

Funds to Non-Government Non-Profit Organizations Sources of Attracting and Fundraising

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Abstract:

This article talks about the proper organization of the activities of a non-governmental non-profit organization, its financial stability, as well as important issues such as the search, management, spending and accounting of financial resources. Sources of attracting funds to a non-governmental non-profit organization and fundraising, mechanisms of state support to a non-governmental non-profit organization are covered.

Keywords: non-governmental non-profit organization (hereinafter NGO), management, donor, grant, application (order), interest, strategic plan, accounting policy, fundraising plan, fundraising, fundraiser, resource, target group needs, openness, transparency, institutional development, organizational policies, accounting policies, social entrepreneurship.

The formation and development of civil society institutions in the Republic of Uzbekistan is a stage of democratic development. In recent years, consistent efforts have been made in our country to support NGOs, strengthen social partnership between them and state bodies, implement effective public control, improve the legal framework regulating this field, and support the institutional development of NGOs. Support for NGOs and other institutions of civil society under the Parliament of Uzbekistan and Regional Councils of People's Deputies. Public funds, a number of organizations, in particular, the Association of Neighborhoods of Uzbekistan, the Ministry of Justice, the Youth Affairs Agency and international donors, grant contests, social orders for the development of NGOs, helping the NGO to realize its goals and ideas and to manifest itself as an

organization. Also, NGOs are using their resources wisely for the effective implementation of the organization's activities.

At this point, let's get acquainted with the legal sources that regulate NGOs and their activities in Uzbekistan.

A non-governmental non-profit organization is a self-governing organization established voluntarily by individuals and/or legal entities, which does not make income (profit) the main goal of its activity and does not distribute the received income (profit) among its participants (members).

¹Laws of the Republic of Uzbekistan "On Non-Governmental Non-Commercial Organizations", "On Guarantees of the Activities of Non-Governmental Non-Commercial Organizations", "On Public Associations in the Republic of Uzbekistan" are aimed at establishing NGOs and regulating their activities. implied.

The stability and effectiveness of the NGO's activities depend on a well-thought-out strategic plan, a properly formulated budget, a team of employees, and the correct development of organizational policies. Taxes are also important here. Management of accounting policies and tax reports in the organization "allows to reduce the possible risk of administrative and financial violations".²

According to international experience, sustainability refers to the ability of an organization to work with its team over a long period of time and to serve the target group in order to fulfill the set goals. The sustainability of an NGO largely depends on such important indicators as the quality of the organization's activities, the achievement of clear results over time, and the financing of its activities. Sustainability may also refer to the continuation of the grant program after its expiration.

According to experience, there are four components of NGO sustainability. These are institutional development of the organization, programmatic approach to activity, financial stability and environment. ³Institutional development is the organization's mission, a set of far-sighted plans, that is, the existence of a long-term strategic plan, values, and policies. The active participation of the members of the Board in the work of the organization, the formation of the organization's team, the existence of a target group, and the introduction of openness, transparency, management and operational systems in the organization's activities.

The clarity of the program directions is seen in the presence of specific departments to fulfill the mission set before the organization, and the definition of specific tasks leading to the goal. In this case, the activity of the organization corresponds to the mission and values it has set. The NGO is constantly engaged with qualified personnel, and the needs of the organization and its target group are always taken into account. Further course of action and criteria will be determined as required. The management of program directions in the organization helps us to determine, firstly, the true essence of the organization and secondly, which way the organization is today - whether these two ways are proportional to each other or not?

Financial stability is the ability of the financial system, i.e. financial institutions, markets and market infrastructures, to withstand possible shocks and imbalances, while at the same time reducing the probability of failure to perform financial intermediation functions. ⁴It can be concluded from this that the financial stability of an NGO is the stable operation and survival of the organization and the effective use of its internal capabilities and resources in the event that there is

¹14.04.1999 Law of the Republic of Uzbekistan "On Non-Governmental Non-Commercial Organizations", Article 2

² L. N. Abdusalyamova, G. Kh. Ergasheva, Sh. A. Yakubdjanova. "Financial stability of NGOs", "Akademnashr", 2024. p. 6.

³ L. N. Abdusalyamova, G. Kh. Ergasheva, Sh. A. Yakubdjanova. "Financial stability of NGOs", "Akademnashr", 2024. 10 p.

⁴ Retrieved from <https://cbu.uz/oz/financial-stability/about/> website of the Central Bank of the Republic of Uzbekistan.

no grant program, no membership fee (revenue) is received by the organization, or other financial resources are not foreseen. is to maintain its duration.

External factors are the formation of the base of laws and decisions that determine, encourage and protect NGO activities, the existence of "consumers" of services provided by NGOs and their support for the organization's activities.

Another group of experts imagines the structural division of an NGO as follows. If we take the organization as an example of a butterfly, the head of the butterfly is the members of the founding group of the organization (Council, Management, Assembly, etc.), the body of the butterfly is the head (or leader) of the organization, and the 4 wings of the butterfly are the programmatic, personnel, financial and external relations directions of the organization. Both structural units are found in the activity. However, without the institutional development of the NGO, it is impossible to have visions and ideas for the sustainable development of the organization in the next 5 or 10 years. Long-term plans for the financial stability of the organization are closely related to institutional development. In institutional development, a 3- or 5-year strategic plan of the organization is defined. It is in this strategic plan that the organization's financial capabilities and needs are determined.

In general, strategic planning ⁵includes:

The NGO analyzes its mission, vision, scope of work, timelines and stakeholders (including staff). He will analyze his internal environment, organizational capacity, past performance in project and program management, and any existing special skills. The NGO then studies the needs in its area. The external environment is analyzed to determine the problems and their causes, which groups have needs and how these problems can be solved through activities or projects.

Thus, the plan reflects priorities, goals and objectives, implementation periods, estimated costs, expected results, etc. In order to implement the plan, for each stage, the NGO must determine the following:

- what resources, including money, are needed;
- sources and size of existing and potential financial resources;
- whether there are possible new resources and how the gaps can be filled.

an NGO identifies funding gaps for its activities, it considers how these gaps can be filled through a fundraising plan. As a result, the organization carries out fundraising in order to fulfill its mission and offer quality services to the target group.

What is fundraising and why does an organization need it? To find an answer to the question, we turn to world practice. Irina Menshenina, head of the non-profit organization "Association Fundraizerov" operating in Russia, said, "Fundraising is the activity of attracting donations to the organization. A fundraiser is a specialist in attracting funds to the organization" ⁶. Sachevko Natalya Leonidovna, senior methodologist of "Grodnen Region Educational Development Institute" said, "Fundraising is an effort aimed at attracting resources for non-profit projects. And the broader concept of fundraising is the art of getting people what they want, when they want, where they want, for the purpose you set.

⁵ See General NGO Management: A Course of Lectures. School of NGO Management. Book 1.

⁶ I. Mainshenina. "Sobiray lyudey - dengi pridut". Russia "LitRes: Samizdat" 2019, page 5.

means seeking the means (people, equipment, time, funding, information) necessary to carry out any activity and/or ensure the existence of an organization . ⁷A professional approach to fundraising helps to build a stable and promising organization.

It is important that the founders and all employees understand the fundraising goals and participate in the fundraising, i.e. it is important that the organization's initiative teams and employees are each fundraisers. But in any case, there must be a person or group of people in the organization who organize the whole process and who are ultimately more responsible than the management for its result. Dmitriy Polikanov (Russia, head of the fund " So-edinenie ") said about this in his "NKO. Kak ustroeny nekommercheskie organizatsii" said: "- this is a difficult part for me, because there is no exact recipe for success in fundraising. Asking for money is always difficult. Even when you ask for good will or donation with inner confidence. Perhaps those who overcome this fear become effective fundraisers. My experience shows that the main fundraiser in the organization is the head of the organization...". ⁸Therefore, the head of an NGO should have at least good communication skills, knowledge and experience in project planning and development, and the ability to write a project proposal to build relationships with sponsors and donors.

Developing a fundraising plan helps to evaluate the organization's fundraising strategy and analyze the resources available to the organization to achieve its statutory goals. Therefore, the NGO must use new methods to increase the flow of money to the organization, not only depending on state grants and social orders. For example, they can engage in social entrepreneurship. *(The NGO's engagement in social entrepreneurship will be covered in more detail in the next article.)*

Here, for information, I would like to mention that in 2017-2023, the funds allocated from the state budget for financing NGOs in Uzbekistan increased from 12.0 billion soums to 226.4 billion soums, the state social order from 2.4 billion soums to 18.0 billion soums, the allocation of state subsidies from 4.3 billion soums to 191.4 billion soums, the allocation of state grants 5.3 increased from 1 billion soums to 17.0 billion soums. ⁹As a result of these indicators, the number of NGOs in Uzbekistan has approached 10,000 as a result of the support provided by the state for the support and development of the non-state sector in our country in the last 6 years.

In conclusion, it should be said that every leader must achieve the goals of his organization, work continuously and have the necessary resources for this, and ensure that the organization's activities are successful and stable.

For the effective functioning of the organization, it is important to set priorities, clear goals, identify urgent and important factors, and find resources for their implementation.

It is necessary to develop the practice of various targeted forms of state support for NGOs, to establish constructive dialogue and cooperation with state authorities.

The problem of financing the organization is relevant for all NGOs, and everyone solves it differently. It is important to train current and future employees of the NGO in the field of management and fundraising, and to attract new qualified employees, including those with business experience who know how to make money.

⁷ V. Lozovanu, O. Manole. "Fundraise. Rukovodstvo dlya pravitelstvennykh organizatsiy", Moldova Chisinau "Promo-LEX", 2011, p. 5.

⁸ D. Polikanov. "NKO. Kak ustroeny nekommercheskie organizatsii". Russia "Bombora izd." 2022 Page 215

⁹ Based on data from the Development Strategy Center. <https://t.me/dscuzbekistan>