

KEY GUIDES



Effective Fundraising

2nd edition

Ben Wittenberg and Luke FitzHerbert

dsc

directory of social change

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Luke FitzHerbert was one of DSC's
best loved and respected colleagues.
This book is dedicated to his memory.

About the series

This series of key guides is designed for people involved with not-for-profit organisations of any size, no matter how you define your organisation: voluntary, community, non-governmental or social enterprise. All the titles offer practical, comprehensive, yet accessible advice to enable readers to get the most out of their roles and responsibilities.

Also available in this series:

Charitable Incorporated Organisations, Gareth G. Morgan, 2013

Charitable Status, Julian Blake, 2008

The Charity Trustee's Handbook, Mike Eastwood, 2010

The Charity Treasurer's Handbook, Gareth G. Morgan, 2014

Minute Taking, Paul Ticher and Lee Comer, 2012

For further information, please contact the Directory of Social Change (see page viii for details).

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About the authors

Luke FitzHerbert



Luke FitzHerbert was an extraordinary individual. He was best known for his work as the pioneer of guides to grant-making trusts, ground-breaking publications on the lottery and company giving, his regular contributions to the sector media and his tireless campaigning for greater transparency and probity in charitable activity. His publications have become required reading for all fundraisers and his fundraising training for thousands of organisations made him into a fundraising guru.

Luke's career path took many twists and turns before leading to his definitive role in the voluntary sector. Growing up in rural Ireland he went to Christchurch, Oxford to read history, via a spell in the Irish Guards. He worked variously in the print industry, as a volunteer skipper on a sailing training scheme and from 1975 to 1983 as a teacher in a west London comprehensive school. During these years he became the founder and chairman of the Brent River and Canal Society and it was that experience which embedded his passion for volunteering and the voluntary sector.

In 1983, Peter Jay, chairman of the National Council for Voluntary Organisations (NCVO), recruited Luke to help launch payroll giving in Britain. Shortly after in 1984, Luke approached Michael Norton, founder of DSC, and proposed the idea of compiling a directory of foundations which charities could use to help them to fundraise. As Deputy Director and later Co-Director of DSC, he went on to create and edit DSC's series of grants directories, and then do the same for directories on smaller and local trusts, and the *National Lottery Yearbooks*. These grants directories, invented by Luke, which include *The Guide to the Major Trusts* and *The Guide to UK Company Giving*, continue to be a mainstay of the on-going work of DSC.

Luke fearlessly said and wrote what he thought would be in the public interest, and he withstood pressure from the trusts to have their affairs remain closed from public scrutiny. By doing so, he singlehandedly modernised the practices of the philanthropic sector by encouraging

more effective, efficient and accountable grant-making for social change and for the benefit of the poor. The sector is a better place for it.

Many people also knew Luke best as a trainer and benefitted from his direct and practical approach to raising money. His DSC fundraising courses, including *Effective Fundraising* and training on National Lottery outcome funding, were always in demand and his infectious energy, his passionate and principled iconoclasm and his love of the sector charmed everyone who met him.

Ben Wittenberg



Since joining DSC in 2003, Ben has had several roles, overseeing at various points, fundraising, website development, research, publishing, policy and campaigning. He has also been a regular columnist for *Charity Times*, writing on subjects ranging from the relationship between the government and the voluntary sector to good grant-making practices. He has raised more than £2 million in funding from a range of statutory, corporate, charitable and public sources. He has also run DSC training courses on fundraising from grant-making trusts, companies and government sources.

He led the development of DSC's funding websites (governmentfunding, trustfunding, companygiving and grantsforindividuals) which provide details of thousands of funders to voluntary sector organisations looking for funding to support their cause.

Prior to DSC, Ben was Project Coordinator for youth Charity Weston Spirit running projects for young disadvantaged people across the UK, including Reach for the Sky, a partnership with Sky Television. Before that he worked as a Project Leader for Royal and Sun Alliance.

He is an ILM Level 7 Executive Coach and has a BA (Hons) in European Studies and Politics, an MA in European Studies, and is a PGCE-qualified geography teacher.

In his spare time he sits on the committee of Southport and Waterloo Athletics Club, regularly running (and occasionally winning) marathons and ultramarathons all over the UK.

About the Directory of Social Change

The Directory of Social Change (DSC) has a vision of an independent voluntary sector at the heart of social change. The activities of independent charities, voluntary organisations and community groups are fundamental to achieve social change. We exist to help these organisations and the people who support them to achieve their goals.

We do this by:

- providing practical tools that organisations and activists need, including online and printed publications, training courses, and conferences on a huge range of topics;
- acting as a 'concerned citizen' in public policy debates, often on behalf of smaller charities, voluntary organisations and community groups;
- leading campaigns and stimulating debate on key policy issues that affect those groups;
- carrying out research and providing information to influence policymakers.

DSC is the leading provider of information and training for the voluntary sector and publishes an extensive range of guides and handbooks covering subjects such as fundraising, management, communication, finance and law. We have a range of subscription-based websites containing a wealth of information on funding from grant-making charities, companies and government sources. We run more than 300 training courses each year, including bespoke in-house training provided at the client's location. DSC conferences, many of which run on an annual basis, include the Charity Management Conference, the Charity Accountants' Conference and the Charity Law Conference. DSC's major annual event is Charityfair, which provides low-cost training on a wide variety of subjects.

For details of all our activities, and to order publications and book courses, go to www.dsc.org.uk, call 08450 777707 or email publications@dsc.org.uk.

Foreword

Effective Fundraising provides you with advice and information to help you raise money for your charity or project. Remember, though, that advice and information is not in itself enough. *You have to ask!* And you need to ask effectively. This means more than just filling in application forms or sending off proposals to trusts and foundations. It also means asking people to support you – people who can give you more than just money: they can give their time, their skills and expertise, and even reach out to their friends and their contacts, who might also like to help you.

Successful fundraising is all about being enthusiastic. Being enthusiastic about your project and what you want to achieve; being enthusiastic about asking, because you need to enthuse other people about what you want to do if you are to persuade them to support you.

Remember too that if you don't get the money you need, you can still do something. Have a Plan B, which is what you can do with less, as a first step; and have a Plan C, which is what you can do with no money at all. Getting going and doing something will show your determination and make fundraising in the future that much easier.

The book has been updated, now in its 2nd edition, to take account of legal, taxation and technology changes including new opportunities provided by social media and mobile technology and emerging methods of fundraising such as crowd funding and social lending. But the fundamentals of good fundraising don't change.

This book is imbued with the wise and practical advice of Luke FitzHerbert, a fundraising guru and mentor, and a cornerstone of the Directory of Social Change for many years. He inspired so many fundraisers to do more and do better and who fought for openness and transparency in the way that foundations and companies distributed their money. This book is dedicated to Luke's memory.

Michael Norton
May 2015

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Further, we are grateful to the Robert Gavron Charitable Trust for its support for the writing of the first edition of this book and to Kay FitzHerbert for her help with the second edition.

1 The fundraising background

Fundraising and other forms of funding

There are lots of different ways for charities to raise the funds they need to serve their beneficiaries. Service delivery contracts, chargeable services to users, social investment, and the various activities that fall between them are all perfectly legitimate ways for charities to cover the costs of achieving their charitable aims.

They are not the focus of this book.

This book is about persuading people or institutions to give donations to your charity. A donation is a gift, usually made without the giver or donor expecting anything back in return, beyond the satisfaction of supporting what you do.

This book is also primarily about fundraising for charities (whether registered or not). It does not discuss raising money for the benefit of individuals, nor for private as opposed to public institutions such as, say, golf clubs or privately owned historic buildings. The box below explains what a charity is, and highlights the benefits of being registered as such.

Charitable status

If your organisation is not for profit and for the public benefit, it is likely to be a charity. If you have an income of £5,000 in a year or more, you should register with the Charity Commission if you are based in England or Wales, or the Office of the Scottish Charity Regulator (OSCR) in Scotland, or the Charity Commission for Northern Ireland (CCNI).

Each of the regulators has very simple and easy to follow advice on setting up and registering as a charity on their website, links to which are in the 'Useful organisations' section on page 99.

There is no law to prevent you from asking for money for a good cause – or indeed for any cause. You can get on with it without waiting for the formalities, though of course you must not say that your organisation is a registered charity if it is not. You will just need to convince those you ask that what you are doing deserves their support.

However, there are substantial advantages in formally registering as a charity.

1 It is seen as a seal of respectability

Some people and institutions, including many grant-making charities, either can or will give their money only to registered charities. If your group or organisation is too small to be registered, or have not yet got around to doing so, you will need to find a charity that is already registered to receive the donation or grant and then pass it on to you. This charity has to accept the responsibility for seeing that the money is indeed used for a genuinely charitable purpose. Various umbrella charities are used to performing this function. They include many national associations and also local councils of voluntary service (CVSs). For details of these, go to www.nacvs.org.uk.

For the benefits registration brings, supervision by the Charity Commission, OSCR and CCNI is quite light and, for charities with an income of under £10,000 a year (over half of all charities), it scarcely exists. If your charity's income exceeds £10,000 you will be required to submit an annual return form with basic information about your activities, and if your income exceeds £25,000 you will need to submit an annual report and independently audited or examined accounts.

Any investigations by any of the regulators are generally the result of an outside complaint.

2 You get council tax relief

Registered charities with their own premises can apply for an 80% reduction on this tax – a very important saving, which some local councils will top up to a 100% discount.

3 You become eligible for tax reliefs on donations

These are described later in this chapter (see page 13).

Should we fundraise for our charity?

Not necessarily. Donations or grants are just one way of funding what you do. Depending on what you are doing it may be more appropriate to charge for your work, like a charitable theatre company probably will. Maybe it makes more sense for your counselling service to be funded by a contract from your local authority, or even as a sub-contractor to another larger organisation. Perhaps your national association would be best funded by subscriptions from member organisations in return for the services you give them. Perhaps, like my own organisation, the Directory of Social Change (DSC), you are best suited to being a trading organisation – in our case, selling books like this to you! It is perfectly normal and proper for charities to be trading organisations though, of course, any profits must stay within the organisation.

Effective Fundraising

Does your fundraising target sometimes feel like an unassailable mountain? Not sure where to start? Whether you're new to fundraising, or simply need to refocus and gather some fresh ideas, this straightforward companion is for you.

As well as offering tried and tested techniques, *Effective Fundraising* is packed with wise tips and advice from experienced authors. With their guidance in your pocket, your daunting fundraising trek will soon start to feel more like a stroll in the park.

The book will help you with:

- How to work out your fundraising strategy
- Who the targets for your fundraising should be, and why
- How to approach and raise money from individuals
- What kinds of events and activities you can do to raise money
- How to raise money from grant-making charities, companies and online
- How to think creatively about your fundraising

This is the essential fundraising tool for any charity fundraiser, chief executive and trustee.

'After a career in income generation and fundraising, and now as a CEO, the one constant has been my use of Effective Fundraising. It is the perfect, reassuring companion for leading a sustainable charitable organisation.'

**Helen Rice, Chief Executive,
Blackfriars Advice Centre**

'Fundraising is a difficult skill to master but having Effective Fundraising by your side – filled with Luke FitzHerbert's insights, passion and experience – will help you to grow in confidence and expertise.'

**Bharat Mehta, Chief Executive,
Trust for London**

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