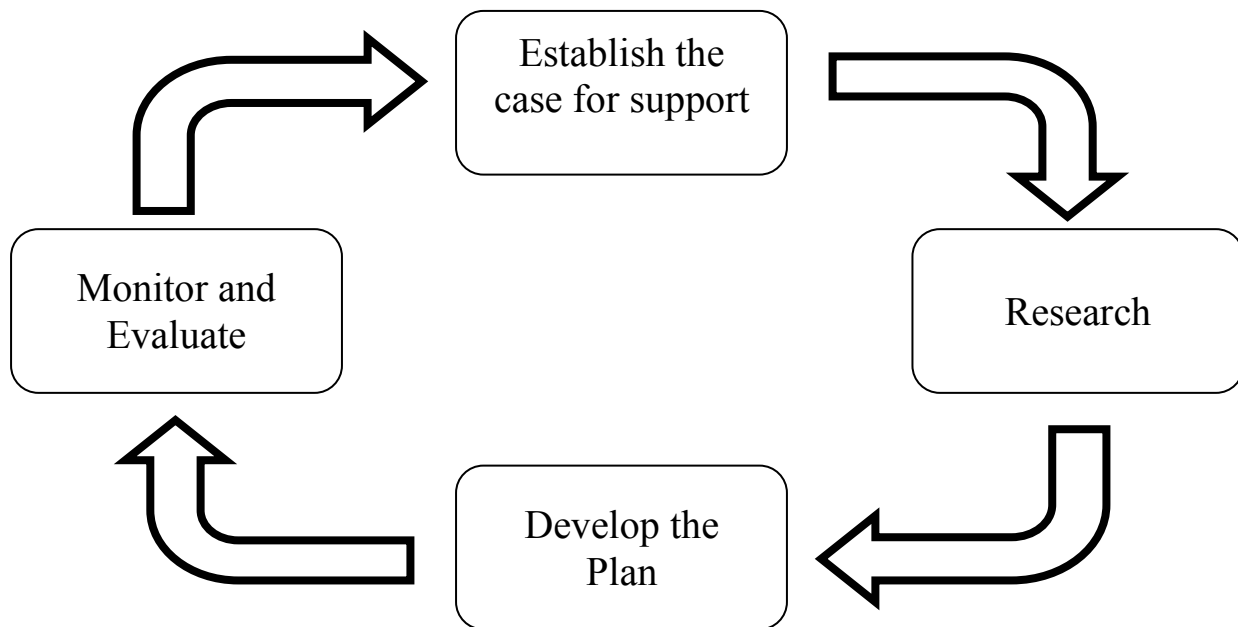
2.2 Fundraising activities and cycles

After the fundamental types and principles have been defined, the next operational step in a fundraising strategy concerns fundraising activities. According to UMCOR (2005, p. 9) fundraising, at best, is not an activity limited to receiving money from donors. It is ideally seen as a much wider organizational process that includes a whole range of activities, which together contribute to maximizing the success of fundraising. Firstly, organizations should organize their work and establish system for fundraising in accordance with their strategy. Next activity represents the ability of finding the potential donor, communication and negotiation with him/her, but also the ability of accepting the donors' rejection. As every job, this one especial-

ly demands imagination and creativity. It is well known that projects, which include the aforementioned features, ensure the biggest number of donors. If the person responsible for fundraising has skills and qualities such as confidence, patience and the ability to utilize every opportunity for fundraising, the system is established, which through implementation of activities eventually leads to accomplishment of the organization's goals.

Having defined activities, the paper will next deal with the issue of the fundraising cycle which consists of four major elements: the case for support; research; planning and implementation; and monitoring and evaluation, as noted by the Resource Alliance (2007, p. 21). The following Figure 3 explains the fundraising cycle.

Figure 3. The fundraising cycle



Source: Resource Alliance, *An Introduction to resource mobilization*, 2007, p. 21.

The fundraising cycle consists of the following steps:

- The **case for support** is the starting point of the fundraising cycle explaining to the donor why he must give to your organization. The case should contain enough information for the donor to make an informed decision to give to the cause.

- The second stage is the **research**, which is essential for the organization to understand which donors - individuals, companies, or trusts may respond to the appeal outlined in the case for support and making sure that their needs are met by choosing the most appropriate fundraising approach.
- **Planning and implementation** of the fundraising activities to ensure they are adequately resourced, cost-effective, and efficient and help reduce and manage risks.
- **Monitoring and evaluation** is used to understand what lessons have been learnt and how to incorporate the same into our future fundraising cycles to make the activity bigger and better.

2.3 Fundraising

Fundraising is a process of ensuring additional funds for work and realization of activities. Those are activities taken in order to raise funds from individuals or groups for some wider purpose. Users of organization's services are usually those who give money (UNDP, 2006, p. 38).

UMCOR (2005, p. 9), states that for all organizations, large or small, fundraising is a complex and demanding activity that requires a great deal of hard work, time and energy. It is easy to be disheartened when your fundraising campaigns are not as successful as hoped, or when your profile in the community is not as high as you would like. Since non-governmental and non-profit organizations receive little or no financial help from different government bodies, they encounter various problems in the process of functioning and carrying out activities on daily basis. Therefore, it is necessary that these organizations efficiently engage in finding solutions for fundraising. One way suggests that organizations present themselves to current and potential donors and explain the purpose of their existence, previous experience and activities planned to benefit their community, which is primarily done by using marketing and public relations and ensure either material or financial resources needed to carry out the program and operational activities.

According to the Center for Improvement of Brčko (2006, p. 31) it is necessary to continuously make influence and call upon the sensibility of a community and individuals through public relations activities of NGOs in order to draw their attention to the problems of specific social groups, so the support of economic sector and increased voluntary contribution of individuals could be ensured.

Perry (2002, pp. 15-20) believes that NGOs have to understand the changing needs in community in which they operate; how their services can contribute to community strengthening and add new value to that community; as well as the ability to serve community in an effective manner and with efficient use of funds. To carry out their activities and thus justify purpose of their existence, NGOs have to ensure that the existing, as well as potential donors recognize values and responsibilities of this sector for the wellbeing of the community, and contribute to NGOs' work with their resources. Taking into consideration that non-governmental and non-profit organizations after all function as government's "extended arm" whether or not they are funded by authorities, it is essential that these organizations strive to keep independence in their work, because that is what makes them special and enables them to solve numerous community problems.

It should be noted here that the core purpose of NGO's existence is not fundraising, but rather obtaining support of the donors that provide different resources which are often independent from the authorities but nonetheless have a great influence on the improvement of community conditions and environment. With the purpose of implementing activities in the process of fundraising, organizations make their promotion and inform potential donors of their existence and work. In that way they gain resources necessary to accomplish their objectives. Through their contributions, donors show their acceptance of an organizations' mission and respect for the organizations' leadership. Low response to fundraising appeals can suggest that an organization and its mission are little known or poorly understood – in short, that its prospective donor constituencies have not accepted the nonprofits purposes (Herman, 2005, p. 420).

According to Cvetičanin (2004, pp. 62-64), fundraising is something that should be done with pride. However, it can be carried out successfully only by people who believe in the organization's goal and to whom that goal is more important than their own personal interests. Fundraising includes performance of the following activities: resource-planning, analysis of potential sources, strategy development and job classification.

- **Resource planning** represents part of a plan that every organization prepares annually.
- **Analysis of potential sources** is done based on a previously formed database or some evidence of existing and potential donors. Depending on the type of a project, donors' characteristics are analyzed and followed by request for financing.
- **Strategy development** relates to strategy development for each donor separately. Namely, every organization has donors that require specific application sent to them and donors that need to be contacted and introduced to organization's work, mission and its goals. There-

fore, every strategy seems to be guided by its own distinctive features that emphasize different results.

- **Job classification** is essential to efficient fundraising. It is thus important that there is a person, organizations' representative who will keep in constant contact with donors and who will assume the obligations and apply for funding activities of the organization he/she represents. Writing project proposals is the most important step in the NGOs' fundraising process. However, not all persons in organization are able to bring forth profitable projects which would immediately bring the needed funds to the organization, hence it is a must that this part of a job is entrusted to persons who are more experienced regarding these matters. The next step in the process is representing, i.e. promotion of the organization. Raising, ordering and keeping clippings from newspapers that report about an organization's work, photos, and diaries keeping track on missions and everything else that documents organization's activities can be valuable when you need to make an effective presentation of an NGO.

All staff members of an NGO should spend part of their time in fundraising – each catering to different aspects of the process – writing proposals, finding and networking with donors, negotiating and writing reports (Sirinivas, n.d.).

The research conducted by Ledvinova (1997, p. 18) gives out a number of efficient methods in fundraising in NGOs, as well as basic donor groups. This research is demonstrated in the Table 2, where it can be seen that, if a donor is a foundation, the most efficient method in fundraising is writing a project proposal, whereas the inefficient methods include correspondence, telemarketing, membership, and legacy, contributions of employees, advertising brochure, marketing, and contracts. In case that a citizen, associations, a church and other NGOs appear as a donor, the most efficient method is not defined, but as an inefficient methods legacy and contributions of employees are specified. If a donor is an entrepreneur, manufacturer or a trade organization, the most efficient methods are personal contact, legacy, contributions of employees, loans, in-kind support, advertising brochure, marketing and contracts while the inefficient methods are not defined. If a donor is government or state, project proposal and contracts are the most efficient methods whereas correspondence, telemarketing, membership, personal contact, endowment, advertising brochure and marketing are inefficient methods. If donors are individuals, supporters or the public, advertisement, events, telemarketing, membership and legacy are the most efficient whereas project proposal, personal contact, endowment and contracts are inefficient methods.

Table 2. Methods in Fundraising / Basic donor groups

Donors Method	Foundations	Citizens Associations, Church, Other NGOs	Entrepreneur, Manufacturers, Trade Organi- zations	Government, State	Individuals, Supporters, Public
Project Proposal	✓	□	★	✓	○
Advertisement	□	□	★	□	✓
Events	□	★	★	□	✓
Correspondence	○	★	□	○	★
Telemarketing	○	★	★	○	✓
Membership	○	★	★	○	✓
Personal Contact	★	★	✓	○	○
Endowment	★	★	★	○	○
Legacy	○	○	✓	★	✓
Contributions of Employees	○	○	✓	★	□
Loans (money or time)	□	★	✓	★	□
In-kind Support	□	★	✓	★	□
Advertising bro- chure	○	★	✓	○	□
Marketing	○	★	✓	○	□
Contracts	○	★	✓	✓	○

Note. * Symbols in the table represent the following: ✓ - Most efficient
 ★ - Slightly efficient
 □ - Less efficient
 ○ - Inefficient

Source: J. Ledvinova, *Money, money everywhere*, 1997, p. 18.

Holloway (n.d., p. 1) says that the real issue in fundraising by NGOs these days, however, are not techniques and how to acquire them – it is whether your NGO is responsible, trustworthy and accountable in seeking funds from others for the cause it is espousing, and whether it is conscious of its fiduciary responsibility in spending the money raised.

Moore (2005, p. 2) explains that nearly all NGO revenue falls within three broad categories. They include (1) government funding, and (2) private giving, or philanthropy, and (3) self-generated income.

1. **Government funding** includes a broad range of direct and indirect support. Direct funding comes in the form of state subsidies, government grants, and contracting. Exemptions from taxation can be considered a government subsidy.
2. **Private giving** usually comes in the form of cash and in-kind donations from individuals, businesses, and foundations or other grant-making legal entities. The efforts of volunteers may also be considered donations and can be embraced by the concept of philanthropy. Mutz & Murray (2010, p. 80) mention that a volunteer can get directly involved in fund-raising in many different ways, including serving on a development committee; helping you find sponsors for special events or publications; writing, printing, or addressing letters; serving at a special event; meeting donors during a donor visit; or hosting a donor luncheon.
3. **Self-generated income** includes membership dues, fees and charges for services, as well as income from investments.

2.4 Funding by government

Fundraising in the NGO sector is done through funding from government, individuals, businesses, different organizations, groups, and international donors. Government plays an important role both in the functioning and funding of non-governmental organizations. Aiming to achieve an easier and a more centralized cooperation and communication between non-governmental and governmental sector, it is useful to form, i.e. to establish institutions both at the government level and at the level of NGO sector that will improve their work and ultimately result in finding effective solutions for problems they face with through close cooperation. Opinion of Independent Bureau for Humanitarian Issues (1998, p. 16, hereinafter: IBHI) is that in the budgets at all government levels, funds for financing the projects of humanitarian organizations and citizen associations should be determined, and those funds should be proportionally divided to different goals.

In the Table 3, shown below, we can see budget comparison of the governments of Bosnia and Herzegovina (BiH), Federation of Bosnia and Herzegovina (FBiH), The Republica Srpska (RS) and District Brčko of Bosnia and Herzegovina (DB BiH) for 2010 and planned budget

funds for non-governmental sector, obtained by the research of these governments. It is visible that the largest percentage, 1.59% of funds is allocated from the budget of government of DB BiH. Governments of both entities, FBiH and RS, allocated equal percentage of funds from their budgets, 0.3%. The lowest percentage of total budget, 0.14% for the non-governmental sector is allocated from government of BiH.

Table 3. Budget comparison of the BiH governments in 2010

Government Level	Budget for 2010	Funds planned in 2010	Participation of planned budget in total government budget (in %)
Government of BiH	1,365,889,000.00	1,919,000.00	0.14
Government of FBiH	1,747,272,490.00	5,769,278.90	0.33
Government of RS	1,600,000,000.00	5,144,700.00	0.32
Government of DB BiH	203,547,638.30	3,241,900.00	1.59

Source: SIF in BiH and CSPC, *Halfway There: Government Allocations for the Non-governmental Sector in Bosnia and Herzegovina in 2010*, 2011, p. 13.

Table 4. Budget comparison of the BiH governments in 2012

Government Level	Budget for 2012	Funds planned in 2012	Participation of planned budget in total government budget (in %)
Government of BiH	1,394,928,000.00	675,000.00	0.05
Government of FBiH	1,923,744,269.00	8,402,215.75	0.44
Government of RS	1,825,000,000.00	5,085,700.00	0.28
Government of DB BiH	220,238,127.00	10,208,131.64	4.64

Source: SIF in BiH and CSPC, *“Heads or Tails: Government Allocations for the Non-governmental Sector in BiH for 2012”*, 2013, p. 7.

Comparing budgets of the governments of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, Republica Srpska and District Brčko for 2012 and planned budget funds for non-governmental sector obtained in the research on these governments, it can be seen in the Table 4 that the highest percentage is planned in the Government of DB BiH (4.64%). Unlike the

year 2010, when the governments of both entities allocated percentually equal part (0.3%) from their total budget, in 2012 the Government of FBiH allocated percentually 1.6 times more than the Government of RS, that allocated almost the same percentage as in 2010 (0.28%). The smallest part of total budget for 2012 for non-governmental sector allocated the Government of BiH with 0.05%, which is almost 3 times lower than in 2010.

Center for the Promotion of Civil Society (2001, pp. 99–102) defines several forms of public funding which are mostly available to NGOs in almost every country, regardless of the differences in the way the mechanism implementation of public funding works in different countries:

- **Subsidies** as a direct government funding, are mostly provided from governments budgets, which are not related to any specific project or activity, provided for general support for organization.
- **Grants** – are legal funds, such as money, property, service or other valuable things, used by the recipient to achieve a public purpose of providing a support or stimulation authorized by their statute.

In contrast to subsidies, grants do not have to be used for covering general operating costs, but rather for program activities of an NGO that are funded by some government organization.

Aside from financial funds, government can help the work of NGO sector by approving them some incentives, such as: exemption of tax payments, or providing and paying needed materials and services. Namely, the taxes are interesting for the NGO sector in the sense that there is a possibility of transferring a small percentage of this tax to the fund for financing the NGO sector activities. It is very important to note here that the citizen, i.e. the taxpayer can make a decision on the amount, i.e. the percentage of his/her tax liability which is directed to an NGO of his/her choice (IBHI, 1998, pp. 20-21). Moore (2005, p. 3) also shared his perception that governments in several countries have developed innovative approaches to government funding, from the creation of public funds to taxpayer allocation mechanisms.

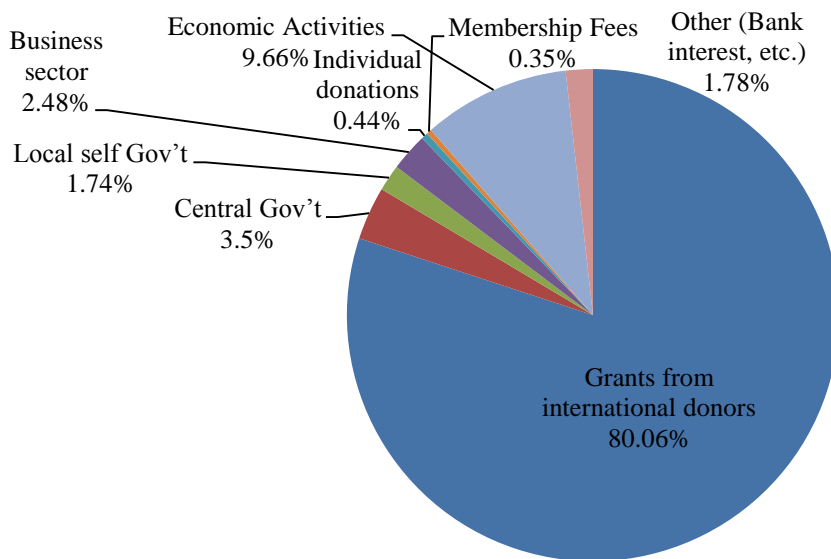
2.5 Non-grant support

According to Perry (2002, p. 17) non-grant support is related to all donations, that NGO sector gathers for efficient performance and implementation of program and operational activities. This kind of support is very useful to NGOs' work, primarily because it enables fundraising

from different sources, i.e. from different donors and therefore encourages engagement with different problems and proposes activities that considerably contribute to improvement of the situation and promote the development of a community in which organizations operate. In addition, the non-grant support also has its own weaknesses that are reflected in the following: it is hard to plan and count on this kind of fund in advance due to gathering from different sources, i.e. donors. Also, it is very hard to predict whether these funds would be available, and if so when and in which amount. Therefore, these drawbacks must not be neglected and they relate to the time needed to gather these funds and the amounts that are received and that are usually insufficient to meet the NGO's needs and implemented activities.

Non-grant support comprises fundraising from individuals, businesses and organizations, associations and groups, which are explained above. Prospective donors will give when they have been convinced of the value and need for their gift, when they are personally asked, and when the solicitation comes from the person they respect, and who can make a strong, credible case for support (Fund-Raising Planning, n.d.).

Figure 4. Sources of funding for CSOs in Macedonia for 2010



Source: Z. Stojkovski, *Local NGO and Local Philanthropy – A natural match or...not quite?*, 2012.

In Figure 4, presented above it can be seen that 80% of the funds in the NGO sector comes from the international development programs. At same time only 0.44% are being raised from donations of individuals and 2.48% from business sector. Local and Central Government funds have been at the level to 5%. It is worth noticing that self-financing activities, membership and economic activities comprise 10%.

The research done by Stojkovski (2012) suggests that for NGOs, both individuals and businesses remain a largely untapped resource. Most of the NGOs have not developed systematic strategies to include community members, business leaders, local institutions, and the local government in their efforts to meet community needs and create a strong and sustainable civil society in the Republic of Macedonia. The fact that less than 10% of donations and sponsorships from local business sector goes to NGOs, shows that NGOs are not recognized as key players in philanthropy field.

2.5.1 Individuals

In spite of the accepted assumption that individuals are just a small link in the chain of great needs, their strength and will to help in the process of fundraising cannot be ignored. Gathering small amounts of funds from a great number of individuals, creates an enormous possibility for activities accomplishment that NGOs implement, as for example fundraising to assist the population affected by natural disasters. According to UMCOR (2005, p. 28) individuals are much more flexible and spontaneous in donating money than businesses, governments, and foundations. The most common motivation of individuals to donate their own hard-earned money is after all their sympathy for the persons that rely on these donations in order to survive. In addition, by promotion/representing their work, activities and achieved results, organizations motivate individuals to become a part of the organization themselves by contributing to funding activities that will not only positively affect the life of the entire community, but also their own quality of life.

Perry (2002, pp. 34-35) explained that regardless of whether you decide upon the direct appeal or the strategies based on activities, the key is to build a relationship between a donor and your NGO, as well as to offer the donors a clear perspective on the benefits that community has from your organizations' operation. Your marketing activities will play a key role. Apart from such a direct way of help to NGO sector, a great contribution, that individuals are still fail to recognize, is paying taxes that government consequently distributes based on the needs and budget, and thereby makes a part of these funds available to NGO sector.

2.5.2 Business

Social and community development, among other things leads to cooperation establishment between NGO sector and business. This way of cooperation is important for both subjects – organization that helps accomplishment of their goal and mission with raised funds and for the companies that make their promotion by appearing as a donor. Mutz & Murray (2010, p. 107)

state that corporations normally give for one or more of the following four reasons: because they think giving is part of being a good corporate citizen; because they want to support and align with the mission of their business; because your organizations' mission resonates with an individual in the company who champions your cause; because companies that are known for giving are considered better places to work by employees.

Perry (2002, pp. 36-37) mentions that businesses can be especially profitable source of direct and as well indirect support to organizations volunteers and NGOs. Targeted businesses can be local entrepreneurs and service providers, as well as bigger regional, national and international companies.

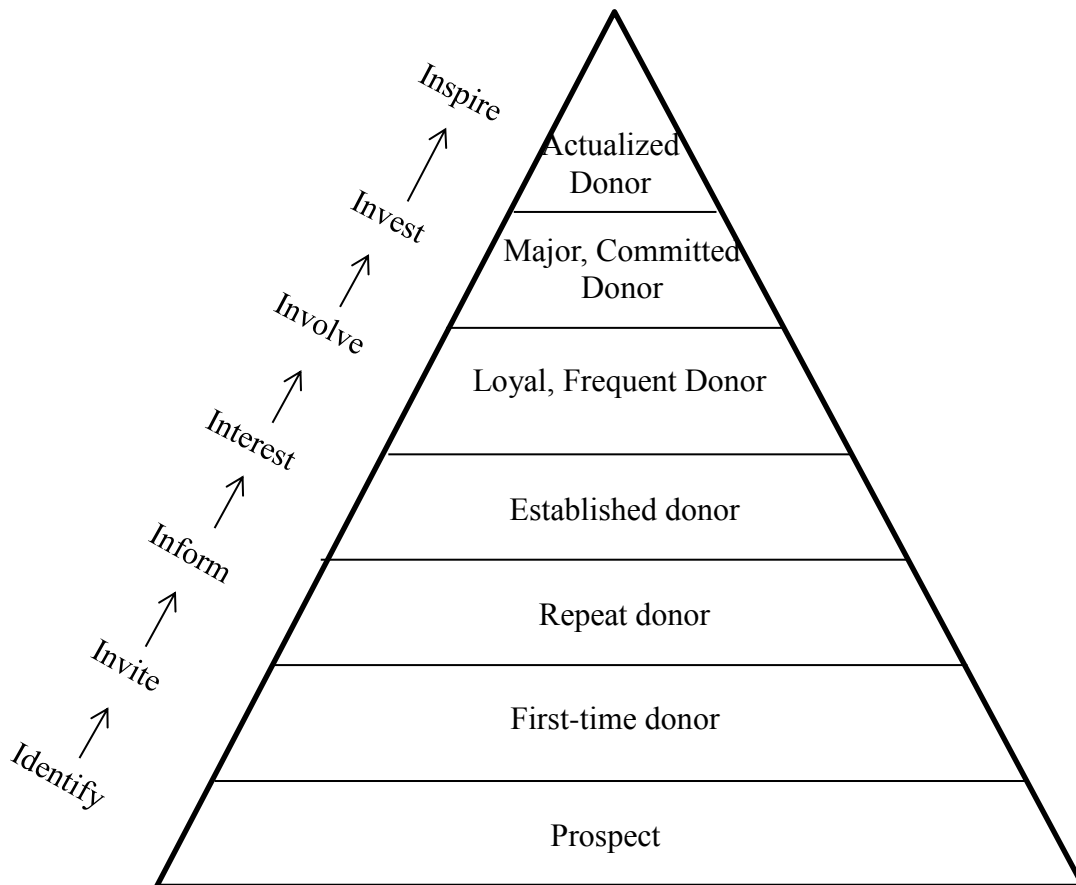
One of the most significant issues affecting the ability of NGOs to generate their own income is the law and regulation governing income from economic activities. In nearly all countries, NGOs are able to engage directly in economic activities, within certain defined limitations. Furthermore, in many countries, income from economic activities is exempt from taxation, albeit to a limited extent, as suggested by Moore (2005, p. 3).

2.5.3 Organizations, associations and groups

There are different motives for mutual help of the organizations. Some of the most important are: organizations share the same interest for improvement of life conditions in community they operate, achievement of better and efficient results if organizations get together in their goal accomplishment, also one of the motives for this kind of cooperation is future mutual cooperation of the organizations, associations and groups, through financial or ethical support.

According to Perry (2002, p. 41) direct appeal, activities and mutual sponsorship of programs and activities are all methods of fundraising that can be applied on organizations. Mutual sponsorship has especially been perceived as having an enormous potential, because joint efforts of a few small groups of civil society can help successful organization of big humanitarian programs. Besides mutual interests, that is mostly the motive for mutual cooperation of the organizations, contact establishment with potential associates or donors, with the help of own or some family friendship is important link when preparing fundraising strategies. Figure 5, presented below represents the fundraising pyramid.

Figure 5. The fundraising pyramid



Source: A. Quinn, *The Fundraising Pyramid and the Donor-life Cycle*, 2013

National Park Service (n.d.) states that fundraising professionals commonly refer to the fundraising pyramid. The pyramid serves as a model which helps us to envision how donors are initially attracted by entry level fundraising strategies at the base of the pyramid and cultivated over time to give larger gifts through successive engagement strategies. The pyramid reflects successive giving opportunities through which a donor is cultivated as their commitment and capacity to assist an organization increases over time. While fewer donors emerge at each successive level from the pool of donors at the previous level in the pyramid, the amount of their gift increases as the donor moves to the next level. There can be exceptions and a donor can surface at any level.

2.6 Ideas for fundraising

Bennett & Savani (2011, p. 122) mention that new ideas for fundraising campaigns can arise from inside or outside an organization and may either be acquired from pre-existing materials or generated through formal or informal procedures.

Bennett & Savani (2011, pp. 125-128) believe that management in search of new fundraising ideas needs to decide where it will look for ideas and whether to concentrate on certain types of sources, e.g., internal or external; resource intensive, such as commissioned external consultants or financially inexpensive, such as informal discussions with stakeholders. A review of academic literature in the idea generation field suggested a number of considerations that might affect this matter, as follows:

- **Organizational Formality** - Whilst a substantial volume of literature has alleged that the level of formality applied to an organization's idea sourcing activities affects the number of new ideas arising within that organization, the direction of the influence is subject to dispute.
- **Open-Mindedness** - Organizational open-mindedness, involves the willingness of organization members to question traditional ways of looking at issues. Firstly, employees will be encouraged to think in fresh ways and this should induce new ideas. Secondly, an open-minded organization is likely to be characterized by extensive information sharing, which in turn facilitates the production of ideas.
- **Risk Aversion** - Managers who are willing to take risks are more likely to generate unconventional ideas than managers who are risk averse.
- **Strategic Intent** - Management's predisposition to outperform comparable organizations, sometimes in situations where the organization's ambitions were out of all proportion to its resources and capabilities, represent strategic intent.
- **Innovative Organizational Culture** - An innovative organizational culture provides shared values that ensure that individual managers continually strive to excel and improve an organization's performance.
- **Environmental Volatility** - Is those that exhibit a combination of radical and frequent change with a significant level of perceived uncertainty.

- **Size and Age of the Charity** - Larger charities are likely to have a greater stock of knowledge and human capital that can be applied to the sourcing of ideas. A large charity may possess more and better-qualified fundraising staff, plus a general business management infrastructure that facilitates idea generation. Charities that have been in existence for long periods may have had greater opportunity to acquire knowledge, personnel and infrastructure than younger organizations.
- **Backgrounds of Managers** - A priori, it might be anticipated that a charity with fundraising managers who possess business qualifications and/or have been trained in analytical marketing techniques will apply more formal and extensive approaches to the search for fresh fundraising ideas than will a charity that does not employ fundraising managers with such backgrounds.
- **Idea Sourcing and Satisfaction with the Ideas Obtained** - There could exist connections between the extent and nature of idea sourcing and charity managers' levels of satisfaction with the fundraising ideas that their systems generated.

Table 5. Catalysts for charitable giving: response rates and average contributions

Catalyst for giving	Response rate (%)	Average contribution (\$1990)
Own decision	35.84 (47.96)	679.30 (1,585.51)
Asked by someone	12.92 (33.55)	434.96 (1,170.63)
Direct-mail solicitation	2.64 (16.05)	302.47 (466.55)
Media ad	1.39 (11.73)	104.16 (227.69)
Telephone solicitation	1.77 (13.18)	518.94 (547.85)
Other	45.81 (49.84)	539.90 (1,295.74)

Note. *Sample weighted means are reported. Standard deviations are given in parentheses. The first column reports the percentage of donors who decided to give by themselves or donate as a response to a certain fundraising method. The second column reports the mean amount of monetary contributions in 1990 dollars as a response to listed catalysts for charitable giving.

Source: B.K.Yörük, *Do Charitable Solicitations Matter? A Comparative Analysis of Fundraising Methods*, 2012, p. 472.

In Table 5, Yörük (2012, p. 472) seems to suggest that donors that make their own decision to give, donate considerably more than those who contribute to charity by responding to a charitable solicitation. Surprisingly, although the response rate to telephone solicitations is low, this type of charitable solicitation generates the highest donation amount among the different fundraising methods. On the other hand, media ads generate the lowest average contribution amount.

Table 6. Tests of equality of the effect of alternative fundraising methods on giving

	Own decision	Asked by someone	Direct-mail solicitation	Media ad	Telephone solicitation
Asked by someone	8.12 (0.004)	-	-	-	-
Direct-mail solicitation	19.45 (0.000)	1.82 (0.177)	-	-	-
Media ad	82.81 (0.000)	17.26 (0.000)	6.25 (0.012)	-	-
Telephone solicitation	0.19 (0.664)	0.05 (0.822)	0.34 (0.561)	1.27 (0.259)	-
Other	1.30 (0.254)	0.64 (0.425)	3.27 (0.071)	13.63 (0.000)	0.00 (0.956)

Note. * Two-sided chi-squared test statistics with one degree of freedom are reported. P-values are given in parentheses. The null hypothesis is that the mean contribution amount of those who reported donating as a response to a particular fundraising method is the same as the mean contribution amount of those who reported donating as a response to another fundraising method.

Source: B.K. Yörük, *Do Charitable Solicitations Matter? A Comparative Analysis of Fundraising Methods*, 2012, p. 474.

While results Yörük (2012, p. 475) reported in Table 6 imply that the mean contribution amount of self-deciders is significantly different from the mean contribution of those who report that being asked by someone, receiving a letter or seeing a media ad is the main catalyst for their charitable contribution. Similarly, the mean contribution amount of those who donate as a response to a media campaign is significantly different from that of people who contribute money as a response to a personal solicitation or a fundraising letter.

In Table 7, Bennett & Savani (2011, p. 122) list the main possible internally and externally focused sources of ideas identified by academic and practitioner literature in the area.

Table 7. Possible Sources

A. Internal	<ul style="list-style-type: none"> a) Informal discussions with supporters b) Informal discussions with employees and/or volunteers c) Analysis of complaints received d) Focus groups with supporters e) Focus groups with stakeholders such as government agencies, major corporate donors, trustees, etc. f) Organized team-based brainstorming sessions g) Individual brainstorming, without using a brainstorming computer software package h) Individual brainstorming using a software package i) Organized creativity sessions using techniques other than brainstorming (e.g., lateral thinking, SWOT analysis, an idea generation template obtained from outside the organization, environmental scanning or similar techniques) j) Senior managers' insights k) Accidental discovery and/or by-products of existing activities
B. External	<ul style="list-style-type: none"> l) Informal discussions with people in other charities m) Analysis of the activities of other charities n) Attendance at exhibitions, conferences or conventions o) Perusal of professional magazines (e.g., Professional Fundraising Magazine) and other publications p) Information from a professional body or trade association (e.g., the Institute of Fundraising) q) Foreign partners r) Other foreign sources, e.g., foreign visits, foreign literature s) Internet pages dedicated to ideas for charity fundraising t) Internet pages dedicated to idea creation for general business purposes. u) Internet information exchange forums (e.g., fundraising chat forums; Facebook's 'Ideas on Fundraising' forums). v) Books devoted to fundraising. w) Advertising agencies x) Ideas consultants y) Charity fundraising consultants z) Marketing or general business consultants aa) Market research firms bb) Suppliers of charity promotional merchandise

Source: R. Bennett & S. Savani, *Sources of New Ideas for Charity Fundraising: An Empirical Study*, 2011, p.

Table 8. Degree of importance of alternative fundraising methods to respondents

	No. of obs.	Not at all Important = 1	Not too important = 2	Somewhat important = 3	Very important = 4
Letter	9,015	31.95 (46.63)	37.83 (48.50)	24.80 (43.19)	5.43 (22.66)
Phone call	9,003	40.02 (49.00)	35.15 (47.75)	21.48 (41.07)	3.35 (17.98)
Asked by someone (coming to the door)	9,004	28.92 (45.34)	32.27 (46.75)	32.74 (46.93)	6.06 (23.86)
Asked at work	8,131	26.64 (44.21)	28.81 (45.29)	37.60 (48.44)	6.95 (25.44)
Asked by a close as- sociate	9,017	8.96 (28.56)	13.58 (34.26)	49.77 (50.00)	27.69 (44.75)
TV commercial	8,999	41.46 (49.27)	38.56 (48.68)	16.95 (37.52)	3.03 (17.15)
Newspaper or maga- zine ad	9,006	39.65 (48.92)	40.27 (49.05)	17.88 (38.32)	2.20 (14.67)
Heard a news story	8,993	22.56 (41.80)	29.01 (45.38)	40.80 (49.15)	7.62 (26.54)
Telethon or radiothon	8,981	33.56 (47.22)	35.37 (47.82)	25.03 (43.32)	6.03 (23.81)
Asked by clergy	8,989	18.71 (39.00)	20.99 (40.73)	41.07 (49.20)	19.22 (39.41)
Asked by a celebrity	1,478	53.80 (49.87)	33.14 (47.09)	11.55 (31.97)	1.52 (12.22)
Solicited over the internet	2,054	75.78 (42.85)	16.81 (37.41)	6.67 (24.96)	0.74 (8.55)
Previously volun- teered at the organisa- tion	2,175	21.34 (40.98)	13.27 (33.93)	38.87 (48.76)	26.52 (44.15)

Note. *Sample weighted means are reported. Standard deviations are given in parentheses.

Source: B.K. Yörük, *Do Charitable Solicitations Matter? A Comparative Analysis of Fundraising Methods*, 2012, p. 473.

Table 8 represents the degree of importance of alternative fundraising methods to respondents for contributing money to charitable organizations. Raw numbers reveal that those who decide to give by themselves tend to donate more than those who respond to a charitable solicitation,

and that the effect of fundraising on charitable giving differs considerably across alternative fundraising methods (Yörük, 2012, p. 474).

Yörük (2012, p. 486) believes that the effectiveness of fundraising considerably differs across alternative fundraising methods and that several observable characteristics of individuals can be used to identify their responsiveness to a certain fundraising method.

There are many ideas for fundraising in non-governmental and non-profit sector that can be defined. Some of those ideas that are mostly used for fundraising, such as sponsorship, techniques of direct approach, campaigns through the post, email or telephone, advertising, encouraging membership and supply for charity contribution will be discussed more thoroughly in the course of the paper.

2.6.1 Sponsorship

Perry (2002, p. 43) defines sponsor as an individual, business or an organization that gives support to activities, programs or an NGO. They can support whole program/project or give financial support that refers to specific activity of a program/project that is perhaps in line with donors' goals and mission. It is, therefore, necessary to closely look into some of the crucial aspects of sponsorship:

- Possibilities sponsors have; by letting them understand what is in for them;
- Possibilities and benefits sponsors have in accordance to donated amount determine in which way the sponsor's name and logo would be used, e.g. on the event invitations, promotional materials or during an event some donors are allowed to talk and advertise on time by submitting a request in advance to a potential sponsor, leaving them enough time for decision.

Some kind of gratitude or recognition is what sponsors usually expect from this support, for instance using their name in the promotional material or during the activities implementation. That is mostly related to those sponsors who represent some business or organization, while individual sponsors mostly want to remain anonymous.

2.6.2 Techniques of direct approach

Personal contact with donors is used as a technique of direct approach. According to UMCOR (2005, p. 46) one of the most effective fundraising techniques is meeting and speaking with potential donors in person. Through the employment of this technique organizations are given an opportunity to explain their aims and specify the ways in which they can help the community. Furthermore, it builds the connections that the organization needs in order to be sustainable. However, thorough preparation for such meetings is necessary, as the business people and community leaders that you need to influence are usually busy and therefore expect to be treated and addressed highly professionally.

UMCOR (2005, p. 46) defines several activities that should be carried out before the first contact with a potential donor. First, a research on the members of your community that are considered to be able to contribute to your campaign is conducted. Popular persons in your community are always a good start, but there may be others who can help yet are not so well known. After getting in contact with a potential donor by sending a letter or making a telephone call, you will need to decide what approach you want to use and to plan your presentation. If you are meeting the donor for the first time, it is appropriate to simply to present him to your organization's goals in order to pave the way to the development of a relationship and to gauge the donor's initial attitude. First impressions are vital, so it is important to be well dressed, punctual and friendly. In follow-up visits, you can do more to sell your organization and to make your request for support. You will need to tailor your appeal to the donor's interests and to what they can provide in terms of financial help. Visual aids such as leaflets and reports on your organization are very useful in this respect. You should be able to tell them how their support has helped in the past in terms of specific results, and always outline how your projects benefit your community before asking for donations. Be sure to record the details of your contacts in your database, and follow-up any support with a thank you note.

Not-for-profit organizations often conduct an activity that combines a program purpose and a fundraising purpose. An example of this type is a door-to-door campaign to educate the public on its mission and solicit contributions. (Wilson, Hay & Kattelus, 1999, p. 596)

2.6.3 Campaigns through the post, e-mail or telephone

In campaigns through the post, email or telephone, first thing that should be done is the implementation of the procedures of choosing a potential donor, and also deciding in which way you should contact with chosen donor, as it is done in personal contact. Using the **telephone** to elicit support means that you can convey your message to many potential donors in a short

period of time and with little investment in materials or events. According to UMCOR (2005, p. 46) **direct mailing** and, increasingly, email or mobile phone SMS appeals are also used as a fundraising tool. It should be kept in mind that first time direct mail campaigns, or so called „cold mailing“, can be expensive yet with a minimal response. Direct mailing is better at building up a long-term support base than generating short-term income. It may take two or three years, several rounds of mailings, and a great deal of commitment in terms of time and resources until you get a return on your money.

The message contained in your email or a letter is best if it appeals in a personal way to each individual as well as if it immediately catches reader's attention. Your overall goal with direct mail should be to draw donors closer towards the heart of your organization with the end goal of continually upgrading them in their giving patterns until they reach the level of major givers, when possible. **E-mail** is rapidly taking the place of many direct mail communication tools because it's less expensive, more flexible, and can be used to target specific audiences. (Mutz & Murray, 2010, pp. 188-344)

2.6.4 Advertising

UMCOR (2005, p. 48) states that using advertising such as billboards and leaflets and the press (newspaper, magazines) is an excellent method to raise awareness of your cause, although it can be difficult to quantify the exact benefit of such advertising. Advertising can be used for an extremely wide range of purposes, such as soliciting donations, encouraging new membership or volunteer support, or simply informing the public about your work. Whatever you advertise, it should be regarded as an awareness raising activity to reach a wider audience for a core fundraising strategy.

Advantage of advertising through **newspaper and magazines** is reflected in that you know precisely to which target group you address and in which way, whereas the disadvantage may be that this kind of advertising is expensive and the space for your organization's message is limited. In comparison to advertising in newspaper and magazines, **leaflets** are much more efficient. This kind of advertising is cheaper, because the preparation, design and printing of the leaflet can be done in the organization. Another advantage refers to the support of organization's volunteers, who can distribute these leaflets at different places, such as the main streets in the city/town, shopping centers, bars, public events, which can significantly reduce costs of engaging people outside the organization for this activity. **Posters** are also, one of the useful ways of advertising. Due to their size, production and presentation costs of posters are higher. They are usually posted at billboards, if they are in a bigger format, and if they are in a smaller format, they can be posted for example, in banks, bars, shop windows etc. Since with

the posters we strive to make awareness and emphasize importance of population impact on some specific activity, its visibility is also significant. Advantages and disadvantages of advertising methods presented above are defined by UMCOR (2005, p. 48).

2.6.5 Encouraging membership

Membership is one of the most effective ways of fundraising on a long-term basis. Namely, the primary goal is not that persons or organizations give the money. It is rather that through membership they become a part of the organization and in that way contribute to organization's work and importance. The money raised from membership fees is not as important as the benefits that the commitment and involvement of your members brings. Your members are your primary base of support in the community and are usually the first people you will call upon to provide the voluntary work force for your fundraising campaign. As UMCOR (2005, p. 43) suggests, they also give you publicity and influence within your community. It is important to list and describe the approaches used by a specific organization to attract new and to remind the existing members to renew their membership.

2.6.6 Supply for charity contribution

There are many different techniques of raising charity contribution and some of them include raising funds from house to house, public fundraising and setting permanent collection boxes. Among these, setting collection boxes for fundraising seem to be the most commonly and widely used way to gather contributions. Prior to the actual employment of this fundraising method, it is necessary to take the following steps, mentioned by UMCOR (2005, pp. 50-51):

- **Choosing a venue and time** – there are many places to target for public or street collection – local supermarkets, shopping centers, local sports centers, the main streets in the city/town. The more people around, the more money you are likely to collect. Think about the best periods of the year to collect – pre-holiday periods, days before the international day devoted to the cause you are raising funds for and select the times of the day when there will be the most people around.
- **Getting permission** – this depends where you want to hold the collection. If you want to hold the collection in a public area in Bosnia and Herzegovina you will need a written license from the local authorities (the Municipality and local police). If you want to hold the collection in a privately owned space (shopping center, supermarket, etc.) you need the permission of the management/owner.

- **Proper accounting system** – organize how the cash will be received and accounted for, and bank all the proceeds immediately.
- **Organizing collectors** – the more people you have collecting, the more money you are likely to collect. Brief your collectors well about the cause of the fundraising and your organization make them visible so that they are eye-catching (T-shirts, caps) making it clear who and what they are collecting for. Enthusiastic volunteers willing to stand in the street/public space and ask passersby to contribute are crucial for your collecting success.
- **Equipment and material** – identify the most suitable collecting vessels (buckets, tins, boxes). Prepare written material/leaflets about your organization that the collectors can hand out. Consider having token gifts ready to give in return for the donation such as branded pens, note-pads or T-shirts.
- **When the collection is completed** – gather the collection vessels from the collectors, open them and count in presence of a responsible or independent person/body for the sake of accountability. Bank all procedures immediately upon receipt, thank all your donors, thank your volunteers and do a follow up session to find out what went well and what was not so effective, in order to plan better next time by keeping a record of locations that did best.

In her book, Perry (2002, p. 48) highlights some advantages and disadvantages of this fundraising method. She believes that the main advantage of this method is that it provides funds by engaging the organization. However, the disadvantages of this approach are that the funds collected in this way are usually small, and the success of this method depends on the number of competitors boxes placed within the community.

3 FUNDRAISING STRATEGY – THE CASE STUDY

3.1 Basic information about the Red Cross Society of BiH and its way of working

According to the Statute, the Red Cross Society of Bosnia and Herzegovina (2006, p. 1, hereinafter: RCSBiH) founded in December 15, 2000 is a powerful symbol of reconciliation, which clearly shows that civil society in Bosnia and Herzegovina actively strives to provide establishment of lasting peace. The RCSBiH was recognized on May 18th, 2001 by the International Committee of the Red Cross (hereinafter: ICRC) and admitted as the 177th member of

the International Federation of Red Cross and Red Crescent Societies (hereinafter: IFRC) on November 7th, 2001. With its network of local organizations and volunteers, the RCSBiH is the largest humanitarian organization in the country. It provides a humanitarian help to vulnerable people through health programs and home care programs and plays an important role in community development by promoting humanitarian values among people of Bosnia and Herzegovina.

Parliament Assembly of Bosnia and Herzegovina at the session of the House of Representatives held on October 12, 2004, and the House of Peoples, held on October 21, 2004, adopted The Law on the Red Cross of Bosnia and Herzegovina (Official Gazette of BiH, no. 49/04):

Article 1: With this Law, the Red Cross Society of BiH (hereinafter: the Society) is established as a national organization of the Red Cross of Bosnia and Herzegovina. The law regulates the Society's legal status, structure, jurisdiction and right to perform the public authorization, financing, supervision over the legality of work and other issues relevant to its operations.

Article 2: The Society is a voluntary humanitarian organization of citizens of Bosnia and Herzegovina, recognized and regulated on the basis of the Geneva Conventions (the British Red Cross, n.d., p. 8) (I - IV) of August 12, 1949 and its Additional Protocols I and II of July 10, 1977 (hereinafter referred to as the Geneva Convention) to achieve specific humanitarian goals, tasks and public authorization in health, social protection, training, Tracing services and providing assistance to medical services of the armed forces in times of armed conflicts, in peace and in time of natural and other disasters, emergencies, in accordance with the principles of humanity, impartiality, neutrality, independence, voluntary service, unity and universality.

Article 4: The Society is a legal entity and it is the only organization of the RCSBiH operating on the territory of Bosnia and Herzegovina, and it comprises the Red Cross of Federation of BiH and Red Cross of Republica Srpska and their organizations. The Society was recognized by the ICRC on May 8, 2001. Operations and the way of working of the entity organizations of the Red Cross are regulated by the entity laws and Statutes of entity organizations.

Table 9. Activities of the Red Cross Society of BiH

Activities of the Red Cross Society of BiH	<ol style="list-style-type: none"> 1. Representing BiH in international associations of the Red Cross and in front of other national organizations; 2. Complying with the international obligations BiH has taken; 3. Activity coordination of the structures of Red Cross in BiH; 4. Organization of Tracing service; 5. Managing the property and assets of the Society and Protecting the symbol and the name of the Society; 6. Participation in organizing and providing social help and health protection of citizens in case of natural disasters, epidemics and other major accidents; 7. Working at health as well as social protection and health education of population and participation in organizing different forms of mutual aid to citizens in the spirit of humanity and solidarity; 8. Participation in organizing help to the victims of natural disasters and armed conflicts and allocation of aid received from national and international societies; 9. Organization of fundraising in BiH and sending abroad the aid that the authorities, companies and other donors provide to mitigate the consequences of natural disasters, epidemics and armed conflicts; 10. Cooperation with health service, the medical departments of the armed forces and civil defence to the injured and sick in an armed conflict, natural and other disasters; 11. Participation in providing accommodation for evacuated population, refugees and displaced persons and the implementation of measures that can contribute to care of the injured and the affected population in case of natural and other disasters; 12. Participation in the training of population in providing the first medical aid; 13. Training candidates and organizing exams in first aid for drivers of motor vehicles within their driver's license test; 14. Organizing voluntary blood donation and encouraging citizens to involve in activities; 15. Performing tasks prescribed by the provisions of the Geneva Conventions and other international responsibilities ratified by BiH in the field; 16. Performing tasks relating to dissemination of the international humanitarian law and the basic principles of the International Red Cross and Red Crescent Societies, and other tasks associated with the official records of the International Red Cross and Red Crescent Societies; 17. Performing other tasks as determined by the law, as well as activities related to the traditional activities of the Red Cross.
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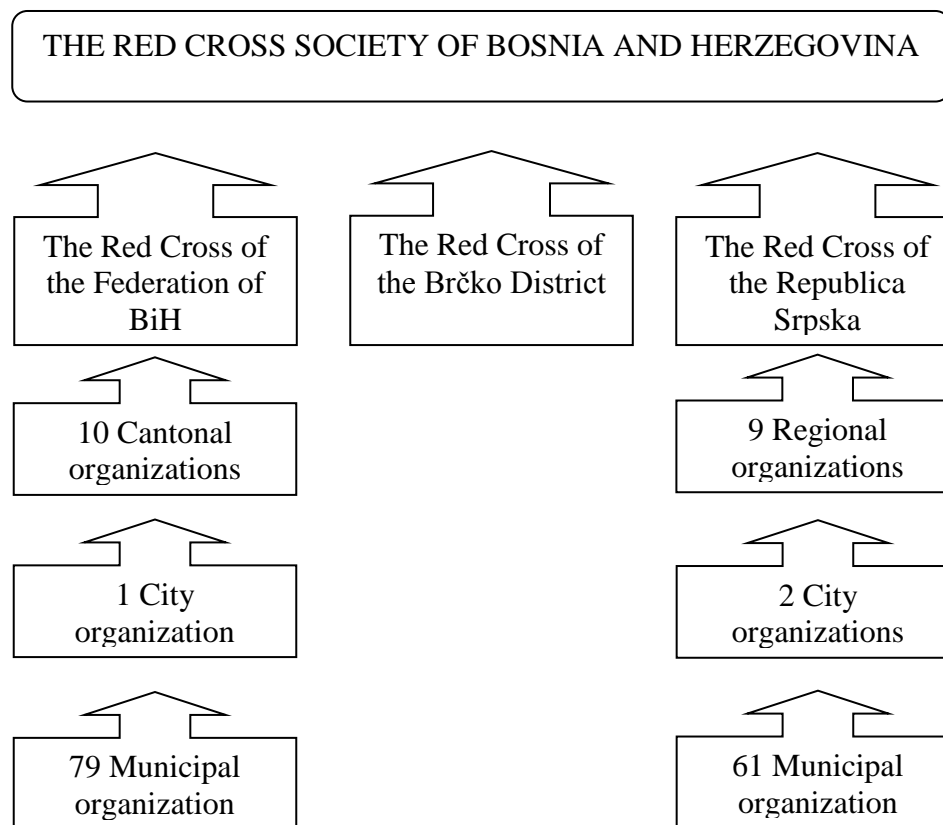
Source: Law on the Red Cross of Bosnia and Herzegovina, Official Gazette of the BiH no. 49/04, p. 512.

Article 5: The Society's symbol is a red cross of five equal squares on a white background in accordance with Geneva Conventions (ICRC, 2010) and it's the only legal symbol in Bosnia and Herzegovina. The Society is authorized to use the symbol, i.e. the emblem for all purposes prescribed by the International Conventions of the Red Cross and Red Crescent, in accordance with Geneva Conventions, current laws and Regulations on use of the Red Cross or the Red Crescent symbols by the National Societies.

Article 7: Public authorization of the activities is given to the Society and is achieved through organization structures of entities by issuing certificates and other official documents.

In Figure 6, organizational structure of the Red Cross Society of BiH organizations is presented.

Figure 6. Organizational structure of the RCSBiH



Source: Red Cross Society of Bosnia and Herzegovina, *RCSBiH Strategy 2015, 2012*, p.11.

Article 8: The Society cooperates with the ICRC, the IFRC, National Societies of the Red Cross, Red Crescent and other similar national and international humanitarian, social and health organizations in the implementation of public authorities specified by this Law. Bodies of the Society are the Assembly, the Presidency and the Supervisory Board.

3.1.1 Mission and Vision of the Red Cross Society of Bosnia and Herzegovina

The European Foundation Center (n.d., p. 1) states that before you start looking for funds, you should first clearly define the organizations' profile and develop a long-term organizational strategy. Your projects should then be designed in line with your organization's strategy and expertise. Knowing what your organization's aims are puts you in a strong position and helps establish your credibility with the funders.

Mission and vision of the Red Cross Society of Bosnia and Herzegovina is defined by the Strategy 2015 (2012, pp. 12-16).

Mission

Following the fundamental principles of the International Movement, the Red Cross Society of Bosnia and Herzegovina strives to protect and improve the quality of life of people in need, works on raising awareness of humanitarian work, protects human dignity and values, develops its own resources, and establishes partnership relations with other national societies of the Red Cross and the Red Crescent, their bodies and institutions.

Vision

The Red Cross Society is a well-functioning National Society with recognized and accepted programs and the public authority which ensure its leading role in the promotion of solidarity, health protection, raising awareness on the issues of health and environment, promotion of voluntarism, mutual assistance, and social security of all citizens of BiH.

Ensuring that donors who will be asked for donations understand the organizations' mission and vision is essential to successful fundraising strategy.

3.1.2 Analysis of the Red Cross Society of Bosnia and Herzegovina financial situation

In the Article 7, on the Decision of the Standing of Red Cross Society of BiH (Official Gazette of the BiH no. 24/00, p. 519) is stated that the RCSBiH obtains the acquired resources from:

- the budget of BiH,
- fees from the entities' Red Cross organizations,
- contributions and donations from domestic and foreign legal and natural persons,
- its own services and other activities and
- income and assets of the RCSBiH and other sources in accordance with the law and other regulations.

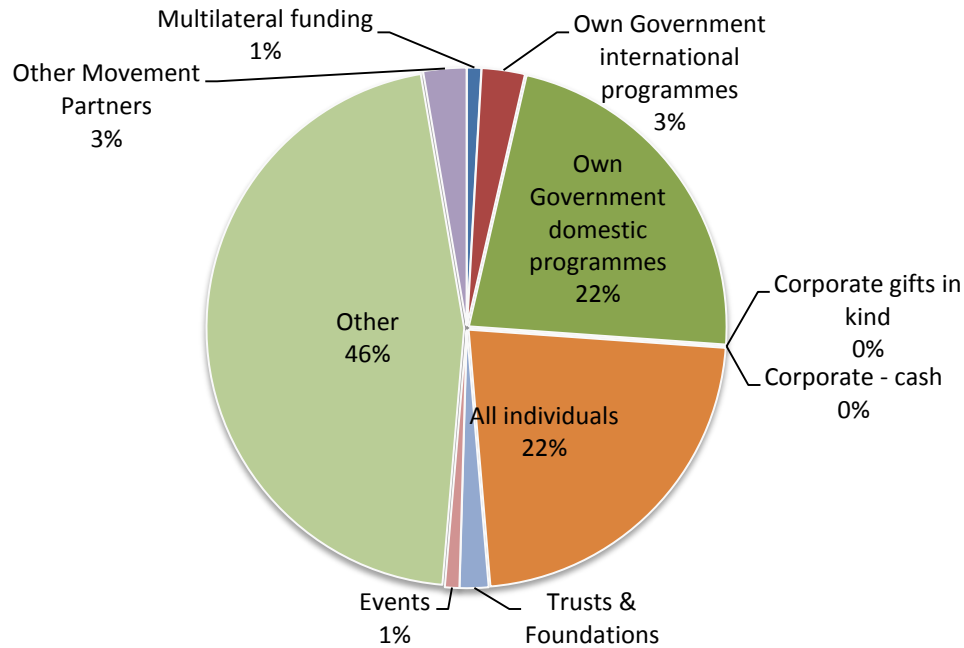
Although the methods of funding and fundraising are well defined in the Society's Law, the reality is slightly different. The Red Cross Society of Bosnia and Herzegovina, like many other national societies worldwide is experiencing financial problems due to various factors such as the decline in international donor funding and lack of its own tangible income generating activities.

International Federation of the Red Cross and Red Crescent Societies (2011, p. 14) in Figure 7 presents the review that suggests that growth will come from the following three broad income portfolios:

- 1) private,
- 2) governmental and multilateral institutions, and
- 3) other income sources

The review of the resource mobilization trends, research, benchmarking, and competitor assessments included an internal performance analysis of the 20 of the largest National Societies. Using this analysis, the consolidated non-emergency income levels and growth rates across the income streams in these National Societies are shown.

Figure 7. Key income stream opportunities



Source: International Federation of Red Cross and Red Crescent Societies, *Federation-Wide Resource Mobilization Strategy*, 2011, p. 14.

Namely, the Society obtains a very small amount of funds from the budget of the BiH Government intended for performing activities of the two of the following programs: Tracing Service and International Cooperation. All other funds necessary to the Red Cross Society's daily operations are collected through providing first aid training for candidates and motor vehicle drivers within the driver's license test or through periodical donations of domestic and foreign legal persons and individuals.

Finalization of many different projects, primarily financed by the ICRC, IFRC, other National Societies, and International organizations in the country and abroad, embassies, as well as other smaller donors is a very important element of fundraising. Although the way of work and concept of fundraising in the RCSBiH is well developed, they are coping with numerous problems and the lack of funds necessary to conduct their activities.

As the Red Cross Society of BiH is involved in various humanitarian projects and activities aimed to enhance the quality of life of the vulnerable social categories or communities throughout the country, it is evident that the Society should start sourcing funds within the country and abroad as well. Since the RCSBiH has never had a clearly defined fundraising

strategy, the first thing that will be done in this paper is the analysis of the RCSBiHs' strengths, weaknesses, opportunities and threats (SWOT).

Table 10. SWOT Analysis of RCSBiH in terms of fundraising

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • RCSBiH has well-coordinated and viable projects in community that can easily be sold to the donors. • RCSBiH enjoys support in the community. • It has grassroots representation that makes it visible to donors. • RCSBiH is well represented in most parts of the country with 165 offices that can enable it to raise funds. • RCSBiH is the only humanitarian organization working on the entire territory of Bosnia and Herzegovina. • RCSBiH has the capacity to respond to emergencies within 24 hours. 	<ul style="list-style-type: none"> • The national society depends mostly on donor funding. • Lack of viable business activities that can generate funds for the national society. • Absence of a Fundraising Strategy and Policy. • Lack of capacity building activities for staff and volunteers involved in resource mobilization activities. • Lack of a well-developed and functioning Resource Mobilisation Committee. • Lack of well-planned annual fundraising events. • Lack of funding for resource mobilization activities. • The public has little information on RCSBiH and its activities.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • RCSBiH was created by an Act of Parliament and has auxiliary status to the government. • RCSBiH has the support of the IFRC, ICRC and other National Societies. • The Red Cross movement enjoys support and respect globally as trusted and transparent humanitarian organization. 	<ul style="list-style-type: none"> • The drop in international funding for organizations. • The global financial crisis will make it impossible for donors to continue giving to charities. • Stiff competition among donor dependent organizations for funding from a few existing local donors. • RCSBiH is perceived as having projects that are well financed.

Source: adapted from Red Cross Society of Bosnia and Herzegovina, *RCSBiH Startegy 2015*, 2012; Namibia Red Cross Society, *Resource mobilization strategy 2010-2015*, 2010.

This SWOT analysis, presented in the Table 10, will be beneficial in representing the best methods for fundraising in the RCSBiH and to which specific aspects their work special attention should be paid.

3.2 Research Questions

The following questions were raised with the purpose of defining the more specific aims of the research:

1. What are the most common methods used by the organizations of the Red Cross Society of BiH to finance their work?
2. What are the main fundraising methods used in the Red Cross Society of BiH?
3. What types of donors mostly finance the activities of the Red Cross Society of BiH?
4. Do the development of the Internet portals and social networks have impact on the fundraising activities of the Red Cross Society of BiH?

These research questions have served as a basis for the survey conducted among the employees of the Red Cross Society of Bosnia and Herzegovina organizations (hereinafter: Red Cross organizations) regarding the issue of fundraising and financing their activities.

3.3 Methodology

As far as data types are concerned, the research data are either primary or secondary, depending on the source of information. Both types of research data are valuable to the market research or any other type of study (Neel, n.d.). Secondary data are gathered beforehand for the purpose, which does not directly concern one's research, whereas primary data are gathered in order to meet the demands of a concrete research problem and purpose. In order to conduct a research, we can use one or both data sources, taking into account the cost efficiency and time saving of already gathered secondary data. However, secondary data are not always sufficient and are often obsolete, incomplete, and unreliable. Therefore, it is best for a researcher to gather his/her own primary data. For the purpose of obtaining relevant and credible results of the target research, primary data will be used in this paper.

Explorative research is the preliminary phase of every research where the researcher gets acquainted with the problem and sets up suitable research methods, target group and sample size. This stage of a research also shapes the researcher's ideas and helps form research questions,

which can potentially be answered in the following stages of the research process. The mentioned research phase is followed by conclusive research, which is considered to be the ultimate phase in every research. This research can be descriptive, looking for correlation between cause and consequence, or casual. The research included in this paper will be of an exploratory type.

3.3.1 Survey description

In order to support the claims made in the research questions and to pave the way to further recommendations and actions for improvement, quantitative research was conducted. The quantitative research was designed in such a way so as to thoroughly cover the issues regarding the way of financing and fundraising in the Red Cross organizations. Following the model of four set research questions, the survey is divided into four sections where each section seeks to obtain different information. The first section concerns the ways of financing the work of the Red Cross Society. The second section deals with the fundraising methods, i.e. methods that are mostly used by the Red Cross organizations for raising funds for their activities. The next section deals with the issue of donors – what kind of donors mostly finance the work of the Red Cross Society. The fourth and the last section is about collecting data on the impact of the Internet, especially web portals and social networks on the fundraising activities in the Red Cross.

3.3.2 Surveying process

To conduct this survey the online surveying site called docs.google was used, from which the questions divided into the previously mentioned four sections were uploaded. The participants of the survey were persons engaged in the local organizations of the Red Cross Society of Bosnia and Herzegovina. The questionnaire was sent to 105 organizations in the form of an e-mail and the response rate recorded amounted to 31%. The survey instrument used consists of a cover letter that defined the purpose of the survey and a questionnaire. The questionnaire used consists of variables using a five-point Likert scale (Likert, 1932) (1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree) and closed questions. Analysis of the gathered results from the survey was done using statistical program called SPSS.

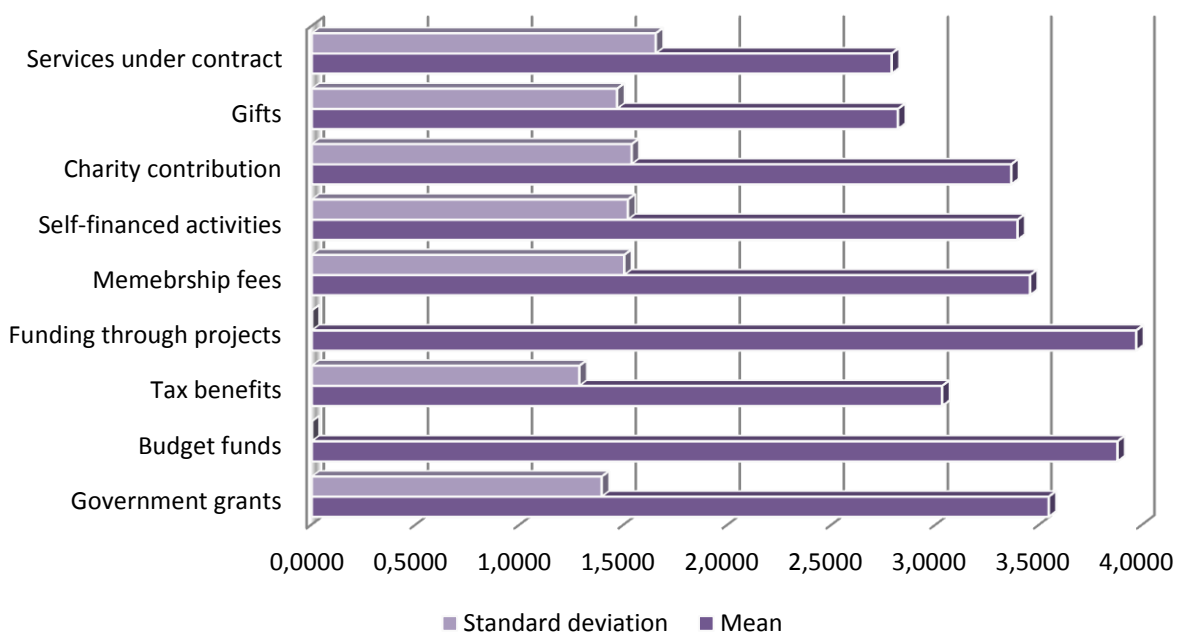
3.4 Results

This chapter will outline the findings of the survey divided into four sections used in it. It will chart out answers to the questions in each section and thus pave the way for further statistical analysis.

RQ1. What are the most common ways organizations of the Red Cross Society of BiH use to finance their work?

The survey presented the participants with 9 statements and their task was to assess their level of agreement with these statements according to their perceptions on a scale from 1 to 5, number 1 indicating the lowest level of agreement (“disagree strongly”) and number 5 implying the highest level of agreement (“agree strongly”).

Figure 8. The most common ways organizations of the RCSBiH use to finance their work



The average value of 3.54 indicates the respondents' level of agreement with the statement that the Red Cross organizations use government grants as a way of funding their work. 27.3% agree strongly, 39.4% agree, 9.1% neither agree nor disagree, 9.1% disagree and 15.2% strongly disagree (see Figure 8).

The statement “We conduct our activities using budget funds” is measured with the average value of 3.87, where 18.2% strongly agree, 60.6% agree, 12.1% neither agree nor disagree and 9.1% disagree, while no one strongly disagrees (see Figure 8).

The average value of 3.03 indicates the respondents’ level of agreement with the statement that the Red Cross organizations use tax benefits/exemptions from taxation, where 9.1% strongly agree, 36.4% agree, 21.2% neither agree nor disagree, 15.2% disagree and 18.2% strongly disagree (see Figure 8).

For the statement, “We are finance our work through the projects” average value is 3.96, where 36.4% respondents answered that they strongly agree, 30.3% agree, 27.3% neither agree nor disagree and 6.1% disagree with this statement (see Figure 8).

3.45 is the average value of respondents’ agreement with the statement that the Red Cross organizations use membership fees as a way of financing their work. 33.3% strongly agree with this statement, 24.2% agree, 15.2% neither agree nor disagree, 9.1% disagree and 18.2% strongly disagree (see Figure 8).

The average value of the statement that the Red Cross organizations provide self-financed activities is 3.39, where 33.3% strongly agree, 21.2% agree, 15.2% neither agree nor disagree, 12.1% disagree and 18.2% strongly disagree with this statement (see Figure 8).

Collecting charity contributions to finance the work of the Red Cross organizations is the statement, where the average value of 3.36 indicates respondents’ level of agreement with this statement. 30.3% agree strongly with this statement, 27.3% agree, 12.1% neither agree nor disagree, 9.1% disagree and 21.2% strongly disagree (see Figure 8).

The statement “We collect gifts to finance our work” is measured with the average value of 2.81, where 15.2% strongly agree, 21.2% agree, 24.2% neither agree nor disagree, 9.1% disagree and 30.3% strongly disagree (see Figure 8).

The average value of 2.78 indicates respondents’ level of agreement with the statement that they provide services under contract (e.g. holding seminars, services of social care) as part of their financing. 24.2% strongly agree with this statement, 15.2% agree, 12.1% neither agree nor disagree, 12.1% disagree and 36.4% strongly disagree (see Figure 8).

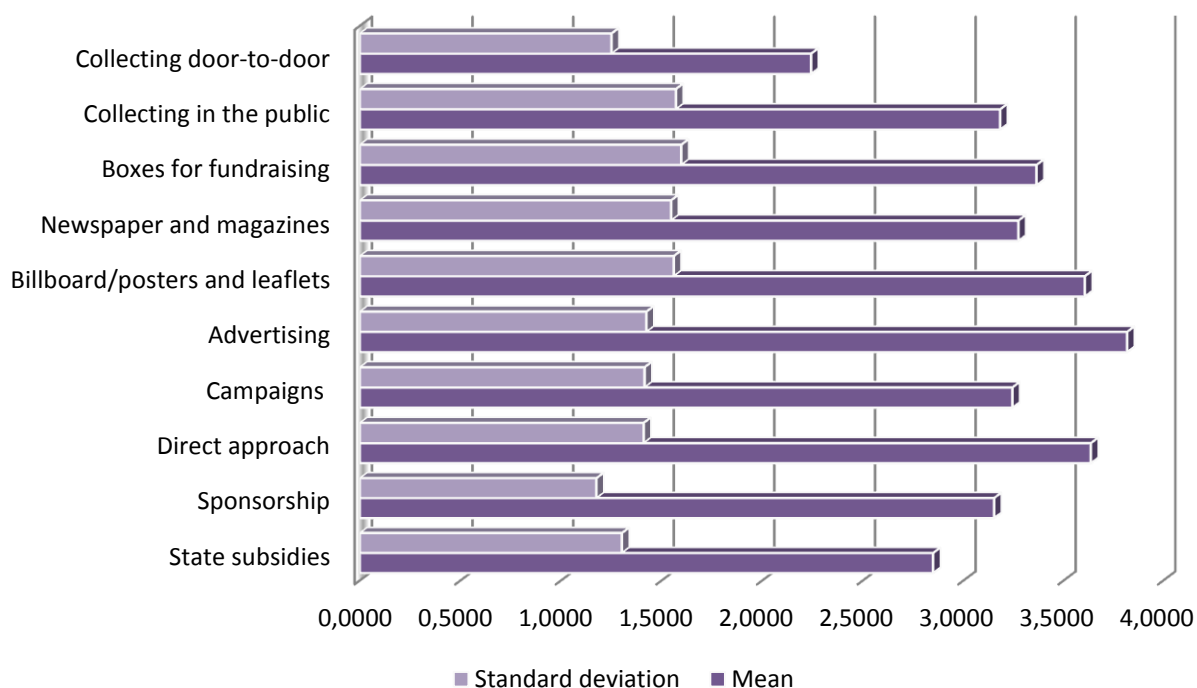
RQ2. What are the main fundraising methods used by the Red Cross Society of BiH?

The survey presented the participants with 10 statements to which they were asked to express their level of agreement on a scale from 1 to 5, where 1 indicated the lowest level of agreement (“disagree strongly”) and 5 the highest level of agreement (“agree strongly”).

The average value of 2.84 indicates the respondents’ level of agreement with the statement that the Red Cross organizations in BiH use state subsidies as a means of raising funds. 6.1% of respondents strongly agree, 36.4% agree, 15.2% neither agree nor disagree, 21.2% disagree and 21.2% strongly disagree with the aforementioned statement (see Figure 9).

The statement “Sponsorship is a fundraising method we use most commonly” is measured with the average value 3.15, where 9.1% strongly agree, 39.4% agree, 18.2% neither agree nor disagree, 24.2% disagree and 9.1% strongly disagree (see Figure 9).

Figure 9. Basic fundraising methods used in the RCSBiH organizations



3.63 is the average value of the statement that the direct approach, i.e. personal contact with donors is an important fundraising method in the work of the Red Cross Society of BiH organ-

izations, where 36.4% respondents strongly agree, 27.3% agree, 12.1% neither agree nor disagree, 12.1% disagree and 12.1% strongly disagree (see Figure 9).

The Red Cross organizations of BiH use campaigns through post, e-mail or telephone as a fundraising method, is a statement where the average value of 3.24 is measured and where 27.3% of respondents strongly agree, 18.2% agree, 18.2% neither agree nor disagree, 24.2% disagree and 12.1% strongly disagree (see Figure 9).

The average value of 3.81 indicates the respondents' level of agreement with the statement that they use advertising to raise awareness about the activities they implement. 45.5% strongly agree, 24.2% agree, 9.1% neither agree nor disagree, 9.1% disagree and 12.1% strongly disagree (see Figure 9).

To the statement "Billboards/posters and leaflets are the methods we use to raise awareness about our fundraising activities" average value is 3.60, where 39.4% of respondents strongly agree, 27.3% agree, 9.1% neither agree nor disagree, 3% disagree and 21.2% strongly disagree (see Figure 9).

3.27 is the average value of respondents' level of agreement with the statement that advertising in the newspapers and magazines is a method of their fundraising activities, where 27.3% strongly agree, 27.3% agree, 15.2% neither agree nor disagree, 6.1% disagree and 24.2% strongly disagree (see Figure 9).

The statement "Setting boxes for fundraising is the most commonly used method for collecting charity contributions" is measured with the average value of 3.36, where 36.4% strongly agree, 15.2% agree, 21.2% neither agree nor disagree, 3% disagree and 24.2% strongly disagree (see Figure 9).

The average value of 3.18 indicates the respondents' level of agreement with the statement that collecting in the public (streets, squares) is a method of collecting charity contributions they use in their fundraising, where 30.3% strongly agree, 15.2% agree, 21.2% neither agree nor disagree, 9.1% disagree and 24.2% strongly disagree (see Figure 9).

2.24 is the average value of respondents' level of agreement with the statement that they tend to use door-to-door method for collecting charity contributions, where 9% strongly agree, 21.2% agree, 9.1% neither agree nor disagree, 30.3% disagree and 36.4% strongly disagree (see Figure 9).

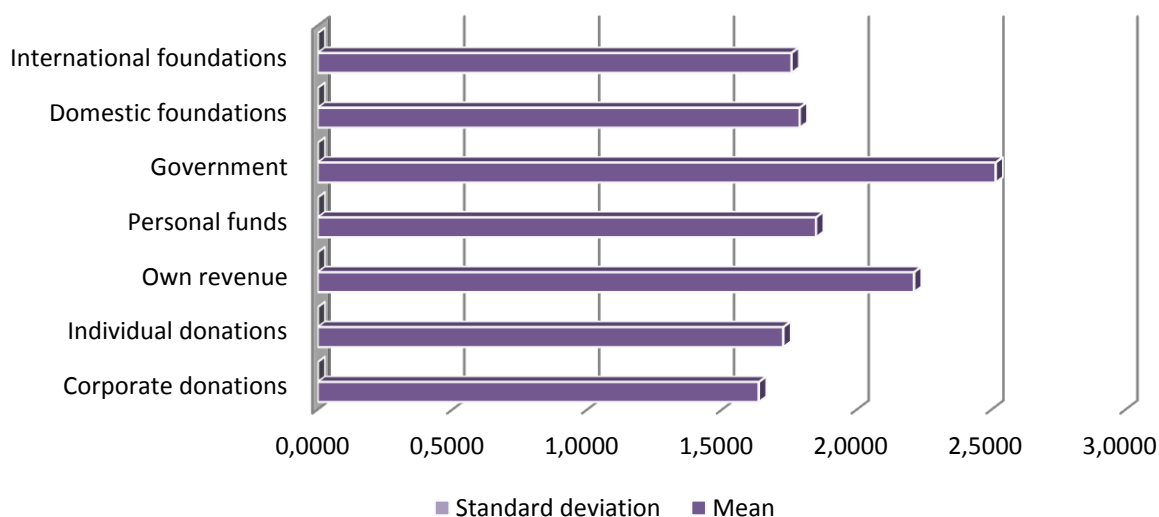
RQ3. What types of donors mostly finance the activities of the Red Cross Society of BiH?

The survey introduced the participants to 7 kinds of funding sources and their job was to assess the extent to which they believe funds come from these sources. According to their perceptions on a scale from 1 to 3, where 1 indicated “none”, 2 “some of it” and 3 “most of it”, the participants were asked to express their opinion.

With the average value of 1.63 respondents agree that they get funds from corporate donations, such as business and companies. 3% of respondents answered that they get most of funds from these donors, 57.6% answered they get some of the funds and 39.4% answered they have no funds from this source of funding (see Figure 10).

1.72 is the average value of respondents’ agreement that their work is funded from individual donations. 72.7% of respondents answered that they get some funds and 27.3% answered they get no funds from individual donations (see Figure 10).

Figure 10. Sources of funding RCSBiH organizations



The Red Cross organizations with the average value of 2.21 agree that they generate their own revenue. 42.4% of them answered that they get most of the funds from this source, 36.4% get some of the funds and 21.2% have no funds (see Figure 10).

Personal funds, as a kind of funding source, have the average value of 1.84, where 12.1% of respondents answered they get most of these funds to finance their activities, 60.6% say they get some of these funds and 27.3% have no funds from this source (see figure 10).

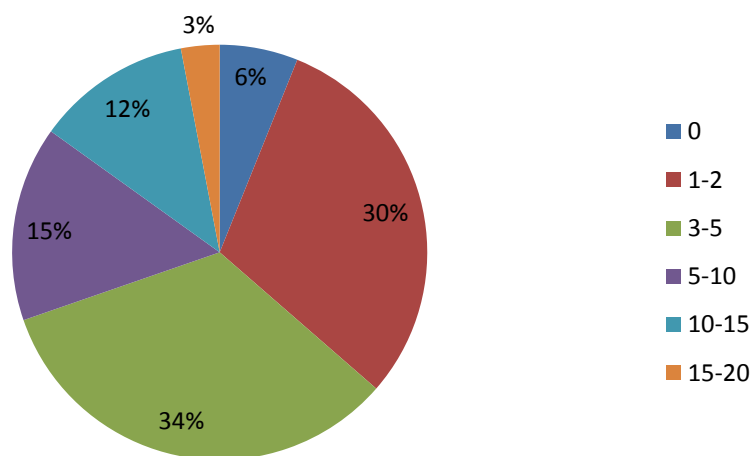
Funds received from government at local, regional or country level have the average value of 2.51. 54.5% of respondents get most of the funds from this source, 42.4% get some of it and only 3% of them have no funds (see Figure 10).

1.78 is the average value of respondents' answers to the funds received from domestic foundations, where 18.2% of respondents get most of these funds, 42.4% get some of them and 39.4% don't receive funds from this funding source (see Figure 10).

International foundations have the average value of 1.75 of respondents' answer to their funding sources. 18.2% of respondents get most of funds from the international foundations, 39.4% get some funds and 42.4% do not have funds from this source (see Figure 10).

In the Figure 11, presented below, the number of grants that the RCSBiH organizations apply for per year is represented. It can be seen that 34% of respondents answered that they apply for 3-5 grants per year, 30% apply for 1-2 grants, 15% apply for 5-10 grants, 12% apply for 10-15 grants, 6% do not apply at all and only 3% of respondents apply for 15-20 grants per year.

Figure 11. Number of grants RCSBiH organizations apply for per year



As evident from the above shown Figure 12, it represents the number of received grants per year. 64% of respondents answered that they receive 1-2 grants per year, 12% receive 3-5 grants, 12% of respondents receive 5-10 grants, 9% receive no grants and only 3% of them receive 10-15 grants per year.

Figure 12. Number of received grants per year

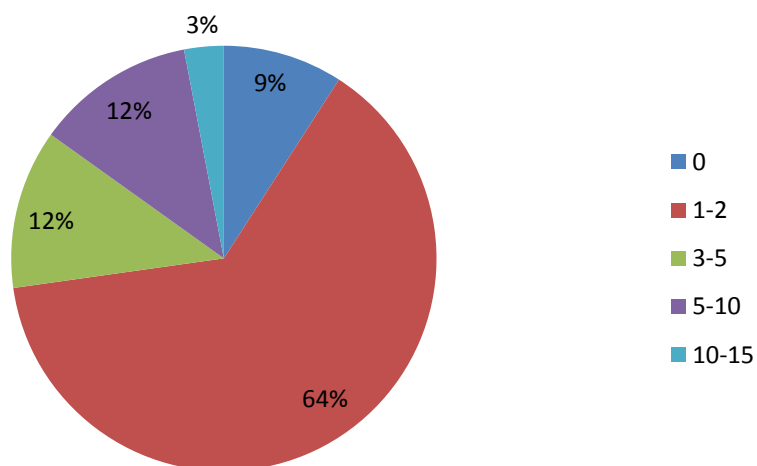
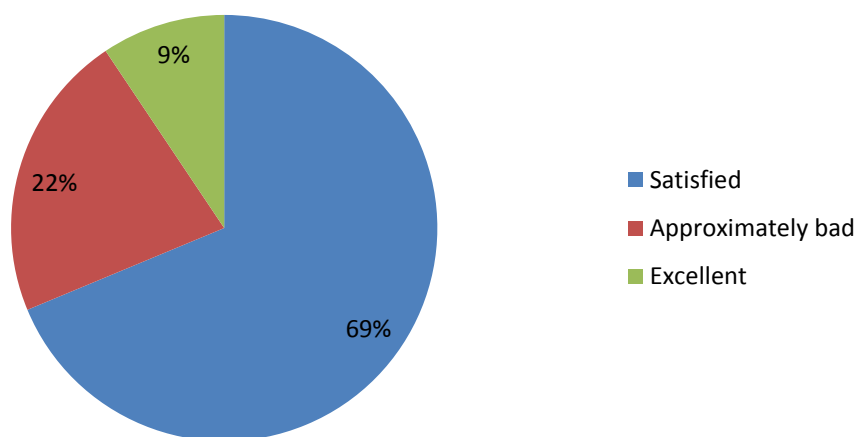


Figure 13. Satisfaction with financial situation



Satisfaction with financial situation in the Red Cross organizations is represented by the Figure 13. In request to rate their financial situation, organizations of the Red Cross Society of BiH answered in the following way: 69% of respondents answered that they are satisfied with their financial situation, 22% of respondents rate their financial situation as approximately bad and only 9% of them say that their financial situation is excellent.

RQ4. Does the development of the Internet portals and social networks have impact on fundraising activities of the organizations of the Red Cross Society of BiH?

In this part of the survey, respondents were encouraged to provide answers to five questions regarding the use of web portals and social networks for the implementation of their fundraising activities. Analyzing the first set question “Do you visit the Internet portals?”, the Red Cross organizations answered that 97% of them visit the Internet portals, while 3% of the respondents answered they do not visit them (see Figure 14).

Figure 14. Visit to the Internet portals

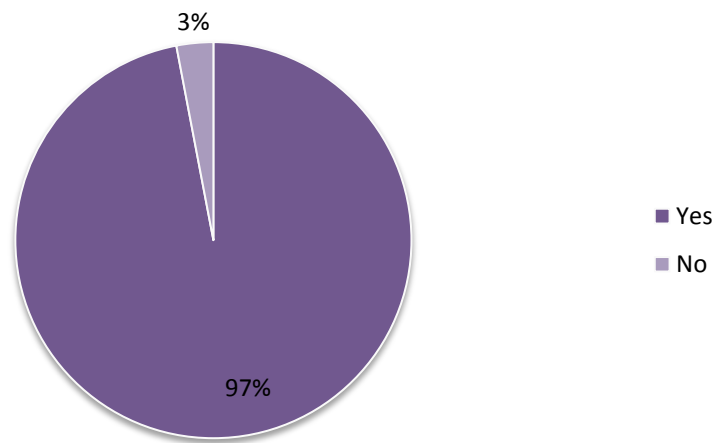
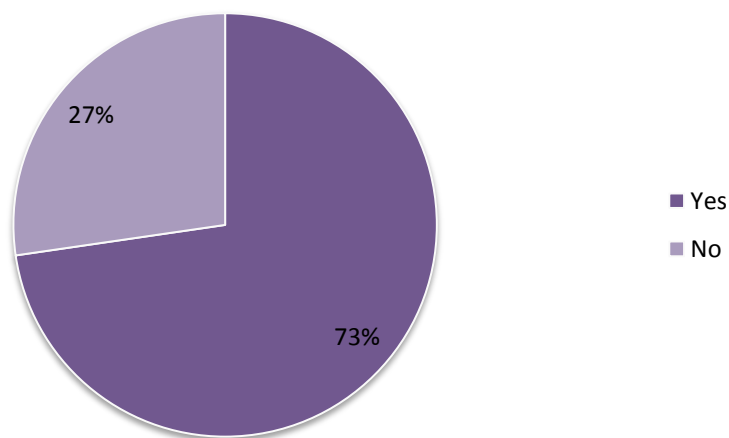


Figure 15. The use of the Internet portals for fundraising activities



Important question raised in the survey is the use of Internet portals for fundraising activities of organizations of the Red Cross Society of BiH. In Figure 15, it can be seen that 73% of respondents answered that they use the Internet portals to promote their fundraising activities, while 27% of them do not use them.

As far as the question on the use of Social networks is concerned, it can be said that 94% of respondents use social networks and whereas only 6% of them provided a negative response to this question (see Figure 16).

Figure 16. Usage of Social networks

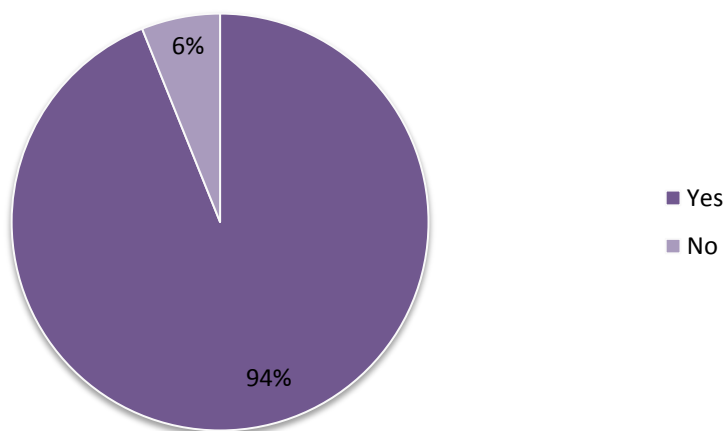
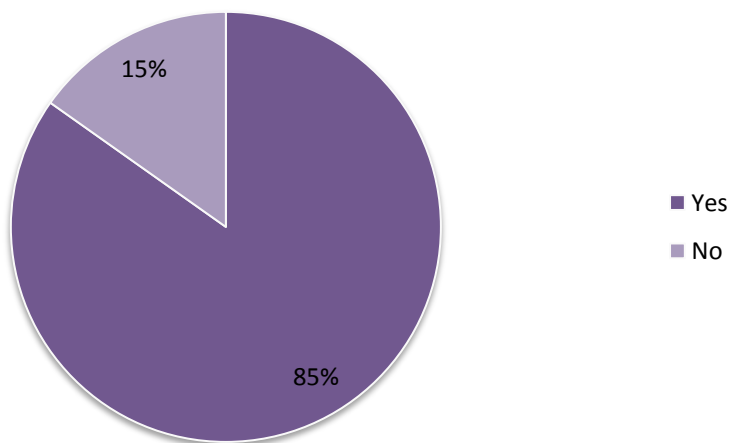


Figure 17. Usage of Social networks for fundraising activities



To the question “Which of the following social networks you use?”, the respondents had the choice of five offered answers: Facebook, Twitter, LinkedIn, Myspace and Other. Each respondent could choose more than one social network and specify which one is the most important to him/her. All respondents commonly agreed that they only use Facebook rather than other social networks offered.

When they were asked to answer the question “Do you use social networks to raise funds or to promote your activities?”, 85% of them said that they use social networks while raising funds or promoting their activities and 15% of them gave a negative answer, i.e. that they do not use social networks as a tool for their fundraising activities (see Figure 17).

3.5 Discussion

The ultimate section covers the core discussion on the selected topic; firmly based on the results of the research, it presents the main findings and contribution of the research to realistic situation of the fundraising strategy in the Red Cross Society organizations. The findings are accordingly interpreted and followed by recommendations, thus taking the limitations to the research into consideration.

3.5.1 Main Findings and Contributions

Based on the previously conducted analysis of the data gathered through questionnaire, it can be seen that organizations of the Red Cross Society of BiH in 78.8% agree or strongly agree on the use of budget funds to finance their work. 66.7% of them agree or strongly agree on the use of projects and government funds as means of financing their work. 57.6% of respondents agree or strongly agree that they use charity contributions; 57.5% agree or strongly agree on the use of membership fees; 54.5% agree or strongly agree that they provide self-financed activities; 45.5% agree or strongly agree to use tax benefits/exemptions from taxation, 39.4% agree or strongly agree to provide services under contract and only 36.4% agree or strongly agree that they collect gifts to finance their work.

Analyzing response data gathered by raising the second research question, it can be seen that organizations of the Red Cross Society of BiH in 69.7% agree or strongly agree on the use of advertising to raise awareness of the activities they conduct. As high as 66.7% of them agrees or strongly agrees to use billboards/posters and leaflets as a method of raising awareness of their fundraising activities; 63.7% of respondents agree or strongly agree that they use direct approach - personal contact with donors as a fundraising method; 54.6% agree or strongly

agree to use newspapers and magazines as a method to advertise their fundraising activities; 51.6% agree or strongly agree on setting boxes for collecting charity contributions; 48.5% agree or strongly agree to use sponsorships as a fundraising method, 45.5% agree or strongly agree to use campaigns through post, e-mails or telephone and also collect funds in the public; 42.5% agree or strongly agree that they use state subsidies as a means of raising funds and only 24.2% agree or strongly agree to use door-to-door method for raising funds.

The results of the analysis regarding the funding sources in the Red Cross organizations in Bosnia and Herzegovina showed that the respondents mostly use funds received from the government, they generate their own revenue or they use their personal funds to finance the activities. Domestic and international foundations play an important role in funding the activities of the Red Cross organizations as well, while the least funds are obtained from individual corporate donations.

The development of the internet portals and social networks has brought many changes to process of fundraising and financing activities in the Red Cross organizations. More people started visiting Internet portals and using social networks, which subsequently led to their increased use for the purpose of fundraising activities.

3.5.2 Interpretation of Findings

Taking into consideration funding sources of the Red Cross organizations in Bosnia and Herzegovina defined by the law and the results of the research, it may be concluded that they mostly finance their work and implement their activities with the help of budget funds. According to research conducted, it may be said that the Red Cross organizations in Bosnia and Herzegovina receive most of their funds from their local/regional government, whereas the lowest amount of funds is obtained from individual corporate donations. Preparing project proposals and applying to the projects with different donors or government funds represents an important income source for the Red Cross organizations. The fact that the Red Cross organizations apply for 3-5 grants per year and receive only 1 or 2 grants, it may be concluded that they do not use this source of funding enough. Even if the funds from international and domestic foundations are decreasing, the Red Cross organizations still apply and use their funds. To provide resources for their work and implementation of their activities some Red Cross organizations collect charity contributions and membership fees. If we compare funds raised by providing services under contract and funds received by using tax benefits/exemptions from taxation, or collected gifts and self-financed activities, it can be concluded that the Red Cross organizations mostly finance their activities with their own funds, some of them use tax

benefits, while collecting gifts and providing services under contract are not widely used for financing the work of the Red Cross organizations.

When it comes to fundraising methods used by the Red Cross organizations in Bosnia and Herzegovina, it may be said that these organizations mostly rely on advertising and billboards/posters and leaflets as methods of raising awareness of their fundraising activities. One of the important fundraising methods is constant use of direct approach, i.e. personal contact with donors to keep them informed of the possible ways of financing Red Cross organizations' work. Popular fundraising methods in the Red Cross organizations also include advertisement of fundraising activities in newspapers and magazines, as well as setting boxes for collecting charity contributions. Less used fundraising methods, which are not sufficiently developed in the Red Cross organizations are sponsorship with different businesses, state subsidies, campaigns through post, e-mails or telephone as well collecting funds in the public. However, the popularity of the internet portals and social networks led to their increased use in all aspects of human life. For example, the Red Cross organizations in Bosnia and Herzegovina started using Facebook and other web portals with the highest visit-rates in communities they act, especially while doing fundraising and promoting their work and activities.

3.5.3 Implications and Recommendations

Based on the results of the survey and statistical analysis there are some measures that can be proposed to the Red Cross organizations in Bosnia and Herzegovina through which they can improve the way of finding source for their functioning. These recommendations are:

- Increase the number of project proposals applied for government grants, so the organizations do not rely solely on planned budget funds.
- Even with the decreased number of donations, funds received from the international foundations, embassies, agencies as well domestic foundation are still significant for the Red Cross organizations, and they should apply for them with writing more project proposal.
- Membership fees and collection of charity contributions are types of the traditional activity, and the Red Cross organizations should promote their activities and results so as to attract more people who are willing to help and be a part of them.
- Holding seminars on different social topics and organizing first aid trainings could play an important role in gathering income for the Red Cross organizations.
- In times of crisis, the Red Cross organizations should pay more attention to sponsorships and build good cooperation relationships with businesses, companies, because they can

support their work not only through providing financial resources but also through some other material resources.

- The Red Cross organizations should make an extensive use of Facebook and other internet portals as well as newspapers in order to promote their activities, achievements and especially fundraising campaigns.

3.5.4. Limitations and suggestions for further research

Although the survey results obtained and presented in the course of this paper provided a necessary insight into some of the aspects of fundraising activities in the framework of the Red Cross organizations in BiH, it is crucial that a more detailed exploration of the issue be provided in order to gather more reliable results.

Being aware of the limitations of the research conducted for the purpose of this paper, suggestions for further research need to be made. These include the following:

- The sample size was 33 which may lead to obtaining misleading results. Therefore, in order to do a more accurate research, the sample needs to be larger.
- The possibility of desirable answers can be presented even if the survey is completely anonymous.
- The respondents are not familiar with the type of the questionnaire that was used and therefore, they may have had some difficulties answering the questions.
- The survey was quite long and for that reason some respondents did not want to participate in it.
- Respondents may not be fully honest in providing responses, because they would like to present their organization better than it is in reality.
- Taking in consideration that not all respondents are engaged in fundraising in their organizations, the nature of work importantly influences the possibility of giving right answers to the questions.

As a suggestion for further research, the questionnaire should be distributed among different National Societies in several different countries in order to be able to prepare a comparative analysis. In that way, the results will be seen as either characteristic of only one country or they can be generalized and used globally. For the same purpose, the research should be supplemented with in-depth interviews with Secretary Generals of the Red Cross organizations and with their Management board.

CONCLUSION

This paper highlights the importance of fundraising in the organizations of the Red Cross Society of BiH. Namely, fundraising is considered as one of the main issues in non-governmental and non-profit organizations. The thesis sets it as its primary objective to provide an overview of the current situation regarding the ways of financing and fundraising methods employed by the organizations of the Red Cross Society of BiH. In doing so, it identifies the current challenges and proposes good practices to be applied by the organizations. The paper is divided into three chapters.

In the first chapter, funding in non-governmental and non-profit organizations is analyzed. This chapter introduces the concept of funding with two main methods of fundraising being defined – opportunistic, as a one-time activity, and strategic as a long-term planning. Additionally, current situation regarding the ways of working and funding in non-governmental and non-profit organizations is introduced.

The second chapter of the paper deals with fundraising in non-governmental and non-profit sector. To completely understand fundraising process in non-governmental and non-profit sector, the fundamental types and principles of fundraising are explained. After specifying types and principles, activities and cycles that are essential while doing fundraising were introduced. The following section of the chapter explores the concept of fundraising in more details, providing an extensive definition of fundraising as a term and specifying possible sources of funds. There are also some reasons why nonprofits do not raise more funds mentioned. The second chapter also includes discussion on possible funding sources. Finally, towards the end of this chapter special attention was paid to the ideas for fundraising. As most widely used ideas for fundraising, sponsorship, techniques of direct approach, campaigns through the post, e-mail or telephone, advertising, encouraging membership and supply for charity contribution were specified.

The third, empirical chapter deals with some background information on the Red Cross Society of BiH – its way of working, its mission and vision. Financial climate of the Red Cross Society of BiH was discussed and analyzed and the obtained set of information was presented in the SWOT matrix. Furthermore, four research questions were specified and included in the research part of the paper. These questions were contained in the questionnaire sent to employees of the Red Cross Society of BiH organizations. Research methodology, the results of the study and the main findings of the survey as well some recommendations were also included in this chapter.

The thorough analytical and statistical overview of the quantitative research leads to several recommendation points, which serve as a basis for suggestions on how to improve the financial situation in the Red Cross organizations. The proposed recommendations, based on the research, offer opportunity to Red Cross organizations to achieve better results and competitive advantage in providing funds. These recommendations are based on the fundraising methods, which are appropriate for the Red Cross organizations to increase their funds and to highlight possible benefits of having a fundraising strategy. There are a few different solutions defined within these recommendations, intended for improvement of the current state of the fundraising among the Red Cross organizations. It is well-known that applying for government grants by developing project proposals and obtaining funds from the international foundations, embassies and agencies are the most effective fundraising methods in non-governmental and non-profit organizations. Membership fees and collection of charity contributions is a kind of a traditional activity, and the Red Cross organizations should promote their activities and outcomes in the way that they attract more people who are willing to help and who want to be part of the organization team. Another fundraising method which is crucial to enhancement of the Red Cross organizations' income is holding seminars on different social topics and as well trainings in the first aid. The Red Cross organizations should pay more attention at sponsorships and build good cooperation relationships with businesses and companies, because they can support their work not only by providing financial resources but also through some other material resources. As a final recommendation on the research conducted, it is mentioned that the Red Cross organizations should focus more on the use of Facebook, other internet portals and newspapers as well, in order to promote their activities, goals and to encourage fundraising campaigns. There were also some limitations and suggestions for further research specified within this chapter. By examining the work of the Red Cross Society of BiH organizations, the paper closes in conclusion that the organizations are still highly ignorant and unaware of different possibilities of obtaining funding sources.

As a final remark, it may be argued that the challenges that the Red Cross organizations face in relation to their funding opportunities could be tackled through constant following of the latest practices in the Red Cross organizations across the world and more persistent practical implementation of existing regulation about the financial sources. Through this unique approach, based on a thorough study and multiple perspective view of the current state in quantitative research, the ultimate solution for the Red Cross organizations has been reached. In this way, proactive initiatives led by responsible persons for fundraising are to result in increased competitiveness of the Red Cross Society of BiH. Nonetheless, the study lays the groundwork for similar studies of the fundraising methods and defined fundraising strategy in the area of non-governmental and non-profit organizations, with special attention paid to the Red Cross organizations and continuous implementation of the proposed recommendations.

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APPENDICES

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Appendix 1: List of Abbreviations

Abbreviation	Meaning
NGO	Non-government organizations
UNDP	United Nations Development Programm
UMCOR	United Methodist Committee on Relief
OPR	Organizations-public relationship
IBHI	Independent Bureau for Humanitarian Issues
BiH	Bosnia and Herzegovina
FBiH	Federation of Bosnia and Herzegovina
RS	Republica Srpska
DB BiH	District Brčko of Bosnia and Herzegovina
SIF	Social Inclusion Foundation
CSPS	Civil Society Promotion Center
CSO	Civil Society organizations
SWOT	Strengths, Weaknesses, Opportunities, Threats
RCSBiH	Red Cross Society of Bosnia and Herzegovina
ICRC	International Committee of Red Cross
IFRC	International Federation of Red Cross and Red Crescent Societies
VAT	Value added tax

Appendix 2: Questionnaire

Dear,

I would like to thank you for deciding to take a time for completing this questionnaire, with which you will help me in the preparation of my Master thesis on the topic: „Funding and Fundraising Strategy in Non-government and Non-profit Organizations: Case Study of Red Cross Society of Bosnia and Herzegovina“.

Non-government and Non-profit Organizations and Red Cross organizations as well, play important role in the community they operate, especially because they represent the long arm of government and in that way deal with the problems for which government institutions do not have enough time. Considering that with every day the number of donors is getting lower, these organizations are faced with the problem of attracting financial funds needed for covering their operative costs and implementation of regular activities. Therefore, they should strive to observe all possibilities and based on that build Fundraising strategy, which will give efficient results.

Please give the answer on the asked questions by writing the answer according to your attitude. Questionnaire is anonymous, and your personal data and answers will be used only for the purpose of making the Thesis and will be showed as an overall research and won't be quoted individually. Please give complete answers on every question and with that contribute to reliability and quality of the research. Thank you for the cooperation in advance.

1. Please circle the number associated to the statement to which you agree most.

Response choices are: (1) Disagree strongly; (2) Disagree; (3) Neither Agree nor Disagree; (4) Agree; and (5) Agree strongly.

No.	Question	Scale				
1	We use government grants as a way of funding our work.	1	2	3	4	5
2	We provide our activities using budget funds.	1	2	3	4	5
3	We use tax benefits/exemptions from taxation.	1	2	3	4	5
4	We are financing our work through the projects.	1	2	3	4	5
5	We use membership fees as the way of financing our work.	1	2	3	4	5
6	We provide self-financed activities.	1	2	3	4	5
7	We collect charity contributions for financing our work.	1	2	3	4	5
8	We collect gifts to finance our work.	1	2	3	4	5
9	We provide services under contract (e.g. holding seminar, services of social care) as a part of our financing.	1	2	3	4	5

2. Please circle the number associated to the statement to which you agree most.

Response choices are: (1) Disagree strongly; (2) Disagree; (3) Neither Agree nor Disagree; (4) Agree; and (5) Agree strongly.

No.	Question	Scale				
1	We use state subsidies as a part of raising funds.	1	2	3	4	5
2	Sponsorship is fundraising method we use mostly.	1	2	3	4	5
3	Direct approach-personal contact with donors is important fundraising method in our work.	1	2	3	4	5
4	We use campaigns through post, e-mail or telephone as a fund-raising method.	1	2	3	4	5
5	We use advertising to raise awareness about activities we implement.	1	2	3	4	5
6	Billboards/posters and leaflets are the methods we use to raise awareness about our fundraising activities.	1	2	3	4	5
7	Newspaper and magazines are the methods of advertising our fundraising activities.	1	2	3	4	5
8	Placement of the boxes for fundraising is mostly used method for collecting charity contributions.	1	2	3	4	5
9	Collecting in the public (streets, squares) is a method of collecting charity contribution we use in our fundraising.	1	2	3	4	5
10	We tend to use door-to-door method for collecting charity contributions.	1	2	3	4	5

3. How much of your funding comes from the following sources?

	None	Some of it	Most of it
Corporate donations(business, companies)	1	2	3
Individual donations	1	2	3
We generate our own revenue	1	2	3
Personal funds	1	2	3
Government (local/regional/country level)	1	2	3
Domestic foundations	1	2	3
International foundations	1	2	3

4. What percentage of your annual income comes from your largest 5 sources (donors or grants)?

- a. 5 – 10%
- b. 10 – 20%
- c. 20 – 30%
- d. 30 – 40%
- e. 40 – 50%
- f. 50 – 60%
- g. 60 – 70%
- h. 70 – 80%
- i. 80 – 90%
- j. 90 – 100%

5. How many grants do you apply for per year (or average)?

- a. 0
- b. 1-2
- c. 3-5
- d. 5-10
- e. 10-15
- f. 15-20
- g. 20-30
- h. 30+

6. How many grants do you receive per year?

- a. 0
- b. 1-2
- c. 3-5
- d. 5-10
- e. 10-15
- f. 15+

7. Rate your financial situation:

- a. Satisfied
- b. Approximately bad
- c. Excellent
- d. Other

8. Please select the range of your organization's annual operating budget. 'Note – this information will not be shared with anyone. We are using the information to help understand the correlation of the needs of the NGO community to the budget size of their organizations.
- Less than 3.000 KM
 - 3.000 – 30.000 KM
 - 30.000 – 100.000 KM
 - 100.000 – 500.000 KM
 - 500.000 – 1.000.000 KM
 - Above 1.000.000 KM
9. Do you visit Internet portals?
- Yes
 - No
10. Do you use internet portals to raise funds or to promote your activities?
- Yes
 - No
11. Do you use social networks?
- Yes
 - No
12. Which one of the following social networks you use?
- Facebook
 - Twitter
 - LinkedIn
 - Myspace
 - Other, _____
13. Do you use social network to raise funds or to promote your activities?
- Yes
 - No

Previous questionnaire was made in accordance with some already done surveys (links below).

<http://www.slideshare.net/mynk/ngo-survey-1>

<http://www.thinkchangeindia.org/2010/07/22/individual-donor-base-most-critical-for-ngos-survey/>

http://philantropia.org/international_fundraising_survey_report.pdf

Appendix 3: Questionnaire Analysis

Table 1. The most common ways organizations of the RCSBiH use to finance their work

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Government grants	33	4.00	1.00	5.00	3,5455	1,39398
Budget funds	33	3.00	2.00	5.00	3,8788	.81997
Tax benefits	33	4.00	1.00	5.00	3,0303	1,28659
Funding through projects	33	3.00	2.00	5.00	3,9697	.95147
Memembrship fees	33	4.00	1.00	5.00	3,4545	1,50189
Self-financed activities	33	4.00	1.00	5.00	3,3939	1,51944
Charity contribution	33	4.00	1.00	5.00	3,3636	1,53741
Gifts	33	4.00	1.00	5.00	2,8182	1,46745
Services under contract	33	4.00	1.00	5.00	2,7879	1,65374
Valid N (listwise)	33					

Table 2. Basic fundraising methods used in the RCSBiH organizations

	N	Range	Minimum	Maximum	Mean	Std. Deviation
State subsidies	33	4.00	1.00	5.00	2,8485	1,30195
Sponsorship	33	4.00	1.00	5.00	3,1515	1,17583
Direct approach	33	4.00	1.00	5.00	3,6364	1,41019
Campaigns	33	4.00	1.00	5.00	3,2424	1,41488
Advertising	33	4.00	1.00	5.00	3,8182	1,42422
Billboard/posters and leaf-lets	33	4.00	1.00	5.00	3,6061	1,56004
Newspaper and magazines	33	4.00	1.00	5.00	3,2727	1,54662
Boxes for fundraising	33	4.00	1.00	5.00	3,3636	1,59723
Collecting in the public	33	4.00	1.00	5.00	3,1818	1,57032
Collecting door-to-door	33	4.00	1.00	5.00	2,2424	1,25076
Valid N (listwise)	33					

Table 3. Sources of funding RCSBiH organizations

	N	Range	Minimum	Maximum	Mean	Std. Deviation
Corporate donations	33	2.00	1.00	3.00	1,6364	.54876
Individual donations	33	1.00	1.00	2.00	1,7273	.45227
Own revenue	33	2.00	1.00	3.00	2,2121	.78093
Personal funds	33	2.00	1.00	3.00	1,8485	.61853
Government	33	2.00	1.00	3.00	2,5152	.56575
Domestic foundations	33	2.00	1.00	3.00	1,7879	.73983
International foundations	33	2.00	1.00	3.00	1,7576	.75126
Valid N (listwise)	33					

Table 4. Percentage of annual income from 5 largest sources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-10%	4	12.1	12.5	12.5
	10-20%	4	12.1	12.5	25.0
	20-30%	6	18.2	18.8	43.8
	30-40%	4	12.1	12.5	56.3
	40-50%	1	3.0	3.1	59.4
	60-70%	4	12.1	12.5	71.9
	70-80%	6	18.2	18.8	90.6
	80-90%	1	3.0	3.1	93.8
	90-100%	2	6.1	6.3	100.0
	Total	32	97.0	100.0	
Missing	System	1	3.0		
	Total	33	100.0		

Table 5. Number of grants applied per year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	2	6.1	6.1	6.1
	1-2	10	30.3	30.3	36.4
	3-5	11	33.3	33.3	69.7
	5-10	5	15.2	15.2	84.8
	10-15	4	12.1	12.1	97.0
	15-20	1	3.0	3.0	100.0
	Total	33	100.0	100.0	

Table 6. Number of received grants

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	3	9.1	9.1	9.1
	1-2	21	63.6	63.6	72.7
	3-5	4	12.1	12.1	84.8
	5-10	4	12.1	12.1	97.0
	10-15	1	3.0	3.0	100.0
	Total	33	100.0	100.0	

Table 7. Financial situation rate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Satisfied	22	66.7	68.8	68.8
	Approximately bad	7	21.2	21.9	90.6
	Excellent	3	9.1	9.4	100.0
	Total	32	97.0	100.0	
Missing	System	1	3.0		
	Total	33	100.0		

Table 8. Visit to Internet portals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	97.0	97.0	97.0
	No	1	3.0	3.0	100.0
	Total	33	100.0	100.0	

Table 9. Usage of Internet portals for fundraising

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	72.7	72.7	72.7
	No	9	27.3	27.3	100.0
	Total	33	100.0	100.0	

Table 10. Usage of Social networks

		Frequency	Percent	Valid Percent	Cumulative Per- cent
Valid	Yes	31	93.9	93.9	93.9
	No	2	6.1	6.1	100.0
	Total	33	100.0	100.0	

Table 11. Social network that is used

		Frequency	Percent	Valid Percent	Cumulative Per- cent
Valid	Facebook	32	97.0	100.0	100.0
Missing	System	1	3.0		
	Total	33	100.0		

Table 12. Usage of social network for fundraising

		Frequency	Percent	Valid Percent	Cumulative Per- cent
Valid	Yes	28	84.8	84.8	84.8
	No	5	15.2	15.2	100.0
	Total	33	100.0	100.0	