

# Fundraising Fact Sheets **1-3**

## **1.** Introduction to Fundraising

### **1. Planning**

Fundraising is not a quick process, as many of the funding bodies have various stages they go through before they will reach a decision as to whether your organisation has been successful or not. It is therefore useful to start the process at least 6 months in advance – you should also think about creating a Fundraising Strategy (contact CVS Rochdale for a guide on how to create Fundraising Strategy).

#### **1.1. Appoint a fundraiser or fundraising group**

Fundraising requires time and effort to be successful, so it is essential that a person or group of people see fundraising as their responsibility. Fundraising doesn't have to be full-time (most fundraisers have other tasks in the organisation) but it should be seen as an important and separate piece of work.

#### **1.2. Make sure you're ready to be funded**

All funders require a minimum level of structure within the organisation, so that they feel their money will be properly spent and managed. They usually require that the organisation:

- Is a non-profit making organisation with charitable or benevolent aims.
- Has a governing document which states the organisation's purpose, powers and rules by which it operates.
- Has a bank account in the name of the organisation.
- Keeps financial records.
- Has appropriate policies and procedures in place (e.g. Child Protection Policy, Vulnerable Adults Policy etc).

Before applying for funding, the organisation needs to ensure that it has systems in place to manage and account for the amount of money requested, and that processes are in place to ensure successful completion of the work or project. Certain things requested from a funding body such as a worker, a building, or a vehicle create legal obligations, therefore it is important that legislation is understood and that your organisation is able to comply with them.

## **2. The Four Stages of Fundraising**

### **2.1. Deciding what you want the money for**

When deciding what your organisation wants the money for, it is useful to consider what problems or local needs your organisation or project will address. For example the idea may be to develop a structured variety of activities for young people and the problems you are looking to address are antisocial behaviour and exclusion of young people in your area etc.

### **2.2. Deciding how much money you need**

Once you are clear about what you want to do, the next step is to work out precisely how much it will cost and draw up a budget. Some things to consider:

#### **Staffing**

- Recruitment costs (advertising, photocopying, postage, interviewee expenses and interviewers expenses, room hire etc)
- Wages
- Employers costs (National Insurance Contributions and Pension Contributions)
- Staff training costs
- Staff travel expenses

## Premises

- Rent
- Rates – Council Tax and Water rates
- Power – Electricity and Gas
- Cleaning
- Building maintenance
- Insurance
- Security

## Equipment\*

- Computer, printer, software, ink and relevant accessories.
- Office equipment – chairs, desks and furniture
- Play equipment

*\*(Note when requesting funding for equipment it is good practice to obtain quotes)*

## Project Running Costs

- Postage
- Stationary and office supplies
- Publicity
- Volunteer expenses
- Printing
- Telephone
- Room/Venue Hire
- Training for beneficiaries
- Childcare cost

## 3. Research Funding Sources

It is necessary to conduct some research to identify and match possible funding bodies with the various aspects or activities of your organisation. There are a number of free funding research websites which you can use:

**CVSR Funding Portal:** <http://www.cvsr.org.uk/greater-manchester-funding-portal>

**Funding Central:** [www.fundingcentral.org.uk](http://www.fundingcentral.org.uk)

**GrantsNet:** [www.grantsnet.co.uk](http://www.grantsnet.co.uk)

**J4B Portal:** <http://www.j4b.co.uk/>

Alternatively contact CVS Rochdale to enquire about using the GrantFinder funding database which is a great tool for researching appropriate funders.

When you have identified potential funders you need to find out the following:

- Whether the funder requires an application form to be completed, whether a fundraising proposal is sufficient, or whether you need to complete an online application on the funder's website.
- Application dates or deadlines (the majority of funders work to a particular grant making cycle) so it is important to find out about this.
- What are the funder's priorities and interests (it is important to find out what funders are most likely to fund)?

## 4. Persuading the Funder to Give You Money

Persuading funding bodies to fund your project often works better if you look at things from their point of view. They generally want to know that the:

- Organisation is capable of managing their money (this is about ensuring that good financial and administrative management procedures, a clear and democratic decision making structure, and has all the relevant policies and procedures are in place)
- Need or problem that the organisation addresses is important or is of a high priority to them
- Organisations activities will reach a lot of people
- Organisation will make a difference and will actually successfully address the needs or problem as intended

## 2. Sources of Funding

### 1. Sources of Funding

There are a wide range of funding sources available to voluntary, community and faith sector organisations; however there is also a lot of competition.

- 1.1. Small Grants** – these are small pots of money usually from around £50 to £10,000.
- 1.2. Medium Grants** – these are usually grants from Charitable Trusts or grant makers such as the Community Development Foundation.
- 1.3. European Funding** – these are grants relating to the regeneration of deprived areas throughout Europe and are the European Social Fund and European Regional Development Fund. Most of these grants are not available for groups to bid into as they are strategically managed, usually by Local Authorities.
- 1.4. Service Level Agreements** – these are contracts with Statutory Service Providers who have an agreement with voluntary and community groups to provide services on their behalf.
- 1.5. Payroll Giving** – this is a flexible scheme which allows anyone who pays UK income tax to give regularly and on a tax free basis to the charities and good causes of their choice. The employer deducts a set amount from employee's salaries which is then donated to the charity.
- 1.6. Donations/Memberships** etc – the organisations gets donations from local people, or charges membership fees.
- 1.7. Income Generation** – voluntary organisations often generate income through the sale of their goods and services, this is perfectly acceptable providing the sale of goods or services fits in with the organisations objectives and is not over a certain level. Many organisations setup trading companies, which generate income on behalf of the organisations. An example of a trading company would be Oxfam charity shops which generate income for the activities done both internationally and nationally by Oxfam to relieve poverty and distress. Further Information on Trading - <http://www.ncvo-vol.org.uk/advice-support/funding-finance/income-sources/open-market/introduction>

### 2. Types of funding bodies

There are 5 different types of funding bodies:

- Charitable Trusts
- The National Lottery
- Company Giving
- Statutory Grants
- European Funding

## 2.1. Charitable Trusts

Trusts (sometimes called Foundations) are set up by companies or individuals as a way of giving money to certain causes. Some target very specific causes, others give more generally, to all kinds of groups that deal with community or disadvantage. There are local trusts, preferring to give in Greater Manchester or the North West. Many more are national, giving around the country. Amounts can range from a couple of hundred pounds to tens of thousands, or more if you match their aims closely and can show a big impact. Applications to Trusts are often as simple as a 2 page letter or basic application form. More details might be requested for larger requests.

## 2.2. The National Lottery

The National Lottery gives money to good causes, each of which has its own pot of money and application procedure. They include:

- **Arts Council England** – this is the national development agency for the arts in England, distributing public money from the Government and the National Lottery.
- **BIG Lottery Fund** - The Big Lottery Fund is committed to improving communities and the lives of people most in need. Their two flagship programmes are Awards for All and Reaching Communities.
- **Heritage Lottery Fund** – uses money from the National Lottery to give grants for a wide range of projects involving the local, regional and national heritage of the United Kingdom.
- **Sport England** – invests in projects that help people start, stay and succeed in sport and physical activity in every level.
- **UK Sport** – working in partnership to lead sport in the UK to world-class success.
- **NESTA** - NESTA (the National Endowment for Science, Technology and the Arts) is a non-departmental public body (NDPB) investing in innovators and working to improve the climate for creativity in the UK.

## 2.3. Company Donations

An alternative to grants is approaching a local company to ask for money or resources. The advantage of this approach is that you may get a very quick answer, as there may be no official application process. Additionally, you could develop a long-term relationship with the company.

Businesses may be willing to enter into a **sponsorship** deal. This involves you offering a service, usually publicity for the company in your publications or at events, in return for money. It is more of a business deal than a donation, so you have to be able to deliver your side of the bargain. To find out more, contact companies directly and ask for the Community Affairs or Marketing Department, or a person who can deal with donations.

## 2.4. Statutory Grants

Statutory means that the grant comes from various government departments or a local body such as the Council, Health Authority or Education Authority.

Money is given to voluntary groups for work that the Government or local agencies have identified as necessary. Examples: The Ministry of Justice provided funding in 2011 for groups to tackle Gangs, Guns and Knife crime.

## 2.5. European Funding

European funds are generally for projects involving regeneration, training and employment. Groups usually access them through a local office.

European grants can be large, but require time and effort due to the large amount of paperwork involved in applying for, monitoring and reporting on your project. The money can take a long time to arrive, and you often need to find match funding (grants will only cover part of your project costs, perhaps 45% and you need to find funding to match that which you get from Europe).

To find out more visit <http://www.erdfnw.co.uk/>.



### 3. Match Funding

Match funding refers to the finance or commitment put forward as a contribution to the eligible costs of a project and can either come from private or public sources.

There are two types of match funding:

- **Actual match funding** - This generally refers to cash contributions towards a project e.g. grants, your own reserves.
- **Match funding in kind** - This refers to any service or product which is provided free of charge e.g. free room hire, volunteer time.

#### 3.1 Sources of match funding

**Own reserves** - Very often organisations begin by looking at external sources before investigating fully the availability of funding within their own organisation. Admittedly, disposal income is usually scarce in an organisation but other internal resources could be costed as match funding, for example, time spent by staff working on the project or in the case of a sports club, membership fees.

**Partners' resources** - Other partners participating in the project may be able to provide match funding from existing sources.

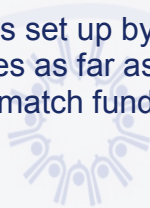
**National funds** - Funds from government departments often make up the bulk of match funding

**Charitable Trusts** - Trusts may operate on a national, regional or local basis, for example, the Lloyds TSB Foundation.

**Local Agencies** - Organisations at a local level may be approached to establish whether they are willing to donate funds to a project. It is important that the project has relevance to the organisation that you approach.

**Private match funding** - Private companies are constantly inundated with requests for donations and very often will only make contributions to local organisations or to causes that appeal directly to the Director( s) personally.

Alternatively, groups could tap into funding initiatives set up by private firms for philanthropic and benevolent projects. There are no hard and fast rules as far as match funding is concerned. Nonetheless, it is always worth remembering that opportunities for match funding often need only a little bit of creative thinking.



## 3. Developing A Funding Application

### 1. Contact funders

The first thing to do is refer to each potential funders website (if they have one) for further information (e.g. funding guidelines can usually be downloaded) and then contact each funder to discuss eligibility – this will save you time and effort. You should check the application process (e.g. online application, hard copy) and submission dates so that you can try, as much as possible, to fit in with them.

### 2. Read the Guidelines

Once you've obtained the funding guidelines check whether:

- You have to be a registered charity?
- Your group set up in the right way (do you need a constitution, management committee, bank account in the group's name etc?)
- Can the funds be used for what you need (e.g. equipment, wages, etc)?
- Is your organisation or activity in the list of exclusions?

The guidelines will give you an idea on what the funder particularly wants to fund, their aims or priorities. You need to make sure that your project helps the funders to meet their stated aims in some way.

### 3. Read the Questions....TWICE!

Before you complete the application form read through the questions as this will give you a better understanding of what to write for each section.

### 4. Write the Application

#### 4.1 Make Drafts

You are likely to produce several versions of your application before the final version is ready. Make copies of the application form, write the text on a separate sheet or type it up so you can spell check it easily. Show drafts to colleagues or advisers to get their feedback.

#### 4.2 Sell Yourself

Before you begin to write, remind yourself that you must show funders:

- Your organisation and project meets their funding aims.
- There is a real need for your project.
- The activity/services you are proposing effectively meets this need.
- You are capable of managing the money properly.
- You cannot do the project without financial assistance.

As you write, ensure you are positive about your achievements and show yourself in a good light.

#### 4.3 Answer All Questions Fully

Each question asks for certain pieces of information make sure you answer all the questions they ask and don't add in anything that isn't necessary. This point may seem obvious, but one of the top reasons for rejected applications is simply that the questions are not answered.

#### 4.4 Use Simple Language

Funding decisions are usually made by a group of individuals in a meeting. They will have a pile of applications with a lot of reading to do in a short time. So make your writing clear, simple and to the point. Do not use jargon where everyday words will do. Describe your work in your own terms. Use short sentences and make your application attractive to read.

### 5. Provide All Additional Information Requests

A prime reason why applications are turned down is because additional information that was asked for has not been sent. Funders usually ask for:

- A constitution or set of rules
- A budget
- Financial accounts or bank statements (usually for the previous 3 months)

There may be more - read the guidelines and application form – some funders may include a checklist. Funders may reject your bid immediately if you do not send everything asked for.

### 6. Address the Application - Correctly!

You may well be sending your application directly to the person who decides on your grant - it is vital that you correctly write the name, title and address of the person and organisation you are applying to. Getting these details absolutely correct gives the impression that you are a well-organised group with good, basic communication skills - the kind of group funders like to support.

### 7. Developing a Funding Proposal

If you are applying to a Trust or Foundation, there may be no application form and you only need to write a letter. Funders generally provide guidelines which list the points to put in your letter or funding proposal:

- Budget - How much is needed? What it is needed for? (make sure it is realistic and clear).
- What the aims and objectives of your group are?
- What are the problems or needs that the project will be addressing?
- Are there any social, geographical or economic factors which make it important to do something within the area you plan to work – these are things like social isolation, deprivation, low educational achievement etc.
- What will the project do/provide?
- How you will involve the community your project benefits
- Whether you will work with other groups to deliver the project
- How you will involve volunteers, what roles they will have e.g. management committee members or more specific service delivery roles.
- What will the expected achievements or outcomes of the project be?
- How will you monitor and evaluate the project?
- What sources of funding have you already identified or received?
- What will happen when the funding runs out – will the project continue or is it time limited?
- A sample funding proposal is attached at **Appendix A** to this fact sheet.

**For Further Funding Advice, Information and Support contact CVS Rochdale :**

Telephone (01706) 631291  
Email [info@cvsr.org.uk](mailto:info@cvsr.org.uk)  
Website [www.cvsr.org.uk](http://www.cvsr.org.uk)

# Appendix A

## Sample Funding Proposal



CVSR



## 1. Project Description

The Fairweather Project is a registered charity (no 15499) established in 2001, which provides information, advice and support in the form of accommodation to families who are threatened by homelessness or become homeless. We are looking to set up a new 12 month “**Alternative Therapy Service**” aimed in particular at supporting women from the resident families.

This project aims to give women who are residents with Fairweather access to and experience of alternative ways to reduce stress and enable them to learn relaxation techniques without the use of cigarettes, alcohol or drugs. The project will therefore improve the health, confidence and general wellbeing of women. It will also improve their future lifestyles.

The project will be run by 1 full time staff member of Fairweather Project and will also make use of therapists from the Local Health Centre for Holistic Healing – we will also utilise volunteers where appropriate.

## 2. Aims and Objectives

We meet our aims through the provision of:

- Temporary and midterm accommodation to families who are either threatened by homelessness or become homeless.
- Support, advice and information to the most vulnerable residents.
- Empowering activities such as: -
  - confidence/assertiveness training
  - drug and alcohol awareness workshops
  - social and cultural events promoting cohesion and reducing social isolation
  - Work clubs/Job clubs

## 2. Needs our Project Addresses

The families who utilise the services provided by our project have all experienced directly or have been threatened with homelessness. They are generally financially disadvantaged and claim welfare benefits. The women in particular have poor diets and many of them experience health issues due to smoking or have alcohol/drug and substance misuse problems. Their collective experiences include issues such as drug or alcohol dependency or misuse, family breakdown, domestic violence or other violence/harassment issues. Due to their previous and current situations many of the women have very little confidence, low self esteem and suffer stress and anxiety. Our project therefore not only addresses the issue of homelessness but it also deals with health, drug and alcohol misuse, poverty and women's issues.

## 3. About our Geographical Area

The Index of Multiple Deprivation 2007 uses a range of indicators to compare deprivation across all wards of all local authority areas in England. According to the local concentration index, which identifies “hot spots of deprivation” Rochdale is the 10<sup>th</sup> most deprived borough nationally. It ranks higher than Oldham, Bolton and Salford suggesting that it has very intense levels of deprivation covering a large proportion of the borough in its worst areas.

The Boroughs economy is reliant upon manufacturing which has been in continual long term decline and the number of jobs located in the Borough declined by 5,500 between 2007 and 2009. Although the working age population with no qualifications decreased in 2009 the employment rate in the borough has been decreasing steadily over recent years and lies below the regional and national averages.

In regards to health, although life expectancy has improved, people in the borough live on average 2.1 years less than the national average and the rate of alcohol related hospital admissions continues to rise year on year (again higher than the national average).

The number of decent homes in the borough continues to rise year on year however the number of vacant dwellings in Rochdale Borough increased by 15% in 2010-11, due to an increase in private empty properties. There were a total of 3,063 homelessness enquiries of which 1,364 households were prevented from becoming homeless in 2011.

At the same time there are a relatively few GP's per head of population and major pressure on secondary health care. Hospitalisation rates are high, services lack investment and there are problems recruiting and retaining skilled staff.

## 4. Involvement of Beneficiaries

Staff at Fairweather have consulted with the residents and the women have unanimously agreed that the project will be of benefit to them. The service is for the women and will be developed by them, with the support of the staff at Fairweather. We regularly hold meetings so that the residents can have their input into the way that services are developed in the future.

## 5. Partnership Working

We will be working in partnership with the Local Health Centre for Holistic Healing who has agreed to provide therapists at reduced rates.

## 6. Involvement of Volunteers

The Fairweather project actively encourages the involvement of volunteers both on its management committee and in the service delivery. In the past we have had service users who have become volunteers, moved onto further education or gained employment as a result – we will continue to promote this ethos of working with this project.

## 7. Project Achievements/Outcomes

The project will assist 28 residents per annum to:

- Gain greater access to alternative therapy
- Have experience of the benefits of alternative therapy
- Develop knowledge about alternative therapies and how to access them
- Enable women to use the therapies on a self help way to reduce stress and induce relaxation
- Improve their overall health and well being
- Empower individuals and increase their overall confidence and self esteem through a varied set of activities
- Promote volunteering opportunities to service users and locals who are interested in this field of rehabilitation work.

## 8. Monitoring and Evaluation

We will require the women to complete monitoring forms each time they receive treatment, this will enable us to monitor the success of the project against its expected outcomes. These forms will then be evaluated by the staff team and management committee in order to understand the clear and measurable differences the project has made to the women involved.

We will also carry out a follow up assessment of how well the women are progressing 6 months after leaving the project. This assessment will contain information relating to their experiences of using holistic therapies.

## 9. Project Costs

Item Description	Cost
Sessional Therapists (2 to provide a total of 24 sessions)	£240
Additional Resources (for follow up discussion/self help groups)	£60
Refreshments for discussion groups and workshops	£60
<b>TOTAL</b>	<b>£360</b>

## 10. Other Funding Sources

We have made applications to the Heartsmart Community Foundation and Pukkar Foundation for the full amount of funding. To date we have not had a response.

## 11. Exit Strategy

This project is time limited and will finish once the funding ends, however it is anticipated that we will build into our development plan a resource for continual therapist sessions

