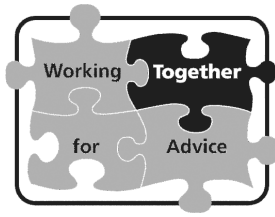


Fundraising for the Future

Guidance for AdviceUK members

October 2009



Introduction

“A gradual switch in the balance of funding, from grants, donations and investment income, to earned income and contracts.”

Karl Wilding Head of Research at NCVO¹

Purpose of Document

Over recent years there has been an increased move to voluntary organisations being commissioned for services rather than being provided with grants. The competitive nature of commissioning means that often smaller voluntary organisations lose out to larger/national voluntary organisations or private organisations who are more experienced at tendering for services.

The advent of commissioning means that local and regional voluntary organisations have to be more strategic and innovative about how they secure funding for their services.

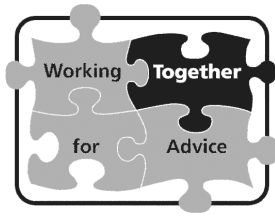
Whilst commissioning does threaten the security of organisations that have previously been awarded grants from statutory organisations, there are still a range of other funders that provide grants.

Who is this document for?

This document is for any organisation, wishing to diversify or increase funding for the services that they currently provide.

The document is designed to be used as guide of what to consider when making a funding application to a grant making body. It provides guidance on the terminology within funding, what makes a good fundraiser, tips and resources.

¹ Cited in the Guardian, 3rd June 2009



Learning the Language

Grants

A financial or in-kind contribution usually with conditions attached.

Stakeholder

An individual, group or organisation that has a direct or indirect interest in the service, project or organisation.

Commissioning

This term can be defined as a process that includes user and community engagement, needs analysis, strategic planning including sustainable outcomes, securing a service and monitoring, evaluating and challenging the service.

Tendering

This is the process whereby an organisation bids to deliver the service or outcomes being commissioned and the subsequent negotiations to agree the contract.

Procuring

This is the part of the commissioning process that focuses on the buying of services.

Trusts

Usually independent organisations set up with a specific charitable purpose that provide organisations with grants.

Indicator

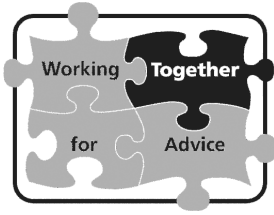
Information that can be used to measure what is happening.²

Outcomes

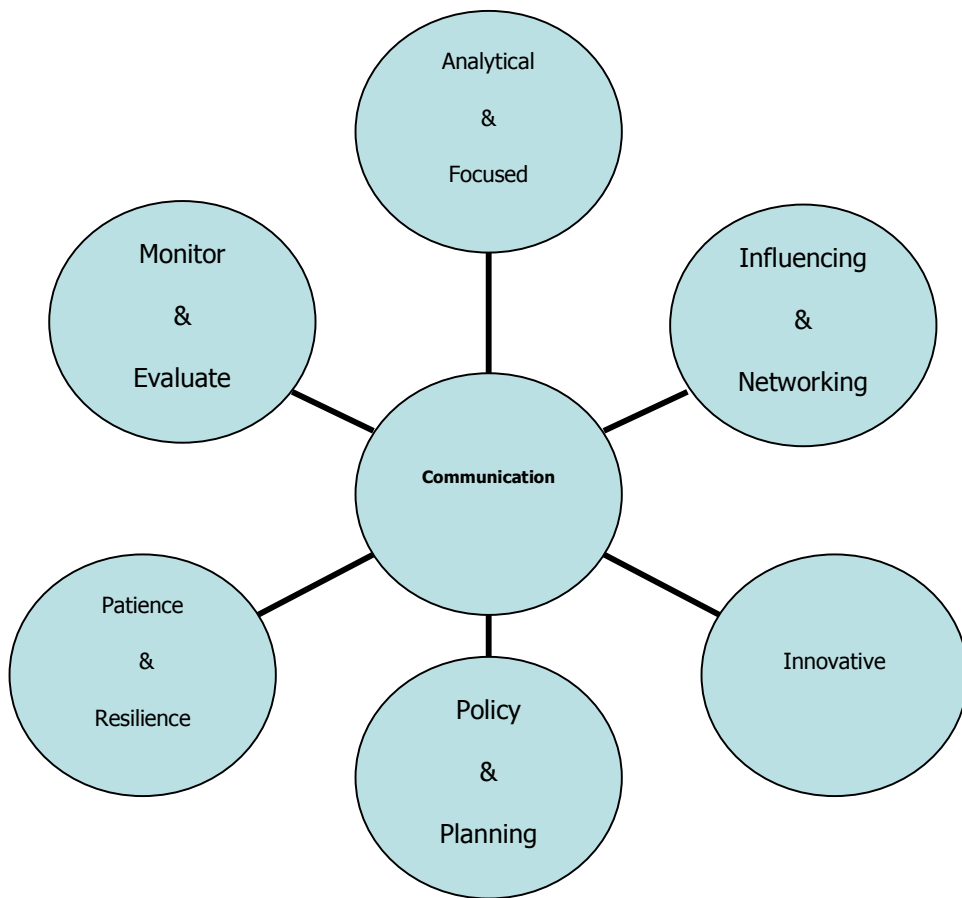
The changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.³

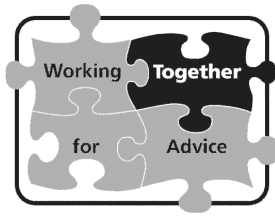
² Jargon Buster, Charities Evaluation Service

³ Jargon Buster, Charities Evaluation Service



What makes a good fundraiser?

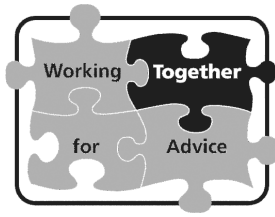




Communicating Your Credibility

Key ways to communicate your credibility in a funding application or when trying to build a relationship with a new potential funder include:

- ✓ Examples of successful projects or services that you are running or have run
- ✓ Examples of successful relationships with either other organisations, community groups and client groups
- ✓ Evidence of previous successful relationships with other funders
- ✓ Statistical and anecdotal evidence of the need for your proposed service or project
- ✓ Awards/qualifications/experience/accreditation
- ✓ How can you demonstrate that they will get value for money with the service/project/role that you are proposing
- ✓ How the service/project/role that you are proposing supports the funder's priorities
- ✓ How your local awareness/history/profile strengthens your application for funding



Points to consider in Partnership

Questions that need to be raised and answered include:

When and how will the funding be distributed?

Who is accountable to the funder?

Who is responsible for reporting back to the funder?

How and when will other partners feed into the monitoring and evaluating?

Governance of project?

How will performance issues be managed between organisations?

Will working in partnership result in better outcomes?

Will there be any cultural differences between partner organisations that need to be considered?

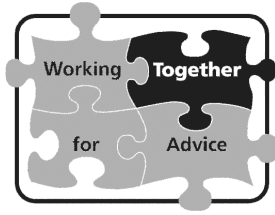
What agreements do you need between each other?

What personality difficulties can you foresee?

How will you address these?

How will the evaluation establish the benefits/challenges of working in partnership in addition to the outcomes of the project?

How will you ensure that everyone is clear about what everyone is expected to produce and contribute to?



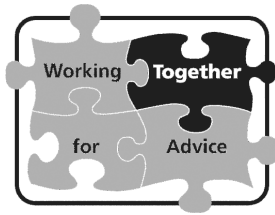
Seven Secrets to Success

- ☺ Use an overall aim together with SMART⁴ outcomes
- ☺ Provide a range of sources to evidence the need including case studies
- ☺ Express your enthusiasm, commitment and knowledge on the subject area
- ☺ What is your organisation's unique selling point (USP)?
- ☺ Do your research about the funder's priorities and criteria!!
- ☺ Highlight how your bid will provide cost effectiveness
- ☺ Demonstrate how you will share learning from the role/project/service

Five Flaws

- ☹ Moving a project to extremes to fit a project or a role to the funding requirements
- ☹ Unclear or stilted language, jargon and acronyms
- ☹ Overinflate what you say you can do
- ☹ Poor grammar, spelling, leaving tracked changes on etc
- ☹ Insufficient evidence for need of role/project/service

⁴ Specific, Measurable, Attainable, Realistic and Timed

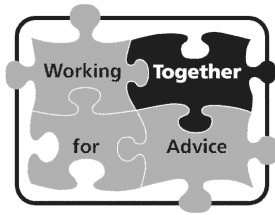


Example Budget for an Advice Worker

Budget Heading	Year 1	Year 2	Year 3
Salary	£24,600	£25,338	£26,098
National Insurance (12% of salary)	£2,952	£3,040	£3,131
Pension (6% of salary)	£1,476	£1,520	£1,565
Recruitment	£3,000	-	-
Training	£1,500	£1,545	£1,591
Travel expenses	£2,500	£2,575	£2,652
Office costs e.g., ICT, stationary and printing	£2,500	£2,575	£2,652
Insurance	£1,000	£1,030	£1,061
Evaluation (research time, print costs)	£1,000	£1,000	£4,000
User Involvement	£500	£515	£530
Sub-total	£41,028	£39,138	£43,280
Management costs (15% of sub-total)	£6,649	£6,380	£6,805
Yearly Total	£47,677	£45,518	£50,085

TOTAL = £143,280

Please note the shaded areas indicated may not be relevant for all roles. Other areas that you might wish to include depending on the role include funding to attend conferences, subscriptions, travel expenses for outreach workers and/or the inclusion of a hardship fund where appropriate for your organisation.



Core costs and full cost recovery

Some funders will state explicitly that they will not fund certain core costs such as salaries, office or accommodation costs. However, in making a funding application it is crucial to include all cost, particularly those 'hidden costs' such as a management costs. So what to do? Sometimes you will need to be creative in the way you present and package your costings to funders.

Consider the two alternative ways of presenting the budgets for a project below.

Bluebell Community Centre

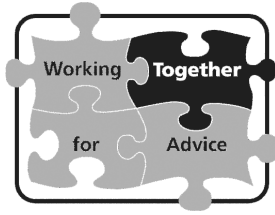
A. Expenditure 2009

Salaries and NI	£25,000
Rent & Rates	£10,000
Office Costs	£10,000
Repairs and Renovations	£15,000
Sessional Staff	£15,000
Workshop Costs	£25,000
Total costs	£100,00

B. Expenditure 2009

After school project	£10,000
Financial Literacy Training	£20,000
Employment Advice Scheme	£25,000
Drop in centre	£15,000
Workshop	£30,000
Total costs	£100,000

In these situations try to avoid using salary heading and focus on the end product of service e.g. cost per activity; cost per day; cost per event.

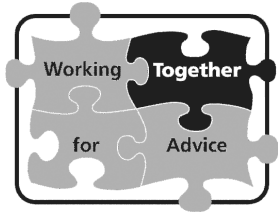


Checklist

Some final points to consider before submitting a grant application:



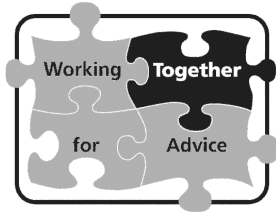
Is there a clear sense of purpose to role/project/service?	
Have you asked someone not involved to check it makes sense?	
Does the role/project/service links clearly to funder's priorities and criteria?	
Have you provided evidence of clear need from a variety of sources? e.g. statistics, case studies	
Aesthetics – can you easily pick out the key points? E.g. have you used bold to highlight key words	
Have you checked the accuracy of the budget? E.g. have you included monitoring and evaluation costs?	
Have you attached information including accounts, annual report, covering letter as required by funder and authorisation?	
Have you triple checked grammar and spelling?	



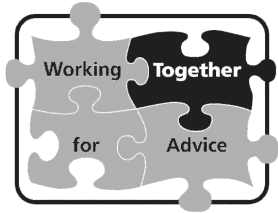
Further information

Funders

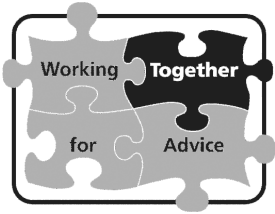
Trust/Stream	Area of funding	Size of grant
Allen Lane Foundation	General, small, non-London charities	£500 - £15,000
Abbey Charitable Trust	Education and training, financial advice and community regeneration; all in relation to disadvantaged people.	£500 - £4,000 or £500 - £20,000 where an area has a Community Partnership Group
Barbour Charitable Trust	Projects predominantly based in NE	Very large grants available for specific projects.
The Bedford Charity (Harpur Trust)	Projects based in Bedford focusing on education, relief, recreation. Also, 2nd tier charities benefitting the entire sector.	No specific limit. Four 'themed' grants available of £100,000 each: Excellence in Education, Voluntary Sector Infrastructure Support, Homelessness, Child & Adolescent Mental Health
The Big Lottery	Distributes money from the National Lottery to good causes including war veterans, community groups and young people	Funding dependent on factors including programme applied to
The Brelms Trust	Projects to benefit the Yorkshire community	£1000 - £15,000 per annum



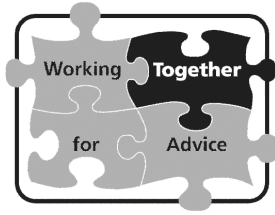
Barrow Cadbury Trust	Innovative projects for social change	3 bands: up to £3,000, up to £10,000 and £10,000+
William A. Cadbury Trust	Birmingham & West Midlands: social welfare and community (including advice), education and training, ex-offenders	—
CHK Charities Ltd	National and West Midlands charities in many areas	Conditionally renewable grants and grants in excess of £25,000
The City Bridge Trust	Local and national charities benefitting London	Not usually exceeding £50,000
Dulverton Trust	General welfare in the UK (except London)	Grants in excess of £40,000 available
John Ellerman Foundation	Social welfare in the UK (generally national organisations)	Min: £10,000 Max: not usually above £100,000
Esmee Fairbairn Foundation	Gives large grants in 4 areas: social development, environment, education and arts and heritage	No maximum grant: evidence of grants up to and exceeding £1m
Fidelity UK Foundation	Primary areas of focus are: arts and culture, community development, education, health	
Freemasons' Grand Charity	Charities who operate nationally for specific projects/posts	Majority of grants are for between £10,000 and £25,000 and can reccur for 3 years. Grants of upwards of £50,000 are sometimes awarded
Charles Hayward Foundation	Capital costs of organisations seeking to benefiit community and neighbourhoods. Projects can be funded if developmental or innovative.	£1000 - £20,000
LankellyChase Foundation	Several ventures including community-based activities and renewal (outside Greater London)	up to £50,000



LloydsTSB Foundation for England & Wales	Charities which benefit disadvantaged people interact more fully within their community	Grants available of £50,000+
John Lyon's Charity	Programmes to benefit children and young adults in: Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow, Kensington & Chelsea and city of London and Westminster.	Average grant is £17,000
Millfield House Foundation	Projects tackling disadvantage and exclusions and the promotion of social change and policy in the North East of England.	One-off grants of between £5,000 and £50,000. Recurring grants of between £20,000 and £30,000 per year for a maximum of 3 years.
John Moores Foundation	Charitable community organisations in Merseyside. Advice provision to alleviate poverty is of particular importance.	Small grants of round £10,000
Northern Rock Foundation	Projects addressing quality of life and inclusion in the North East and Cumbria	Grants in excess of £1,000.
Joseph Rowntree Foundation	Several areas including policy engagement and equality	Large grants available (e.g. £200,000)
The Henry Smith Charity	A wide range of projects in areas of deprivation, BME groups, Community work (debt advice etc), Carers, Homelessness, Prisoners and ex-offenders, Young People, Asylum Seekers etc	Large grants of £10,000+ are available
The Tudor Trust	Generally smaller organisations making positive impacts on communities	Grants of over £50 p.a available
HBOS Foundation	Variety of community work	Large grants of £100,000 p.a. Available



Friends Provident Foundation	Financial inclusion	£100,000+ available
HMRC	Benefits advice etc.	Grants of £50,000+ available



Resources

Directory of Social Change: www.dsc.org.uk;

Sources of Government funding: www.governmentfunding.org.uk;

Funding information for third sector organisations: www.financehub.org.uk;

Helps organisations to select appropriate sources of funding: www.grantnet.com;

Lottery grants scheme funding small, local community-based projects in the UK:
www.awardsforall.org.uk;

Charity regulator in England and Wales: www.charitycommission.gov.uk;

Provides free access for third sector organisations to funding opportunities:
www.fundingcentral.org.uk

Details of projects by interest: www.biggive.org.uk;

Shares knowledge, resources and ideas www.opensourcecommunity.net/resources

Association of Chief Executives of Voluntary Organisations: www.acevo.org.uk

Information, resources and opinions on issues affecting the third sector: www.thirdsector.co.uk;

Provides information on charities: www.guidestar.org.uk;