



FAITH IN YOUNG PEOPLE

THE BOYS'
BRIGADE
> the adventure begins here



FUNDRAISING GUIDE

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welcome to the

Fundraising Guide

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for more fundraising ideas and resources go to:

www.boys-brigade.org.uk/fundraising/

Fundraising – Getting Started

All BB groups need some money to carry out their services or activities.

If everyone in your group, or on your committee, takes fundraising seriously and gets involved in thinking it through, then you are much more likely to be successful. It is important to get across the message that fundraising is everyone's responsibility.

Plan ahead

Raising money can take quite a long time. Most funders work to strict timetables. Local authorities and government bodies normally only consider applications once a year. Some charitable trusts or foundations only meet once or twice a year. Some special funds only invite applications every three years. So, as a general guide - apply for money at least six to nine months before you actually need it.

Keep records

Keep clear records of all the funders you approach, with the dates that you approached them and the outcome. This is useful information for the future – giving you an idea of who you can go back to and when.

Some legal considerations

Before you start applying for money you will need to consider whether you need any of the following:

- A written constitution – most funders will require some sort of constitution or written set of rules.
- To become a registered charity – if your yearly income is more than £5,000 and your aims are 'charitable' then, by law, you should apply to become a registered charity. This will open up more funding opportunities for your group. Local BB groups cannot use the national charity number.
- A committee.
- A bank account.
- Last year's accounts and a budget.
- Insurances and meeting health and safety requirements.

Equal opportunities

Ensuring equality of opportunity and access should run through everything you do.

Fundraising Skills

You may think that there is no one in your group, or not enough of you, with the experience or skills to fundraise. You could send people on a training course, or get advice and information from your local Council for Voluntary Service (CVS)

Which funders to approach?

You may have to approach different funders for different aspects of your proposal. If you have a funding proposal that contains different elements (for examples, workers' salaries, office equipment, building alterations) you may need to break it down into a number of projects and seek funding for each project rather than the whole thing.

An approach to fundraising

Once you have some knowledge and information you can then get started on your fundraising using the following approach.

1 – Decide what you need and why

Before you approach people for money you need to carefully think through your ideas. Then you can decide what you need money for (it might be rent for a meeting place or the costs of producing a monthly newsletter). These ideas can then be turned into a written funding proposal.

What is the problem or need and how do you know?

- A list or description of the things your group wants to do in order to meet this need, how you identified it and what research you have to back it up. Think about why your BB Company is vital to your local community.
- How you will go about doing these things.
- How you intend to measure the success of your proposal.

- An explanation as to how this work or project will fit into the rest of your organisation.
- Who else you need to consult with, e.g. Church Council.
- An account of how you will manage the work – have you got the people, the skills or other resources?
- How you will manage and keep account of the money.

Your written proposals should fit on to one or two sides of A4 paper once typed.

2 – Work out how much money you need

Once you've decided what you want to do, you then need to work out exactly how much it will cost. This is called your budget. You may need to fundraise all of the costs or just part of them if you have other income.

- Make sure that your figures are as accurate as possible. Get estimates, use catalogues, and talk to other groups running similar schemes.
- Make sure you don't under cost the work. But, don't over cost the work as this may mean funders reject your bid.
- Make sure you don't miss out any 'hidden' costs like insurance, maintenance, repairs, travel, training, heating, lighting, rent and so on. You could produce a list like this one:

Item	Cost
Computer/Laptop	
Software	
Furniture (desk & chair)	
Peripheral equipment	
Broadband Installation costs	
Training for leaders	
Stationery	
Other materials	
Equipment insurance	
Maintenance contract	
Electricity bill contribution	
Total	

If you are applying for money for more than one year remember to include inflation, and replacing items.

3 – The fundraising strategy

Once you have your written proposal and a budget, you need to plan how you will actually raise the money – this is your fundraising strategy.

There are lots of different funding sources and many ways of raising money. Try to limit yourselves to things you can do well rather than spreading your efforts too widely.

You need to consider and research carefully:

- Which funders are most likely to be interested in your work?
- When you need to raise the money by. Draw up a timetable, remembering to build in time for funders to consider your application. As a general guide allow six to nine months.
- Have you got people in your group with the skills, contacts, and time to do the work?
- Have other groups done similar work? If so, find out how they raised their money.
- Could you raise all or some of the money yourselves?

Getting help

You may be able to get some help from your Council for Voluntary Service, or from someone in your local authority.

Fundraising for Projects

Most funders want to fund projects rather than running or core costs. It is much easier to raise funds for something specific, like a piece of equipment or a particular activity or project, because funders want to be able to see what their money is achieving. Many groups are looking for ongoing costs for things like equipment, activity costs or rent for premises. This means that to attract funding you need to break your work down into specific projects or services.

You may find this difficult to start with. The way to overcome this is to ask funders to pay for things that contribute towards your general running costs but which are clearly defined and specific. You need to be able to think about your work in terms of 'projects' or 'pieces' of work that can be clearly defined, costed and measured. In this way you can package elements of your running costs into each project so that funders will continue to fund those less attractive items like rent and photocopying.

What is a project?

A project is a specific piece of work with clear aims and outcomes that can be measured. The work of your organisation could break down into projects which might be new pieces of work; or a development of an existing piece of work; or the repackaging of existing work. Be as creative as you can in project thinking.

For example, a large BB Company or a Battalion might want to employ a development worker. The project would have to be carefully budgeted for so all the running costs are included.

A 'fundable' project should be:

- Specific – a clearly identifiable piece of work or equipment.
- Meeting a need – you must be able to identify the need and explain how your work will address it.
- Of benefit – the outcome should be effective and worthwhile.
- Realistic – the project must be achievable.
- Cost effective – it should demonstrate value for money, which doesn't have to mean cheap.
- Relevant – to the funders concerned.
- Bite-sized – it should be an appropriate size for the funder. Large pieces of work can be broken down into smaller parts if necessary.

Project costing

There are a number of things to bear in mind if you approach your fundraising in this way:

- When including a share of general costs or overheads into your project, make sure that the amount allocated is made on a sensible and realistic basis that can be explained. Don't just pluck figures out of the air. For instance, if the project represents 20% of your total staff time then it would be reasonable to expect it to pay 20% of the rent and other running costs.
- In costing each project you need to include one-off start up and capital costs and then divide your other costs into 3 categories – 'direct', 'shared' and 'indirect'.
- Direct costs are those that apply exclusively to the project, such as salaries and recruitment costs.
- Shared costs are those that will be shared out proportionately between a number of different projects, like rent and cleaning.
- Indirect costs are those that are incurred by the organisation as a whole and may include such items as insurance, audit fees, and management committee expenses. As with shared costs these can be worked out on a percentage basis.
- If you already get some core income from another source then that could cover your general costs so that you need only approach new funders for the interesting bits.

Some problems and pitfalls with 'project thinking'

- Beware of allowing your original aims and objectives to be lost and funding becoming the driving force of your group.
- If you are offered more money than you need, you will need to ask some of the funders if they would be willing to let you spend their money on another project or activity, or let you carry it over into the next year.
- If you cannot find a way of making your project attractive to funders you may have to do something else that is likely to be funded, or look for alternative ways of covering your original project. Alternatively you may have to consider that the work cannot be done and make decisions about the future of your work.

Budgets for Small Groups and Small Projects

A budget is a financial plan showing income (money coming in) and expenditure (money going out) for the year ahead. It helps you to identify what money you need to raise to cover your costs. It also helps you to control your expenditure, monitor your fundraising, and manage your money.

No budget is ever 100% accurate. It is your best guess of what money you think you will need at the time of drawing up your plan, things can change during the year; you may have unexpected costs or even spend less on some things. You need to keep an eye on your budget and review it from time to time. The more time and thought you put into planning it, the more accurate it is likely to be.

Preparing

It can take a lot of time and effort to draw up an accurate budget. It may take several months to get all the figures together and agreed by your group. So, start work on it as soon as you can, don't leave it until you have to fill in the grant application form. This is especially true if you are a new BB company or the project you are applying for money for is a new venture for you, as you will have to work out all your costs from scratch.

Working out your budget

See the checklist at the end of this sheet for a list of budget headings you can use to list your income and expenditure.

Expenditure

When working out how much money you will spend during the coming year you need to take account of the following:

- Make sure that your figures are as accurate as possible. Don't just guess costs or use old figures – you might end up not having enough money. Get estimates from a few different suppliers, use catalogues, and talk to other groups running similar projects.
- Make sure you don't under cost the work as this could lead you into financial problems. But, just as importantly, don't over cost the work as this may mean that funders reject your application, they are used to looking at budgets.
- Make sure you don't miss out any 'hidden' costs like insurance, maintenance, repairs, travel, training, heating, lighting, rent and so on.
- If you are applying for money for more than one year you need to take account of inflation, replacement of equipment and the like.

Capital and revenue costs

Capital costs are one-off purchases such as items of equipment and buildings. Revenue costs are items of expenditure that are ongoing such as rent, heating bills and volunteers' expenses.

Income

Your expenditure list sets out your expected spending requirements. You now need to produce a similar list of all possible sources of income. Be as realistic as possible when estimating how much money you will get from each source (see checklist).

Start with the total amount you need to raise and then break it down into a series of smaller amounts, identifying where each of these amounts can be raised from. Keep a regular check on this side of your budget, as you may need to revise your fundraising targets if money is not coming in, or more has come in from a particular funder.

Reviewing the budget

Budgets aren't simply a means of getting a grant. They also act as a guide during the year as to whether you are spending your money as you had planned. Your budget will warn you if you are over spending or under spending or spending in unexpected areas.

Your group or committee should look at your budget every month to check spending against income and to review your fundraising attempts if necessary. Your budget may need to be revised.

About nine months into the financial year, you should start preparing the next year's budget. You should, by then, have a clear idea of how accurate your budget is and what adjustments you will need to make for the coming year. If you plan to make changes in the way you operate, say, increasing your activities or moving premises, make sure that you cost these changes into the new budget.

Presenting your budget to funders

You need to present a clear and detailed budget to funders. If you are writing a letter of application attach a separate budget sheet rather than putting lots of financial detail in your letter.

Make sure your figures are broken down into separate items of expenditure – it isn't good enough just to say 'we need £5,000 to keep our service going'.

Keep evidence of how you worked out your figures (written quotes, catalogue prices and so on) in case funders ask you how you decided how much you needed.

Make it clear which elements of your budget you are asking that particular funder to fund if it's not the whole amount. Show what other sources of income you expect in addition to their funds.

If you are seeking revenue funding for one year then give a brief description of how you expect to raise money to keep the project going in future years.

Checklist – suggested budget headings:

INCOME

Statutory grants

- for revenue
- for capital

Grants from trusts/foundations

Grants from businesses

Membership subscriptions

Donations

Legacies

Sales of publication

Fees for services

Fundraising events

Bank interest

EXPENDITURE

Revenue

Heat & light

Postage & printing

Stationery Donations

Telephone Legacies

Transport & travel

Repairs & renewals

Equipment maintenance

Cleaning

Insurance

Volunteers Expenses

Capital

Office Equipment

Computer Equipment

Vehicles

Financial Planning for Larger Groups

Funding for voluntary and community organisations has undergone major changes. Core funding is scarce while project or service-specific funding dominates.

This means that organisations have to be more sophisticated and creative in drawing up budgets and funding proposals. It also means having to plan and present your finances in different ways in order to attract funding for specific pieces of work or projects while ensuring that the organisation's running costs are covered.

What is a business plan?

A business plan is a statement of what you are proposing to do over a period of two to five years, how much money you will need, when you will need it, and where it will come from. The core of your business plan will be a forecast of income and expenditure for that period of time.

It can take quite a while to prepare – months rather than weeks. Once it's drafted make sure that your whole committee or group approves it. Try to keep it as concise and short as possible and avoid jargon.

The process of developing your business plan can be a positive experience for your organisation because it can:

- Help you to focus on what you are actually doing.
- Stimulate creative thinking by involving lots of people and seeking their opinions.
- Help you to see any areas of weakness in your organisation.
- Help you to see what is holding you back – whether it is a shortage of people or time, or not enough funding.
- Set a list of priorities for your group.
- Help to develop action plans.
- Help you to see opportunities that you were not aware of before.
- Provide a way of monitoring and evaluating the progress of your group.
- Help you to avoid crisis management.

Project costing

First of all, think about the work you want to do and convert it into project ideas, i.e. smaller pieces of work, and then devise a budget for each project including a share of your organisation's 'overheads'.

There are a number of issues to bear in mind when approaching fundraising in this way:

- Your budget will have to reflect your 'project thinking' and shift away from a core budget to 'cost' or 'project' centres.
- In costing each project you need to include one-off start up and capital costs and then divide your other costs into 3 categories – 'direct', 'shared', and 'indirect'.
- 'Direct' costs are those that apply exclusively to the project, such as salaries and recruitment costs.
- 'Shared' costs are those that will be shared out between a number of different projects, like rent and cleaning.
- 'Indirect' costs are those that are incurred by the organisation as a whole and may include things like insurance, audit fees, and management committee expenses. As with 'shared' costs these can be worked out on a percentage basis.
- When including a share of general costs or organisational overheads (e.g. rent, heating, lighting, buildings insurance) into your project, make sure that you allocate the costs in a sensible and realistic way that can be explained. Do not just pluck figures out of the air. For instance, if the project represents 20% of your total staff time then it would be reasonable to expect it to pay 20% of the rent and other running costs.
- When drawing up your budget for running costs, don't forget to allow for inflation, that is, price rises in years two and onwards. You may need to seek advice on future levels of inflation.
- When drawing up your budget for capital items, don't forget to allow for depreciation, that is, things like equipment wearing out and losing its value.
- If you already get some income from another source e.g. renting out your building, then that could cover your general costs so that you need only approach new funders for the interesting bits.

Once you are happy that you've included all the relevant costs into your project budget ask yourselves: Does it look right? Is it a lot less or more than you expected? If you need to increase or decrease the total cost, look at the items that are flexible like management or administration time or any allocation of overheads. If you think that the total amount you need is too much for one particular funder to support, you can approach several funders. You could try to break down the project into smaller chunks or mini-projects and ask different funders for money for the different areas, targeting it to their interests.

Once you are happy with the budget, agree it within your group.

Unit costs

You may hear funders or others using the term 'costing' or 'unit cost' – especially where contracts are being developed for the delivery of services – and you may want to look at using this as a method for costing your activities. Statutory funders sometimes require you to cost your work like this – many charitable funders do not. However, you might want to be able to say how much it costs to help each person using your service or how much each activity costs in order to show that your project is good value for money, or to make it appeal to a particular funder, e.g. 'for every £x you give us, we can help y people'.

This can be a complicated process and involves taking into account the whole organisation's costs so you may need advice to develop your own systems. Basically a unit cost is the cost of a particular piece of work, activity or service. For example if the total cost of taking five people on holiday for a week is £1,000 then the unit cost per person is £200.

Cash flow

Once you have decided how much you plan to spend, how much you need to raise, and have managed to do so successfully, you can balance your budget. But in reality things may not work that way.

Money is not all received and spent at the same time. Grants may come in as quarterly payments or might arrive late but you might not be able to delay payments such as wages or the phone bill. This can cause 'cash flow' problems. It is important to find out if funding is paid in advance or arrears.

You need to know when you will receive money so that you can plan your expenditure accordingly. For instance, you could delay building works, or negotiate a bridging loan from your bank, or get a supporter to guarantee your overdraft.

To work out your cash position you need to draw up a cash flow budget. This looks at each item of expenditure and income and shows when the money will be received and when it will have to be paid out. You should look at this each month, or at least once a quarter.

You can follow the same procedure for every item of expenditure, and then repeat it for your income budget. Keep track of the receipt of each item of your income over a period of time and you can then see how it matches up with your expected expenditure. This is called a 'cash flow analysis', and the point of doing it is to get advance warning of any problems so that you can take action to avoid them.

Value for money

Increasingly you will have to prove to funders that your project is good value for money.

This means asking yourselves three questions:

- Is the project economic? How do your costs compare with those of other organisations running similar projects?
- Is the project efficient? Could you do more for the same amount or by doing more could you reduce the unit costs?
- Is the project effective? Will it make a difference? What are the likely outcomes? You can use a value for money argument to support your case.

Added value

This is another way of arguing that your project is good value for money. Added value means that for every pound the funder puts in you will enhance their investment through other 'inputs' such as your knowledge and skills, your management capabilities, volunteers' time and skills. If you didn't already exist to run the proposed project, then to set the project up from scratch would cost far more money, so you can use an added value argument to support your case.

Additionality

This is similar to added value but usually means added extra income. The Big Lottery Fund and many of charitable trusts will not fund services that are meeting a statutory obligation (education, primary health care), or subsidise services paid for by statutory agencies. But they will fund 'additional' projects. For example if your organisation was funded by Social Services to provide day care you could apply to charitable funders for other aspects of your service, such as setting up a gardening scheme.

Match funding

Some funders, like the European programmes, will only provide part of the total cost of your project, often a set percentage. You have to find or 'match' the amount they are offering from within your own resources or from other sources.

Leverage

This is the process by which your project brings in other money from other sources. For instance you might need to show that for every £1 given you by the Regional Development Agency you will be able to bring in another 50p or £1 from local businesses.

Preparing a Business Plan

What Funders need to see in a business plan.

If you are considering an application to a funding body you will need to produce a business plan which includes specific information on your proposal.

Most voluntary and community organisations now have a strategic business plan covering the operation of the organisation. If you already have a business plan then you do not have to rewrite this as long as it covers all the following points. If it doesn't, then you can add the additional information as appendices to your original document.

What is a business plan?

A business plan demonstrates that you are ready for investment. It should contain information about your organisation including its aims and objectives, background, internal structure and ability to deliver your proposal.

The plan should state what you want to do and why, how you will finance and manage the proposal, and exactly how any funding will be used.

Why prepare a business plan?

A good business plan:

- shows that your plans are feasible and realistic
- demonstrates that your organisation can successfully carry out your proposal
- helps you plan for the future and highlight risks and opportunities
- assesses strengths and weaknesses and guides your organisation's activities
- shows how you will monitor success and manage setbacks

The preparation of your business plan should involve everyone, committee members, volunteers and members if appropriate. It is an opportunity to consult with a wide range of people and find out their views. This will help to ensure that everyone understands and is happy with the business plan. If everyone is in agreement you are more likely to achieve your aims.

What to include in a business plan?

Your business plan will reflect your organisation and its proposal. The following is a list of some of the things Funders will need to see:

Your organisation

A statement setting out its aims, its history (why, when and how was it formed), the background to its work (for example, information about your area or the people you serve) and its finances (a statement of income, expenditure, assets and liabilities over the last 3 years, and a cash flow projection for the coming year).

Your people

A description of the skills and experience of your committee members, trustees/directors, staff and volunteers. A statement explaining how your organisation manages any change in staff, volunteers, trustees or directors. You may want to include a diagram showing your staffing structure.

Your work

A description of the services you provide and who they benefit. You might want to include a diagram showing how it fits together. You should provide an overview of all your organisation's current activities, including a description of how they are managed and financed.

Your proposal

A description of what you propose to do, why you want to do it, how you will do it and how you will know that you have been successful. This should include detail about how your proposal will be managed, staffed, marketed, evaluated and financed.

You should describe how your proposal differs from what you do now and provide evidence of why it is needed, and why it is the best option to meet your aim. This should include an analysis of the need for the proposal, a survey of similar or related services provided or planned by other organisations, and an options appraisal to show that you have considered different ways of achieving your aim. You should also show links between your proposal and relevant public sector priorities and community plans.

Your proposal's finances

A description of how much your proposal will cost and how you will fund it, including details on how much of your funding package is already secured and when you expect any outstanding funding to be secured. You should explain why funding is required, and the other options you have explored to fund your proposal. You should specify if there are religious constraints on the type of finance you can take e.g. many churches or other faith based organisations will not accept lottery funding.

You should include a cashflow forecast. Cashflow forecasts show how much money you will receive and spend together with the balance you expect to have at the end of each period. You should provide a detailed month by month forecast for the first 12 months, and an annual forecast for the life of your proposal.

Funders will use this information to check that your financial planning is sound. It will also show that your proposal will be financially healthy and that there is a viable investment to be made.

Backing up your plan

Your business plan must show that your proposal will work. You should include an analysis of the risks involved, details of the assumptions you made when planning and how you will react if things do not go to plan.

Putting your plan into practice

You should include a timeline of key tasks and activities or a work plan for the first year of your proposal. You should also explain how you will monitor and review your plan and who will be responsible for this.

Proposals including property

If your proposal includes buying land or buildings, or involves building work, Funders would expect your plans to be well developed (to the equivalent of Royal Institute of British Architects Stage D).

You should describe the stage of progress of your property plans including details of your options appraisal; the professionals you have engaged and your plans for project management; the brief given to your architect; the source of your costings (whether these come from a quantity surveyor or similar building professional); and an indication of the progress of your planning application.

You should include a statement on access to demonstrate that you have considered the needs of all potential users. You should also clearly state the tenure on the property.

How detailed should a business plan be?

Just as the content of your plan will depend on your organisation and on the proposal being put forward, so will the amount of detail you put in. You may need to include more detail if your work is complex or new.

If you are a new organisation you should describe why you were set up. If you are a more established organisation you should focus on your track record.

Make sure that the specific proposal you want the funder to invest in is easily identifiable within your business plan.

Presentation

You should always include a contents page and a one page summary providing an overview of your proposal and key financial information relating to that proposal, including the level of funding required.

Developing a Fundraising Strategy

A fundraising strategy is a plan that sets out:

- What your organisation was set up to do and its main areas of work.
- What your funding needs and priorities are over the coming period of time, say over one to three, or one to five years.
- Costings for the above.
- How you intend to raise that money.
- What you will do at the end of the three or five years.

Organisational planning

Your strategy needs a number of planning stages:

Long-term – strategic planning – your overall purpose and aims.

Medium-term – business planning – resources needed to achieve aims.

Short-term – operational planning – detailed breakdown of specific pieces of work to fundraise for.

Strategic planning

This means thinking through and stating clearly what your organisation's purpose and overall aims and values are; that is, why you exist and what you want to achieve. You can express this in a short 'mission statement' such as 'The Boys' Brigade – Faith in Young People'

This statement should be followed by a list of 'strategic' aims, listing key work priorities for the future. These will be both short and long-term.

The reason for this is two-fold. Firstly, it helps to remind you what your reasons for being are. Sometimes we can be side tracked from our primary aims. Secondly, it is a useful and simple way of explaining who you are and what you do to prospective funders. Everything your organisation does should relate to your strategic aims.

Business planning

Business plans usually cover the coming two, three or five years, although they should be reviewed and adjusted each year.

Operational planning

This is the level at which you set out in even more detail the specific objectives, targets and tasks that you will carry out in order to meet your aims. It is more immediate and short-term. You need to think how each objective or target can be achieved; what activities will be needed to achieve them; what resources will be required; and how the progress of each will be measured.

You will need to decide on priorities and timescales.

Think about each objective separately and work out what resources you need to find and then draw up your budget.

Work out what sort of money you need – is it capital or revenue? One-off or ongoing? A large or small amount?

And, remember, money isn't the only way to get something – you may be able to get help in kind like donations of equipment, stationery or expertise in a specific area.

It is often easier to think in terms of projects. Many funders prefer to give money for specific, time limited pieces of work. So, go through your agreed list of prioritised objectives and see if you can package them up into one whole or a number of distinct projects.

Exit strategies

If you are applying for money for a fixed term, say one to three years, then you need to show what will happen at the end of that time. This is called your exit strategy, and funders frequently ask you for one.

You could opt for one of the following strategies:

- Another organisation or possibly a statutory authority will take over the work.
- Having proved the need and success of the project you will find new funding for it.
- It is a one-off piece of work and will end when the funding ends.
- A gradual wind-down.

Whatever strategy you go for, it will need to be planned early on in the life of the project, especially if you want to find ongoing funding for it.

Raising money

Now that you have worked out what you want money for, how much and for how long, the next step is to find likely funders.

How will you fundraise?

Think about the skills of individual members of your organisation and give people jobs to do. You need people who can:

- write well;
- prepare budgets;
- speak to funders;
- persuade people of the value of your organisation and its work;
- keep files and records; and
- organise events.

The best way to proceed is to form a fundraising group where members can support and learn from each other and make sure that things get done on time.

If you do not have people with the skills or experience in your organisation then your local Council for Voluntary Service, or volunteer centre, or someone in your local authority, may be able to give you advice and support.

However you decide to go about it remember that you need to co-ordinate things. Keep everyone in your group or organisation up to date with progress and any results.

Building relationships with funders

Developing a relationship with your funders is important, as you may want to go back to them for more money in the future. Always acknowledge any communication from them swiftly. Have one or (at most) two named contact people in your group who funders can deal with so that they get to know people and names.

Keep them regularly updated about progress in the piece of work they have supported. Send them annual reports, audited accounts, press releases, photos, whatever. If it seems appropriate invite them to visit your project, or to special events like your Annual General Meeting or open days.

Remember to acknowledge their support on documents relating to the project. By doing this you are making them feel involved and giving them a sense of ownership of your project.

Keep yourselves informed of any changes in their funding policies or staff and trustees.

It is very easy to spend large amounts of time and energy raising money and then forget to say 'thank you' and keep in touch with those people who have given you funding or support.

Review your plans

You should review your fundraising strategy from time to time. From your records you will be able to monitor progress and assess how successful you have been. This assessment will inform your future fundraising strategies.

Ask yourselves:

- Were we over-ambitious?
- Do we need to revise our plans?
- Do we need to do more research into possible funders?
- Do we need help or training in devising better budgets or writing better applications?

Be imaginative, stay informed and stick to your agreed strategy and you will find that fundraising isn't just a matter of good luck.

Organising your Fundraising Information

Fundraising is not something you do just once in the lifetime of your organisation. It is an ongoing task that needs a considerable amount of time and effort.

Gathering information

You need to collect and keep information on the following:

- your group;
- the community in which you work;
- users or beneficiaries of your service;
- evidence of need; and
- potential funders.

Know your group

You should have your aims and objectives written down in your constitution or another document. You should also write a brief history of your group and what you do. This information can be used as a basis for any funding applications.

Ask yourselves:

- Who set us up, and why?
- How long have we been going?
- What have we achieved so far?
- How far have we met the needs we have identified?
- What are our strengths?
- What do our users think of us?

Keep copies of things like favourable press releases, annual reports, user surveys, letters of thanks or praise, statistical evidence of achievements like number of people helped.

Know the need you are addressing.

Your group will have been set up to meet a particular need or set of needs. So, you need to collect facts and figures, reports, surveys and any other statistical evidence that will back up your argument that a need for your service exists.

There are any number of places you can turn to for supporting information (national statistics office, statutory departments, universities, colleges, schools and churches).

Prove your credibility

Building credibility with funders is an essential part of fundraising. One of the reasons why funders will choose to support your group will be because they believe that you are capable of doing what you say you will do.

Collecting this information from the beginning can save precious time when it comes to completing applications.

Storing the information

Once you have started to gather together the above information you will need to organise it in such a way that it is easy to access and use. Some suggestions:

Organisation file

In this file keep the key details about your organisation that will be useful to have to hand when writing a funding application. The major categories of information you might need are:

- Name of group.
- Date founded.
- Why and how you were set up.
- Copy of aims and objectives.
- Legal status – are you a registered charity, a company limited by guarantee, an informal group or part of a larger national organisation such as The Boys' Brigade?

- Mission statement.
- Present policies, including child protection, health & safety and equal opportunities policy.
- List of affiliations.
- Facts and figures about your cause and evidence of need.
- Recent successes.
- Recent growth.
- People involved in your group – paid staff, volunteers, committees, members.
- Annual reports.
- Audited accounts

Credibility file

In this file keep information that will enhance the credibility of your group and the work you are doing such as:

- Your main financial supporters, past and present – local authorities, charitable trusts, sponsors and so on.
- List of prominent supporters.
- Quotes from users endorsing the work you do.
- Press cuttings and media coverage.
- Articles supporting your area of work.
- Facts and figures highlighting the importance of your work.

Project file

This should hold information about specific projects that you want to raise funding for. It can provide a tick list of things you need to consider to make a good project proposal:

- A written description of the project.
- The need for the project.
- The project's objectives.
- How these objectives fit into your group's overall aims.
- Start and finish dates, or how you will continue the project into the future (called your 'exit strategy').
- How you will measure the success of the project.
- The expected benefits or 'outcomes' of the project. Remember to file any relevant statistics (outputs) here.
- What any partners will contribute and their details.
- Collaboration with other groups or agencies.

Funders file

In this file keep records of:

- All the funders you have approached, with the dates when you approached them and the outcome. This is useful for the future – giving you an idea of who you can go back to and when. You need keep these records on a simple computer database or A to Z index cards or a file with details filed alphabetically under the name of the funder.
- Copies of all correspondence between yourselves and funders in case you need to approach them again, either electronically or hard copies.
- Thank you letters. An easy thing to forget but an important thing to do. Write as soon as you receive that cheque or offer of funding. Invite them to visit you.
- Remember to keep in regular contact with your funders, sending them information about your work from time to time. In this way you are building up a relationship with them so that they remember you and feel some involvement in the work they are funding, and so are more likely to consider funding you again. Most funders like to think they are more than just 'cheque writing machines', many funders these days want to be involved.

Make sure that your files or records are kept centrally and are accessible to everyone. This avoids the problem of one or two people keeping all the information to themselves and the problems that can follow if those people suddenly leave the group. Everyone needs to be able to pick up the fundraising information. This central co-ordination is also needed to make sure that two people in your group don't apply to the same funders.

Make fundraising a regular item on your committee agenda and communicate it to all members regularly.

Making Good Applications

Fundraising is essentially about selling a good idea to someone who has the means to make it happen. If you can interest them in your idea they will want to support you.

Who you approach and how you ask – by letter, by application form, in person, or over the phone will need research and preparation.

Prepare to make your case.

A good application will:

- Show the importance of the work you do.
- Have facts and figures to support your application.
- Have a well thought out project plan and budget and show the track record of your organisation.
- Show evidence that you can carry out the proposed work.
- Have supporting information and be presented well.

Funders do not just look at your ideas; they also look at your organisation and its track record. This can be difficult if you are a new group. You will need to show your experience.

Gathering information

The more information you have prepared in advance, the easier it is when it comes to writing your application.

Information about your group or organization

You will need to provide the following information:

- A statement about what your group does; its main purpose and aims.
- Your legal status.
- The people involved in your group – numbers of paid staff, volunteers and your members.
- Your structure.
- How long have you been going? What work you have done to date. Where are you based and evidence of your management and financial skills and experience.
- A statement about why your work or cause is important; why funders should want to support you; why your group is best placed to do what it does, and why it is different from other types of provision.
- Copies of your last annual report, accounts, budget and any other relevant material such as information about other funders, press cuttings, photographs, leaflets, survey results, quotes from users or potential users.

Information about the problems and needs you want to address. You may think the answers to this are obvious, but you have to be able to prove need. Funders want to know that the problems are real, urgent and solvable, and that their money will make a difference.

You need to provide facts and figures to support your case. Think about your area of work and who you might approach to get statistics to back up your arguments. You may need to conduct your own survey to demonstrate need and lack of provision or to produce a 'community map' showing those features which are valued locally but do not appear on 'official' maps. Think about what facts you need to know about the area you serve to help you make your case.

Where you go for information will depend very much on the type of work you do or want to do. Some potential sources are:

Community Statistics

One of the important things you will need is evidence of need. Most local authorities have community plans that include the areas of most acute poverty within the district or county. Contact the relevant departments of universities and colleges to find out what information they have.

Information about your group's credibility and competence

Your reputation and track record will be very important. When deciding whether to make a grant, funders not only need to believe in your 'idea', they also want to know that they are giving money to a competent organisation with the ability to manage that money, people and projects.

Tell them:

- You are part of a national charity that funders may be familiar with.
- This is the other support you already have.
- Show them evidence of recent successes and achievements.

Information about your proposed project

Most funders want to fund specific pieces of work rather than general costs (sometimes called 'core costs'). So you need to package your funding needs into discrete projects in order to attract funding.

Information about potential funders

You need to gather information about those funders who are most likely to support your proposal. Once you have identified who to approach you need to find out as much as possible about them – who to contact, their policies, their funding timetables and so on.

For each funder you need to think about:

- What sort of work they normally fund, for instance, young people, children, volunteering, disability;
- Do they fund groups in a particular geographical area?
- What size of grant do they normally make?
- How long will they make grants for?
- Do they favour capital rather than revenue grants?
- Do they fund new, innovative ideas?
- What is their procedure for dealing with applications? Is it by letter or application form? When are their deadlines for receiving, and making decisions on, applications?
- The correct name and address of the funder and the name and title of the person to write to, and can you contact a person to talk to before making your application?

Putting together an application

Many larger funders have application forms. However, the most usual way to apply to charitable trusts is by letter.

Writing a letter

Think about the letter. You need to interest the funder in your project, and then supply all the information they will need in order to make a decision.

What needs to go into a letter?

- Project title and an introduction to your group. What you do; what your goals and objectives are; how long you have been going; how many members you have; why you are special; any significant achievements; what support you have received from other bodies or well-known people.
- A summary of the project proposal. Clearly and concisely spell out what you are applying for and how much it will cost.
- Why you want the money. Give specific information about problems you have identified, supported with statistics and evidence. Say who will benefit from you tackling these needs.
- A description of your proposal. What you intend to do to meet the needs you have identified; what method you will use; what your objectives will be. Outline the timescale and evaluation methods.
- A breakdown of the costs involved – your budget. Show a breakdown of income and expenditure and a copy of your latest accounts. It is important that you ask for a specific amount of money.
- Why should they fund you? Does your proposal fit within their funding policy? It is likely you will have to emphasise different aspects of your work for different funders, for instance some may be interested in you because you are working in a specific geographical area, others because the project falls within their area of interest, such as young people.
- Sign off positively. Offer more information if needed or invite them to come and visit you.

Make sure your letter is:

- Short and to the point. Make sure you give enough information to allow the reader to understand your area of work, what you want to do and why it's worth funding. Keep your letter to two sides of A4 maximum.
- Attractively presented. Type your letter on your headed paper. Divide the text into short paragraphs to make it easier to read.
- Free of jargon and abbreviations. Use straightforward, plain language to avoid misunderstandings. Charitable trusts are particularly likely to be put off by local authority jargon and abbreviations.
- Addressed personally to the named correspondent of the funding body. Never write: Dear Sir/Madam. Always find a name and check the spelling.

Back up information

As funders receive hundreds of applications and do not have the time to read lots of information, keep your letter to two sides of A4 and attach relevant supporting evidence, such as: your latest annual report and accounts; facts and figures supporting your case; visual material such as photographs; press cuttings; a detailed budget and plan for the project; a list of financial supporters; a fundraising plan if you have one.

On the next page is an example of a short letter of application. It should give you an idea of how a letter can be written containing all the information you need to give.

Chesham Volunteers
8 Newtown Road, Chesham HP0 3AO
Tel: 01999 830200

Mr R Downley
The Charitable Trust
Smiths Solicitors
10 Old Town Road
Wensleydale

1 September 2003

Dear Mr Downley

I am writing on behalf of Chesham Volunteers to ask for support for our work.

The Chesham Volunteers have been operating now for about 10 years. We are run by a voluntary management committee and are a registered charity no. 123456.

We involve a wide range of local people in practical volunteering projects. We work closely with young people and older people in recruiting volunteers. We have initiated and supported many local projects, most recently, an intergenerational project putting together the history of the local brushmaking factories in the town.

We have received funding in the past from Chiltern District Council for basic equipment and to pay volunteers' expenses, but these are only one-off grants and we now need to look for new funding.

We now need to produce new publicity materials to attract new volunteers who are unemployed and to train them in new skills. I am attaching a breakdown of costs involved. The total amount we need is £750.00.

I hope you will support the work of the Chesham Volunteers and look forward to hearing from you. Please let me know if you need any further information.

Yours sincerely

Julie Jones
Chair, Chesham Volunteers

Enclosed: Costing for Project

Filling in an application form

Every application form is different. Get a copy of the form and any guidelines, and read it carefully, paying special attention to any information about the criteria the funder uses. Check the deadline for returning the form.

Make a copy of the application form before you fill anything in and fill in the copy in rough first. You can then copy or type your answers onto the original form when you are satisfied with your rough copy. It is important not to repeat yourself or to put information in the wrong place.

Remember to:

Answer every question on the form. If you can't, then explain why not. It is better than leaving a question blank.

- Use black ink or type your answers.
- Don't answer by saying 'see attached' with lots of extra documents – they probably will not get read, and your application will be discarded.
- The application form is all that will be considered. Don't send a letter when there is an application form, and be careful when sending your covering letter or email, which contains information that should be in the form.
- If you get really stuck with a question try and think about why the funder is asking it.
- Make a copy of your completed form before you send it off.
- Keep to the funder's deadlines for returning the form. Late applications will be ignored.

Step 3 – Assessing your application

Have you written a good application? Get someone, from outside your group, to read it through and check it is clear and that you haven't missed out any obvious points.

Is the project:

- Specific – an identifiable piece of work or equipment.
- Meeting a need – explain how you identified the need and how you will address it.
- Important – to you, to users, to funders.
- Of benefit – can you identify outcomes, as opposed to 'outputs' which are different?
- Realistic – must be achievable.
- Cost effective – must show 'value for money'.
- Topical – reflecting current issues and concerns.
- Relevant – to the funders you approach.
- Bite-sized – neither too large nor too small. A large project could be broken down into sub-projects.

Checklist

The Application:

- Does what you are applying for fit into their funding policies and criteria? If not, do not send it!
- Is the amount of money you are seeking in line with the size of that funder's income and normal range of grants?
- Is the timing right? What is the funder's deadline and when do you need the money by?
- Is it addressed to the right person? Have you spelt their name correctly?
- Have you got the most recent address and name for the funder and their correspondent?
- Have you got an appropriate title for the project?
- Have you taken out any jargon or abbreviations?
- If it is a letter, is it typed on your letterhead and signed?
- Is it the right length or can you make it shorter? Remember, keep letters to two sides of A4 paper maximum.

Content:

- Does it say clearly who you are and what you do – the nature of your group and how long you have been going?
- Have you included your group's name, address, phone number and status of the contact person?
- Have you described your legal and/or charitable status?
- Have you clearly spelt out your project proposal – what you need the money for and why?
- Have you backed up your request with facts and figures to prove the need you are identifying?
- Have you shown how you will monitor and evaluate the grant?
- Have you said where else you are trying to raise money from?
- Have you established that your group has the ability, skills and resources to carry out the work?
- Have you shown that you have thought about how the proposal will be funded once this particular grant has expired (if appropriate)?

Budget:

- Do your figures add up?
- Have you included all the costs, and are they realistic?
- Have you costed in a contribution to overheads where appropriate?
- Does it represent 'value for money'?

Supporting material:

- Have you included accounts, annual reports, leaflets, press cuttings, etc? But not too much!

Records:

- Have you made a copy for your files?

The Main Sources of Funding

Funding for voluntary and community groups mainly comes from several particular sources. The Pareto principle applies to most voluntary groups, i.e. they get 80% of their funding from 20% of their funding sources.

Public money – also called statutory funding

This money comes from the taxpayer through a variety of routes, such as local authorities, central government departments, the Health Authority, and includes all the European money.

The main advantages of getting funding from public bodies are that:

- large sums are available;
- they will fund ongoing running costs (revenue);
- they will often fund unglamorous work; and
- grants can be lobbied for.

The main disadvantages are:

- the procedures for applying can be very bureaucratic;
- there can be lots of strings attached;
- that grants can be vulnerable to sudden cuts;
- the amounts available are often reducing and competition is very high;
- the jargon can be hard to understand;
- the level of accounting and monitoring needed can be very daunting; and
- grants to groups are being replaced by contracts to provide particular services.

Charitable trusts and foundations

See the information sheet on charitable trusts and foundations. There are both national and local charitable trusts and foundations. The amount of money each of them has to distribute varies.

The main advantages of charitable trust and foundation funding are that:

- some give away large lump sums;
- their only reason for existing is to give money to good causes;
- some will take risks and will fund unpopular causes;
- they are flexible; and
- groups can develop long-term relationships with particular trusts.

The main disadvantages are that:

- most only give away small sums of money;
- it can take a long time to get a decision from them;
- it is a very competitive source of funding; and
- there may be some strings attached.

The National Lottery

This is a major source of funding for voluntary and community groups. Many churches and other faith organisations are not comfortable with taking funding from the Lottery, so you need to ask if they are happy for you to apply.

It has different 'good causes' which between them share 28p from every £1 spent on lottery tickets. Each has its own rules about who can apply and how to apply.

Generally the advantage of National Lottery funding is that:

- they can give relatively large amounts of money.

The disadvantages are that:

- some of their funds require that you match their grant with money from another source; and
- the total amount available varies according to lottery ticket sales.

Commercial/Business Companies

Companies give in a variety of ways. They may donate materials or equipment or offer their services for free or lend their staff out to help with a particular piece of work. Or they may give money either in the form of donations or sponsorship. Donations are like any cash gift. With sponsorship the company expects to get something back in return for its money – usually advertising and positive publicity.

The main advantage of company support is that you can develop long-term relationships.

The main disadvantages are:

- it is hard to get;
- it can take a long time and a lot of effort for very small returns; and
- the ethical considerations of being associated with a particular company.

Individual giving

This is money given by members of the public directly to your organisation or group. It can be payroll-giving, gift aid, and share giving which have tax advantages or leaving money to a charity in a will.

See <http://www.institute-of-fundraising.org.uk/guidance/tax-effective-giving/> for more information.

The main advantages of receiving money in this way are that:

- there are no strings attached;
- it can gain your group publicity;
- it can provide a regular income; and
- large amounts of money may be raised.

The main disadvantages are that:

- it can take a lot of work to get it started;
- it needs a long-term approach; and
- small, local groups cannot compete with the big national household name charities like Oxfam and the RSPCA who are the main beneficiaries of this type of giving.

Earned income or trading

This is money you earn directly from selling your goods and services.

The advantage of earned income is that there are no strings attached at all – you can use the money as you wish or bank it as savings.

The disadvantage is that some groups are not in a position to charge for their services.

Do-it-Yourself fundraising

This is a more informal way of getting money from individuals and can be done in a whole variety of ways. Jumble sales, summer fetes, raffles, sponsored walks and social evenings are just a few examples.

The main advantages of raising money this way are that:

- it can be a fairly quick way of raising small amounts of money;
- it can be fun;
- it's a good way of involving lots of people; and
- it can cost very little to set up.

The main disadvantages are that:

- it is an unpredictable way of raising money;
- it can be hard work and time consuming;
- there are legal considerations to take into account such as licences for street collections and rules on gambling;
- events may even lose money.

Charitable Trusts and Foundations

What is a charitable trust?

Charitable trusts and foundations are bodies set up with an amount of money which is invested and the income generated from the investment is spent each year on good causes.

There are thousands of charitable trusts in the UK.

Each trust is governed by a document setting out what its purpose is, how the trust should operate, and what sort of causes it will give money to.

Each trust has appointed trustees who are responsible for ensuring that the money is given away in accordance with the objects in the trust deed.

Some trusts are set up to fund on a national level, others local and only fund groups within a certain region, such as Community Foundations, for example The Buckinghamshire Community Foundation. Most national trusts will only fund groups whose work fits into their specific area of interest, such as older or younger people.

Many local trusts will consider applications from all kinds of groups in their area and are more likely to be aware of local need. They tend to give smaller amounts of money. Charitable trusts are completely different from other funders such as local and national government, and from the National Lottery.

The major differences are that:

- they are spending private money and not accountable to the public for how that money is spent; and
- they do not have a legal requirement to provide specific services.

This means that it is entirely up to them who they give their money away to and how they give it. They will normally have a list of criteria.

How much money do they have?

There are about 8,800 charitable trusts and foundations in the UK, giving away something like £2 billion per year to charitable causes.

The Inland Revenue has to be satisfied that charitable trusts use their income for purposes that are charitable in law. In reality this means that most trusts will only give grants to organisation that are registered charities.

The areas of work they give money to include:

- recreation and culture;
- social care and development;
- education & research;
- health;
- housing and environmental causes;
- legal advice and advocacy; and
- religious causes.

Trusts like to see their role as distinctive and so tend to concentrate their funding on:

- New, innovative ways of working.
- Disadvantaged and minority groups.
- Creative responses to new needs and problems.
- Work which is hard to finance through more conventional fundraising.
- Short and medium-term work which may attract long-term funding from elsewhere.
- One-off purchases or projects.

How much, and what sort of money they give

Most of their money goes into one-off grants. Lesser amounts go into running costs.

Most only give money for a short time period, say, 12 months. Some will fund for up to three years but very few give grants for any longer than this.

Trusts' giving is usually for one-off project funding.

How to find out about them

Most Councils through the Library Service or Community Volunteer Service will provide access to a directory of trusts.

How to apply

Raising money from trusts is not a quick process. Leave plenty of time firstly to research which are the best trusts for your application to be considered. Many trusts meet only once or twice a year. Check their application deadlines. You may need to get applications in well in advance of meetings and you can expect to wait anything up to six to nine months for replies.

Make sure your project fits the funding criteria of the trusts you are applying to. Most trusts don't have application forms, you need to apply by letter. Many trusts only write to successful applicants.

How to decide what to ask each trust for

You need to go through each trust's policy statement and funding criteria to decide exactly what to ask them for. There may be a particular aspect of your work that you should stress to that funder.

In the same way, you should look at the amounts of money they normally give out in grants and make sure that the figure you are asking for fits within that range.

What happens if more than one trust gives money for the same thing?

Be honest and tell them what has happened. But, before you contact them identify another piece of work or equipment that costs the same sort of money and ask if you can use their grant for that instead. Most trusts will agree because they've already decided that they want to give you a grant and they're unlikely to want to revise that decision as long as you are up-front about it.

Do trusts consult each other about applications?

Some do, some don't. Some local trusts may share the same trustees. Some national trusts, like Comic Relief, use local contacts to check out applicants. Some have formal assessment procedures which may include them visiting you. Some trusts, like BBC Children in Need contact local authorities to check out applications.

This means that you need to be consistent. Tell the same story to each trust although you do not have to ask them for the same thing. Don't send identical letters. Tailor each letter to fit each trust, but keep the same basic information. Make sure you don't submit different versions of budgets to different funders.

Is it worth reapplying to a trust that has turned us down?

It depends on why you were turned down, so try to find out the reason if you can. If your work is clearly outside the remit of the trust's area of interest then it would be a waste of time to apply again. But if it seems that you were turned down because there was no money left, or it was the wrong time of year, then you can apply again after a reasonable period of time, say a year or so. Before you do that though, check that their policies haven't changed in the meantime, and make sure that your application is updated.

Trusts receive far more applications than they can fund. So don't take it personally if you are rejected, it doesn't necessarily mean your application was of poor quality. If a trust invites you to reapply next year then make sure you do as this means that they are interested in your work.

How to build and improve relationships with funders

Write and say 'thank you' as soon as you receive a grant or promise of one. Keep them informed about the work they are funding – send annual and other reports, press cuttings, photos, copies of leaflets and so on.

Always acknowledge any previous support from the same trust.

Invite them to visit your group. If you hold a launch or open day or special event, send them an invitation.

Trustees and trust administrators say that the organisations they remember are those that are in touch when they're not asking for something.

The relationship you are aiming for is one where the trust knows your work, feels that its money is being well used and will be happy to support you again in the future.

Getting Support from Commercial/Business Companies

Approaching businesses for money or other support is still a relatively unknown route for many voluntary and community groups. Often groups don't know how business giving works or how to approach it. You may need to consider the ethics of taking money, goods or help in kind from commercial enterprises. This can be a particular concern for those with particular religious beliefs.

Those groups who feel it is okay and who do work with business have a lot of success stories. Many businesses support good causes and actively choose the ones they want to help. Some larger ones have budgets for spending on community projects in local areas. This is good news for local groups.

Attracting money doesn't mean that you have to change what you do or how you do it. You may just have to 'sell' yourselves in a slightly different way.

Why companies give to voluntary and community organisations

Businesses support voluntary groups for a variety of reasons. Often they give to good causes as part of a marketing strategy to generate goodwill, to help to market their goods and services, and to develop a particular image for them. Businesses often seek out causes that are most relevant to their work. This could be a geographical link or a product link.

Some adopt a particular charity for a period of time. This long-term link allows them to fend off the hundreds of requests they receive each year and it gives them time to become more actively involved with the organisation. This is common with large retail companies such as Tesco.

Businesses also use a support for good causes as a way of developing their staff. Employee volunteering or secondment to a voluntary group is seen as good for staff relations, training and development. Some will allow staff to choose who they want to raise money for.

For local groups personal links may be important when a member of your group works for, or knows someone in, a local business.

How much do companies give?

There are no accurate figures on the total value of company (business) giving to the voluntary sector, as the figures are not always reported in business accounts. Most do not give substantial amounts of cash. Much of their giving is in the shape of 'help in kind' rather than money.

The kind of help companies give:

Gifts in kind

Businesses will often give away products, materials or old office equipment. For example, a timber yard might donate wood for an adventure playground and local shops and restaurants may donate goods or a meal as raffle prizes. Firms upgrading their computers sometimes give away their old ones. Some groups get free or subsidised office accommodation, photocopying or printing services from local companies. They often give unwanted items to scrap stores and recycling projects.

Advice and support

You can sometimes get free specialist advice or services from local firms such as solicitors, accountants or architects. For instance, a solicitor might check over a lease on a property for you or an architect or planning consultant might help with drawing up plans for building work.

Contacts in the business world

The help of senior business people can be very influential in fundraising from others in the local business world.

Employee secondment or volunteering

Some business and statutory agencies will second staff to help local groups, or organise voluntary activities with their staff, including fundraising.

Payroll giving

This is also called 'Give as you Earn'. A business may 'adopt' a charity and encourage its employees to give so much a week or month from their pay packet to that charity. The business undertakes the deductions from the payroll. There are tax advantages to giving in this way.

Money

There are two main ways to get financial support from businesses:

Donations: The business donates cash to your group as a 'good cause'. It can get tax relief on these donations, but gets nothing else in return for its money.

Sponsorship: Sponsorship differs from a donation in that the company gets – and expects – something in return for its support. Common examples of sponsorship include:

- Advertising in a charity brochure, annual report or newsletter. Pick those businesses whose work fits closest to your cause or your users.
- Sponsoring an event, activity or publication. Again, pick the most relevant for your event.

If you are seeking sponsorship, you need to be very clear about precisely what you are offering in return. You should draw up a sponsorship agreement spelling out exactly what has been agreed. This is a business transaction – a contract – and it carries different responsibilities from a donation.

How to Approach Companies

When you approach a business, it is important to remember that their main concern is to make a profit – not to give to charity. It is therefore very important to do your homework and target those who you think may be interested in your cause, for example because you know someone there, or they are based in your area, or there is a link between what you do and their product. Don't send circular letters to a random list.

Find out who to approach by name – don't send off a letter addressed 'Dear Sir/Madam'. Sound out whether it is worth making a formal approach.

If you write a letter it needs to be as short and concise as possible – one side of A4 preferably and be specific about what you want from them.

It may take some time to get a reply. Large companies or chains may have to get permission from head office, or feed the request through a particular committee. If the business has a policy on giving to – or sponsoring – good causes, they may plan well ahead, often a year or more.

Be realistic in your expectations.

Remember to say thank you if you do get help and acknowledge their support in your annual report or newsletter.

Raising Money from Individuals

Raising money from individuals is a very important part of your fundraising plans as this can be a very flexible source of income. Individuals can respond quickly to emergency appeals or can commit to giving regularly over a longer timescale.

To attract individual donors, you need to develop a campaign. You need to think through your approach to potential supporters:

- State your case clearly and what you need.
- Target your appeal carefully to people you feel are most likely to support you.
- Set up a file or a database to help you keep records.
- Develop a relationship with your individual donors. Say thank you, invite them to events or send them newsletters. This will encourage people to support you in the future.

Types of 'individual giving'

Tax effective giving

Registered or recognised charities can benefit from tax relief. The Institute of Fundraising provides information and toolkits on the various forms of tax effective giving on their website at <http://www.institute-of-fundraising.org.uk/guidance/tax-effective-giving> and you can get more information from HM Revenue and Customs: <http://www.hmrc.gov.uk/charities-donors>

Gift Aid

This scheme for individual donors allows a taxpayer to make donations out of their taxed income. Using Gift Aid means that for every pound donated the charity will get an extra 25 pence from the Inland Revenue.

Your charity needs to register with the Inland Revenue and must ask each donor to fill in a declaration.

Gift Aid applies only to gifts to charities but membership subscriptions to a charity can be paid through the Gift Aid scheme. Details are set out on their website as above. Charging a membership fee is a relatively easy method of raising small amounts of money. Public collection envelopes and sponsorship forms can also include a declaration that enables tax to be reclaimed.

The Inland Revenue's Charity Helpline is 0845 302 0203.

Payroll giving or 'Give As You Earn'

Some employers run schemes where employees can give an amount, tax free, to a charity of their choice. The money is deducted from their wages through the payroll system before tax. It is an easy method of giving which involves the charity in very little administration.

However, it is at the discretion of the employer whether or not to run the scheme so you have to persuade them first, and then encourage individual employees to participate.

A charity toolkit, and information guides for employers and employees are available from the Inland Revenue website.

Share giving

Share giving is growing as a way of raising money from individuals, as more people have become shareholders in recent years. People who want to donate shares to a charity need to fill in a stock transfer form to transfer the shares to the charity. Before developing a share giving scheme, you might want to develop an ethical policy as getting shares in some companies might conflict with your aims and objectives.

More information is available from Institute of Fundraising and HM Revenue and Customs websites.

Legacies

A legacy is when someone leaves money to a charity in their will. Legacy fundraising is a long-term investment and it can take several years before your charity benefits. Large charities with large numbers of supporters have well-developed approaches and you might want to look at how they approach this sensitive area of fundraising. You need to make sure that your literature and techniques are appropriate for your charity and your potential donors.

Good Practice

You have a responsibility to make sure that your fundraising is carried out within the law and current guidelines. The Charity Commission booklet CC20 describes your responsibilities. Telephone – 0870 333 0123.

The Institute of Fundraising publishes 'Codes of Fundraising Practice' which are standards set for fundraisers in the UK. There are separate codes for each fundraising technique. They give guidance on best practice, areas of the law and on the techniques themselves. The codes are available from the Institute's website www.institute-of-fundraising.org.uk or telephone 020 78401000 or email: enquiries@institute-of-fundraising.org.uk

Fundraising Events

Why fundraise yourselves?

Raising money through organised fundraising events can be a great way to involve supporters in your work. It can bring a group together to feel they have contributed something.

Most funders like to see some evidence that you are trying to help yourselves before they give you anything. It helps your credibility.

Organising events can be hard work but it can also be fun and is a good way of raising money quickly. Fundraising events are a good source of publicity, helping to raise the profile of your group and your cause within your local community and can help you to attract new members or supporters.

Whatever sort of group you are, big or small, old or new, it is likely that you will have to do some of your own fundraising. Sometimes, there may be no other way of raising the money.

It is a good idea to form a fundraising sub committee to organise your event. Don't leave all the work to one or two people, involve as many people as possible and give everyone clear roles.

Things for your fundraising committee to think about:

Choosing the right event

There are many different ways to raise money, from jumble sales, coffee mornings, street collections and fashion shows or quiz nights.

What you decide to organise will be based on:

- The time, skills and experience your committee and other volunteers can offer.
- Any other resources or contacts you have.
- The amount of money you need and whether it's a realistic target.
- Whether it is the kind of activity that is appropriate.
- Whether it will be fun!

Once you have addressed these questions choose one or two things that you think will work best for you and are most likely to succeed.

Deciding on a date

Find out what else might be happening in the area. You don't want to duplicate things that are already happening or arrange an event that clashes with something else taking place. You'll also need to allow plenty of time to prepare your event.

Planning and preparation

Careful planning is very important and should help you to avoid any problems on the day. Try to think of every likely eventuality and prepare accordingly. For instance, will you need lots of small change on the day? Do you need to insure against the event being rained off, or could you move it indoors? Are venues accessible for people with pushchairs, elderly people and people with disabilities?

- Put together an action plan outlining who's doing what and when, both leading up to the event and on the day itself. Make sure volunteers are well informed.
- Draw up a simple budget for costs you will incur but remember you need to make money, so keep costs to a minimum.
- Plan how you will publicise your event. Write a press release for the local paper or radio. Produce leaflets and posters, which can be delivered door to door or put up in shop windows, libraries, doctors' surgeries and so on.

Legal issues and health and safety

Make sure you are not breaking the law. There are laws that regulate many fundraising activities such as raffles, bingo, street collections and events where food or alcohol is being served. Permits and licences need to be applied for well in advance. Check with your local District or Borough Council.

Carrying out a "risk assessment" of your event is an essential part of planning and a way of making sure you've considered all the health and safety issues. The aim of the assessment is to identify all risks to the public, participants and volunteers attending an event and to record how these risks can be eliminated or minimised. Make sure all your event volunteers are aware of the risk assessment and are clear about any emergency arrangements.

You may need to take out separate insurance against public liability, theft or damage and even against the possibility of bad weather for an outdoor event.

Handling cash

Having a policy on how to handle cash carefully ensures that you are protected from misuse and that helpers are protected from accusations of dishonesty.

Remember your responsibilities

Committee members have a responsibility to ensure that fundraising is carried out properly. The Charity Commission publishes a booklet CC20 – 'Charities and Fundraising' describing your responsibilities. For a copy contact the Commission on 0870 333 0123 or visit its website www.charity-commission.gov/publications/

Thank you's

After the event remember to thank everyone involved including those who supported the event. You may want to call on their help again another time.

Fundraising ideas

Here are a few fundraising ideas for your group.

Collections

These are relatively simple, low cost way of raising funds. They are also a good way of publicising your group. You don't need a permit to collect money on private premises but you must get permission from the owner. You do need a permit to run a street collection, Flag Day, or house-to-house collection. You also have to comply with a strict set of regulations designed to protect the public. The regulations cover things like the age of collectors, sealed collection boxes and annoyance to passers by. You must get your permit at least one month in advance of your collection day. You can get a permit and advice on the law on street collections from the licensing section of your local authority.

Raffles and lotteries

The 1976 Lotteries and Amusements Act governs how you can run lotteries. Generally it distinguishes between small private lotteries and public lotteries. Small lotteries or raffles do not need a licence so long as they are part of another occasion (like a fete or entertainment) and the sale of tickets and draw takes place at the event. The promoters must not use more than £250 from the proceeds to pay for prizes, but there is no limit on the value of donated prizes. Money prizes cannot be given. Proceeds must not be used for private gain. Public lotteries require a licence from your local District or Borough Council who will also advise on the law governing the issue and sale of tickets.

Sponsored events

Just about anything can be sponsored – walks, bike rides, swims, discos, you name it! They can be good fun as they involve a lot of people, attract audiences and can be financially very rewarding. Keep a record of everyone being sponsored so you can chase them up for their collection.

Make sure the sponsorship form includes the following information:

- Why the money is needed.
- A description of the event.
- Its purpose and date
- The name, address, and age of sponsored person (if under 18).
- Each sponsor's name, address and amount pledged.
- A statement to say:
I certify that has walked/ swum/ sung miles/lengths/ songs.
- The organiser's signature and date.

Gift Aid

You may be able to benefit from this scheme at your fundraising event. Gift Aid allows registered charities to reclaim from the Inland Revenue basic rate tax on donations or 'gifts' from taxpaying individuals. In practice a charity can reclaim 25p for every £1.00 donated by a standard rate taxpayer.

Charities need to register with the Inland Revenue and ask each donor to fill in a Gift Aid declaration. Public collection envelopes and sponsorship forms can include this declaration.

For more information contact The Inland Revenue (www.hmrc.gov.uk) or The Giving Campaign (www.givingcampaign.org.uk)

For an A – Z of fundraising ideas visit:

www.boys-brigade.org.uk/fundraising/

Funding for Community Buildings

Fundraising for the major refurbishment or construction of a community building is a big challenge. It can take 2 – 5 years from the initial plans through to getting the money and starting construction.

You need to invest a lot of time, energy and some cash in the project before you know whether you can raise the money needed. So be clear that the building is going to be used and that there is demand for community facilities. Funders will want to know that the building will be well used and that the community has access to it.

1 – Preparation

If you are buying a building, you need to consider the many responsibilities involved in owning a building and why you need to own, rather than rent, a building. The management committee needs to comply with all the legal requirements of managing a building open to the public, and employing staff.

You might need training to develop the new skills and knowledge needed to manage a building.

If you are renting a property, funders want to know that if they give a grant it will be your group that benefits from the improvements to the building. They will expect you to hold a lease over a certain period of time, usually for a minimum of five years, depending on the amount of money you have asked for.

2 – Develop a funding strategy

You need to consider planning a strategy and action plan, for a 2 – 5 year period. This may include producing a community audit, organising surveys and feasibility studies and a scheme of work for the construction phase.

You will probably need three or four different funders in order to secure large funds and having a strategy will reassure funders that you have enough resources to complete the building work.

If you are approaching the larger European or Regeneration funders, you will need to have links with training, employment, childcare, education or community enterprises.

Approaching funders at the right time is very important. If you make an application too early, funders may feel that you will not start building for a long time and reject your application. If you make your application too late they may not have time to consider your application before building work starts.

3 – Gather information

After you have worked on your funding strategy for the building scheme, you need to think about the documents and plans you will need to submit.

Remember always to tailor your applications to each funder and never send out general appeal letters.

4 – Start looking for funds locally

Some groups start by approaching members and groups within their community. Do-it-yourself fundraising can encourage your local community to get involved and provide much needed publicity for your project. This helps to demonstrate that you have the support of the local community.

Getting some smaller grants in the first stages of your project will encourage larger funders to give grants at a later stage.

Useful contacts

You will need a range of support when fundraising for a community building. Talk to other groups that have just been through the process about what they found most useful.

Community Matters runs national and local training courses and produces useful publications on community buildings. You can contact them at www.communitymatters.org.uk

Monitoring and Evaluation

Please visit www.boys-brigade.org.uk/fundraising.htm for more resources.

All funders ask groups how they will measure the success of their work.

Thinking through how you will monitor and evaluate your group's activities is an important part of planning your work.

Monitoring and evaluating what you do does not have to be complicated. For instance, when you organise a bonfire party you will ask yourselves afterwards, 'Was it a success?', 'Did people enjoy themselves?', 'Was there enough food?', 'Was it safe enough for the children?', 'Would we do it again and what would we change next time? You just need to spend time making sure that you collect useful information and take time to discuss any important issues.

What is monitoring and evaluation?

Monitoring means collecting and recording information about what is happening. Activities can be monitored in different ways, like recording the numbers of people attending the Friday night youth club sessions, or asking what people thought about the activities that were organised and involve them in future planning.

Evaluation means reviewing how things went by looking at the information that was collected and assessing how worthwhile it was. You might ask questions like:

- Did the activity or project achieve what we wanted it to?
- Who benefited from it?
- Could we have done it better?
- What changes will we make next time?

What to monitor and evaluate

To decide what to monitor and evaluate, you need to think about the following:

- What are we doing?
- What information will help us to see whether this has happened?
- What methods can we use to collect the information?
- Who needs to be involved and who needs the collected information?

Funders are interested not only in the numbers of people involved in activities, but also the quality of their experience. In addition to recording the number and types of people attending an event, it would be just as important to collect information that shows how people benefited. This could be done through a questionnaire or interviews.

Writing a report

It's a good idea to write a report. This is important for future planning and it shows that you know what you are doing.

A report could include:

- The aims of the project.
- What was being evaluated, and for whom.
- The timescale and who carried out the evaluation.
- What information was collected and how.
- Your conclusions.
- How the group will use the evaluation and make any changes when organising future activities.

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