MODERN FORMS OF MOBILIZING FINANCIAL RESOURCES IN THE NON-PROFIT SECTOR AND THEIR DEVELOPMENT TRENDS

Toshpulatov Farrukhbek Asronbek ugli
Independent Researcher at the Research Center
"Scientific Foundations and Problems of the Development
of the Economy of Uzbekistan" under TSUE
ORCID: 0009-0008-2994-3308

Non-profit organizations operate in an environment where social needs grow faster than the stability of individual funding channels. For this reason, the mobilization of financial resources can no longer be understood only as the search for a grant or a budget transfer. A modern resource strategy combines public support, private philanthropy, sponsorship, membership-based income, donor programs, legally permitted own revenues and digitally enabled forms of community giving. The central financial task is to build a resource base that is sufficiently diversified, predictable and compatible with the mission of the organization.

The development of the non-profit sector changes the logic of resource mobilization in two directions. First, organizations increasingly need flexible resources that can cover not only project activities, but also organizational, communication and continuity costs. Second, funders increasingly expect transparency, measurable results and digital reporting. These tendencies strengthen the role of financial planning before resources are attracted: the organization must evaluate the stability of the source, the cost of obtaining it, restrictions on use and the probability of repeated financing.

Traditional sources remain important, but their role is being complemented by partnership and digital instruments. State grants and subsidies provide significant support for socially important activities; donor grants can finance innovation and specialized programs; sponsorship creates opportunities for cooperation with business; charitable donations and membership fees strengthen community participation; and online giving tools reduce geographical barriers for small contributions.

At the same time, each form has its own financial limitations, which means that expansion of sources should be accompanied by risk assessment. For example, in eight selected completed public grant competitions in Uzbekistan in 2026, 517 applications competed for a combined UZS 7.065 billion and only 46 were supported (8.9%), illustrating that nominal availability and effective accessibility are not the same (author's calculations based on ngo.gov.uz, accessed 11 September 2026).

Table-1

Modern forms of financial resource mobilization in the non-profit sector

Resource form	Main financial feature	Development trend	Key limitation
State grants and subsidies	Relatively large targeted financing	Greater linkage with measurable public outcomes	Dependence on public priorities and formal procedures
Donor programs	Project and institutional support	Specialization and result-based financing	Competition and restricted use of funds
Sponsorship and philanthropy	Private and corporate resources	Longer partnerships and social responsibility programs	Donor concentration and reputational risk
Membership fees and own revenues	More flexible internal resources	Growth of financial autonomy within legal limits	Limited market capacity and mission compatibility
Digital/community giving	Many small contributions through digital channels	Wider outreach and recurring micro-donations	High communication effort and unstable conversion

Table 1 shows that modern resource mobilization is characterized not by the replacement of one funding source with another, but by the simultaneous use of several channels that differ in terms of stability, accessibility, flexibility and conditions of use. Public resources may serve as a relatively stable financial basis for the implementation of socially significant activities, while sponsorship, charitable contributions and legally permitted own revenues can increase the organization's financial maneuverability and reduce dependence on a single source. At the same time, the combination of different sources enables non-profit organizations to respond more flexibly to changes in financing conditions and to maintain continuity of their core activities. Digital fundraising instruments, in turn, make it possible to expand the potential donor base, reach new groups of supporters and mobilize relatively small contributions from a wider audience. However, the effectiveness of digital forms depends on continuous

communication with donors, institutional credibility, transparency of financial information and regular disclosure of the results achieved through attracted resources. An important development trend is the transition from episodic fundraising activities to systematic multi-source financial management integrated into the organization's regular planning process. In practical terms, this means that each potential funding source should be assessed according to several interrelated criteria: the stability and regularity of inflows, the costs associated with attracting and administering resources, the degree of restriction imposed on their use, and the possibility of renewing or maintaining the source in subsequent periods. Such an assessment allows the organization to distinguish between sources that provide short-term project financing and those that may contribute to longer-term financial continuity. Diversification, therefore, should not be understood merely as an increase in the number of funding sources. Its economic meaning lies in forming a balanced combination of resources in which temporary suspension, reduction or loss of one source does not lead to disruption of the organization's core activities. This approach also improves financial planning, strengthens liquidity management and creates greater capacity for responding to unexpected changes in the external funding environment.

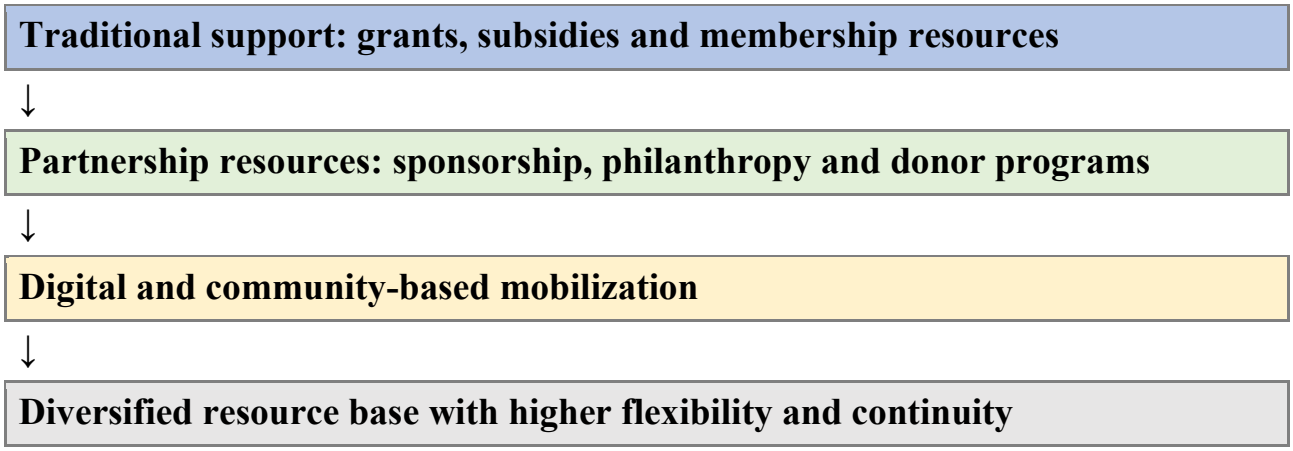


Figure-1. Development logic of modern financial resource mobilization

Figure 1 presents resource mobilization as a gradual expansion of the financial base. The logic of the model is that traditional sources provide an initial foundation, partnership instruments broaden access to external resources, and digital channels increase the number of potential contributors. The final financial effect is not simply a larger volume of funds, but improved continuity, flexibility and the ability to adapt the funding structure to changing social needs.

Another trend is the growing importance of unrestricted or relatively flexible resources. Project grants are valuable, but they often cannot fully cover administrative capacity, staff development, communication or temporary liquidity gaps. Therefore,

organizations need to strengthen internal sources and negotiate reasonable coverage of indirect costs. A balanced resource structure should also include a modest operating reserve, because even approved funds may be transferred with delays and some fundraising campaigns may produce results later than expected.

The use of digital instruments deserves special attention. Online donation pages, recurring payment tools, social networks and digital reporting can reduce the cost of reaching potential supporters. However, the financial effect of digitalization depends on trust. If the organization does not provide clear information about the purpose of fundraising, the use of funds and achieved results, digital visibility does not automatically translate into sustainable income. Thus, technology should be combined with transparency and donor relationship management.

In conclusion, the modern development of resource mobilization in the non-profit sector is moving toward diversification, flexibility, partnership and digital interaction. The practical priority is to transform fundraising from a separate campaign into a permanent financial management function. Non-profit organizations should map available sources, assess their restrictions and costs, develop recurring relationships with donors and sponsors, strengthen legally permitted own revenues, and use digital tools to broaden community participation. Such an approach reduces dependence on a single channel and creates a more resilient basis for long-term mission implementation.

Ispolzuyemaya literatura:

1. Law of the Republic of Uzbekistan 'On Non-Governmental Non-Profit Organizations', No. 763-I, 14.04.1999. LEX.UZ.
2. Law of the Republic of Uzbekistan 'On Social Partnership', No. ZRU-376, 25.09.2014. LEX.UZ.
3. Decree of the President of the Republic of Uzbekistan No. PF-6181, 04.03.2021. Civil Society Development Concept 2021-2025. LEX.UZ.
4. Froelich K.A. Diversification of Revenue Strategies: Evolving Resource Dependence in Nonprofit Organizations // Nonprofit and Voluntary Sector Quarterly. 1999. Vol. 28, No. 3. P. 246-268.
5. Carroll D.A., Stater K.J. Revenue Diversification in Nonprofit Organizations // Journal of Public Administration Research and Theory. 2009. Vol. 19, No. 4. P. 947-966.
6. Hung C.K., Hager M.A. Revenue Diversification and Nonprofit Financial Health // Nonprofit and Voluntary Sector Quarterly. 2019. Vol. 48, No. 1. P. 5-27.