

# “STEP INTO” FUNDRAISING

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Written and delivered by Kathy Roddy  
on behalf of the



helping you  
to help others

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## **WHAT IS FUNDRAISING?**

To the average 'man on the street', the term of 'fundraising' might conjure up a number of ideas, ranging from shaking a tin on a street corner, running the marathon, doing a sponsored bungee jump or filling in an application form to a grant-making trust.

However, many of these ideas miss the fundamental elements of fundraising – it is a very misunderstood profession!

**EXERCISE: What do you think are the key elements of successful fundraising?**

## THE THREE 'Rs'

**RELATIONSHIPS** : Fundraising is primarily about relationships with people - donors and potential donors, advocates for your particular cause or activity, influential people who can access wealthy individuals.

*“Fundraising = Friend-raising”*

Fundraising is much more successful if donors are asked to donate by people they know and trust.

Firing off a large number of impersonal, ill-researched applications is likely to be a complete waste of time. It is far better to concentrate on one or two applications which have been really well researched and where some previous contact has been established.

**RESEARCH:** Good fundraising depends upon good research. There are a number of aspects to this; you need to research:-

- Potential funders and donors – the people and organisations that might be willing to fund your work – what are their interests and priorities, how much might they give, what are their motivations?
- The need for your project – these means hard, objective evidence, such as statistics, as well as documented case studies from your organisation's own work
- The outcomes of your work – funders want to fund a better world, your job is to prove that you can deliver positive changes. This means finding and using suitable tools for measuring the outcomes and impact of your work

**RESOURCES:** What you get out of fundraising is relative to what you put in. It is an investment.

*“There is no such thing as fundraising expenditure, only fundraising investment”*

Therefore:

*“You have to speculate to accumulate”*

If your organisation is not prepared to invest in the fundraising function, fundraising success will be extremely limited.

## THE PRACTICE OF FUNDRAISING

In terms of process, fundraising can be considered in four key stages:-

- Plan
- Research
- Ask
- Thank

## PLANNING FOR FUNDRAISING

Many people, especially those who are new to fundraising are anxious about asking for money and, if there is such a thing as a 'general perception' about fundraising, it is the idea that fundraising is about asking for money.

*“If you don’t ask, you don’t get!”*

However, all too often, organisations get carried away with their own enthusiasm for a project idea and then rush into making an ask before they are really ready. This results in failure.

Rather, making the 'ask' is the final stage in a process – and the process consists of a set of activities which aim to give the asker the confidence to make that ask with a reasonable likelihood of success.

*“Asking for money is the easy bit”*

Key planning documents for fundraising include:-

- The **business plan** for your organisation – larger funders (i.e. those with a lot of money to give away) will expect your organisation to have a business plan. It is also a vital document for preparing the fundraising strategy.
- The **budget** for your organisation as a whole – again, funders will expect this and again, it is important for preparing the fundraising strategy.
- A **project plan** for the project you are seeking funding for. This will include:-
  - The aims and objectives of your project
  - The need for your project and the justification for it
  - Details of the beneficiaries
  - Details of the main elements of work involved
  - Details of who will do the work
  - The measurables: outputs, outcomes and impact
  - The project timeline / schedule

- The budget for the project (prepared according to the principles of full cost recovery)
- (Risk register) Not all funders ask for this but it is increasingly a requirement
- **Fundraising strategy** - which examines the various ways in which you plan to fund the work set out in the business plan and raise the money required as detailed in the budget.

**EXERCISE: What are the various ways in which voluntary organisations might raise money?**

## WHERE DOES THE MONEY COME FROM?

The fundraising strategy examines all potential sources of income and from the point of view of sustainability, it is important not to be reliant on one funder (or one type of funding). Rather, there should be a diversity of income streams.

The main income streams available include:-

### STATUTORY

Funding from statutory bodies includes:-

- Local authorities (through grants, service level agreements and contracts)
- Central government departments
- Executive agencies (Research Councils, HMRC)
- Health authorities
- Clinical Commissioning Groups
- European Union – e.g. European Social Fund
- Local strategic partnerships
- Police

Statutory funding has changed dramatically in recent years, but the main ways in which the statutory sector supports the voluntary sector is through:-

- Grants (declining to the point of non-existence!)
- Service Level Agreements
- Contracts (this is actually trading, NOT fundraising)

Researching statutory is best done through:-

**[www.governmentfunding.org.uk](http://www.governmentfunding.org.uk)** : This site gathers together grant and other funding programmes from the following government departments:

- Cabinet Office
- Department for Communities and Local Government
- Department for Education and Skills
- Department of Health
- HM Revenue and Customs
- Home Office
- Ministry of Defence
- Ministry of Justice
- Government Offices for the Regions

Registration costs *start* at £285 +VAT a year (depending on the size of your organisation) and users create a personalised profile which will allow them to:

- Receive email alerts on new and update grant schemes
- Apply online for relevant grant schemes

- Save specific grant searches and information

It is intended that other government departments and executive agencies will be included on the site in future.

Other good sites for researching central government departments include:-

**www.direct.gov.uk** : this provides access to ALL central government departments, executive agencies AND local authority websites. A keyword search on 'Funding' also brings up useful links, including one to local authority funding information.

**www.gov.uk** : This is a free, daily alerting service providing information and links to new documents published by central government and other official bodies. Users can sign up for e-mail alerts. Currently, more than 65 government departments, agencies and public bodies contribute to the site. Users have to register and can specify their particular topics of interest. Documents provided include:-

- Research reports
- Statistics
- Discussion papers
- Consultations
- Press releases

This service is the best way to keep up with government policy developments.

Local and national contracts can be accessed through **www.contractsfinder.businesslink.gov.uk**.

Networking and the participation in consultations (locally and / or nationally) can be one of the most effective ways to hear about potential new funding streams as well as providing the opportunity to shape policy and strategy in the relevant areas of concern.

**www.europa.eu/index\_en.htm** : The main gateway to the European Union. Type 'Funding' in the search box to retrieve information about EU funding (prepare to be overwhelmed!). **http://ec.europa.eu/grants/index\_en.htm** takes you straight to the grants page.

Other resources that will help you research EU funding include:-

- ***Guide to European funding for the non-profit sector 2014-15 (e-book)*** published by the European Citizen Action Service and available from the Directory of Social Change (www.dsc.org.uk) £33
- ***Annual European Union Grants Directory (2014)*** published by Chapel & York (www.chapel-york.com) £40 +VAT. The publicity material states:-



*“The Guide contains approximately 120 pages of information extracted from the European Commission’s (EU) budget and presented in any easy to use manner. Grants are available from the EU for all types of organisations throughout the world and cover a wide range of project activities including women’s issues, the environment, child protection, racism, young people, the elderly, education and training, the disabled, human rights, energy, transport, the arts, the media and many more ..... The Guide is only designed to outline what is available.”*

Each of the EU funds will have different eligibility criteria and will be managed differently. Many funds require you to work with other EU partners (organisations in different EU countries). Application processes are known to be complex and onerous – reporting requirements even more so. EU funding is **not** for the inexperienced!!

Chapel & York also provide European Consultancy Experts and it may be best to consult one of these for further advice once you have identified a potential EU fund for which you meet the criteria. They also provide an update service to alert subscribers to new EU funding streams.

## **NATIONAL LOTTERY FUNDERS**

These funding streams are financed through the sale of lottery tickets in the UK. This *may* cause a problem for some religious charities which object to gambling and will not accept the proceeds of gambling.

The main lottery funds and websites are:-

- Big Lottery Fund ([www.biglotteryfund.org](http://www.biglotteryfund.org))
- Heritage Lottery Fund ([www.hlf.org.uk](http://www.hlf.org.uk))
- Awards for All ([www.awardsforall.org.uk](http://www.awardsforall.org.uk))
- UK Sport ([www.lotteryfunding.org.uk/uk/uk-sport](http://www.lotteryfunding.org.uk/uk/uk-sport))

## **TRUSTS AND FOUNDATIONS**

There are thousands of grant-making trusts and foundations in the UK. Their purpose is to give money away to charitable causes. They are best researched using the Directory of Social Change directories:-

### **A GUIDE TO THE MAJOR TRUSTS**

Directory of Social Change  
24 Stephenson Way  
London  
NW1 2DP  
Tel: 020 7209 5151

## Colyer-Fergusson Charitable Trust

### Community activity (often through churches), environment, arts

£519,000 (2002/03)

**Beneficial area** Kent.

Friars House, 2 Friars Lane, Richmond, Surrey TW9 1NL

**Tel.** 020 8288 9101

**Website** www.colyer-fergusson.org.uk

**Correspondent** Jacqueline Rae

**Trustees** Jonathan Monckton, chair; Nicholas Fisher; Simon Buxton; Robert North; Ruth Murphy.

**Charity Commission no.** 258958

**Information available** Full accounts were provided by the trust, which are also available on the trust's detailed web site.

'The trust makes grants to registered charities (or those with registration pending) and churches working or based in Kent [that are] aiming to improve quality of life, tackle poverty, social isolation or exclusion and protect the

natural resources and heritage of the local areas for their inhabitants.'

The trust currently has the following priority areas:

- projects that are innovative or developmental and aim to tackle social isolation, exclusion or poverty as they affect the community;
- projects that involve the preservation of the natural environment and promote community access to these resources;
- projects that will use the arts to provide the community with a new creative experience or increase access to the arts in locations where access is limited;
- projects that involve the utilisation of church buildings or other church resources to the wider community and can demonstrate a practical need.

Extra consideration will be given to projects that: encourage self-help; involve users in their management; have built in evaluation procedures; and will use funds to lever funding from other sources.

In 2002/03 the trust had assets of £19 million and an income of £758,000. In this year the trust gave grants totalling £519,000 to the following priority areas:

Social isolation, exclusion or poverty	26	£360,000
Church buildings/resources	10	£93,000
Preservation of natural environment or heritage	2	£26,000
Community creative experience	4	£20,000
Exceptional grants	1	£20,000

Grants ranged between £500 and £40,000. The largest were as follows: Youthnet UK received £40,000 towards the cost of a journalist to underpin 'Ask-it'; Homestart South West Kent received £30,000 towards the cost of a project worker, three play workers and the set-up costs of two new groups for three years; Gingerbread received £29,000 towards the cost of a development worker; St Saviour's Church – Folkstone received £25,000 towards the cost of repairing the church floor; and The Romney Marsh Research Trust received £25,000 towards the cost of a web-based resource of geomorphological,

archaeological and historical data on Romney Marsh and its environs.

Other beneficiaries included: Caring All Together on Romney Marsh (Carm), Option 2, West Kent YMCA and The Thiepval Project (£20,000 each); Prince's Trust and Church on the Way (£15,000 each); Ashford & District Volunteer Bureau, Care Fund, Deptford St Paul and City of Canterbury Symphony Orchestra (£10,000 each); Deafblind UK, REACT and Live Music Now! (£5,000 each); Mystery Productions LTD and Fant Wildlife Group (£1,000 each); and The Friends of St John the Baptist – Harrietsham (£500).

Interestingly the trust provided a breakdown of the grants they made over the last three years as follows:

Size of grants	Number awarded
Under £5,000	21
£5,000 to £9,999	53
£10,000 to £19,999	30
£20,000 to £49,999	12
£50,000 or over	3
<b>Total</b>	<b>119</b>

Type of project	Total grants
Accommodation	£9,000
Access to the Arts	£68,000
Building costs	£3,000
Church – community initiatives	£265,000
Church – restoration and repairs	£70,000
Counselling, advice and mentoring	£389,000
Environment and heritage	£73,000
Health initiatives	£35,000
Independent living	£220,000
Literacy and education	£67,000
Respite and holidays	£40,500
Social welfare	£231,000
Other	£20,000
<b>Total</b>	<b>£1.5 million</b>

Type of beneficiary	Total grants
Carens	£20,000
Disabled people	£224,000
Ex-offenders	£40,000
Older people	£61,000
Visually/ hearing	£50,000
Homeless	£44,000
Isolated communities	£607,000
Vulnerable children/families	£330,000
Young people	£133,000
Medical conditions and illness	£10,000
<b>Total</b>	<b>£1.5 million</b>

### Exclusions

No grants to churches and charities outside Kent. No grants to individuals or to the following:

- animal welfare charities;
- individuals directly;

### COLYER-FERGUSON CHARITABLE TRUST

#### Grants over the last three years

	Applications	Grants	Success ratio	Total awarded
Social isolation, exclusion or poverty	199	78	39%	£1 million
Preservation of environmental heritage	22	8	36%	£73,000
Community creative experience	30	9	30%	£68,000
Church buildings or resources	124	23	19%	£335,000
Other	19	1	5%	£20,000
<b>Total</b>	<b>392</b>	<b>119</b>	<b>30%</b>	<b>£1.5 million</b>

- research (except practical research designed to benefit the local community directly);
- hospitals or schools;
- political activities;
- commercial ventures or publications;
- the purchase of vehicles including minibuses;
- overseas travel or holidays;
- retrospective grants or loans;
- direct replacement of statutory funding or activities that are primarily the responsibility of central or local government;
- large capital, endowment or widely distributed appeals;
- applications from churches and charities outside Kent.

### **Applications**

In January 2003 the trust moved from a paper-based to an on-line application form. It asks all applicants to apply via the web and highlights that access can be sought in local reference libraries, web cafes, CVS's and so on. In circumstances where this is not practical (which had occurred only once by September 2003), a paper-based form can be accepted. The trust states that they are happy to talk to anyone who is having difficulties with this new process, but stated in September 2003 that only positive feedback from applicants had been given.

The trust advises that applicants should visit the website for up-to-date information and guidelines. There is no deadline for applications and all requests for support will be acknowledged. Trustees meet twice during the year, usually in March and October, and decisions are usually processed within four to six months. All applicants will be notified in writing.

A more compact guide (which, incidentally, is better indexed) is:-

### **THE DIRECTORY OF GRANT MAKING TRUSTS**

Directory of Social Change (in association with Charities Aid Foundation)  
 24 Stephenson Way  
 London  
 NW1 2DP  
 Tel: 020 7209 5151

This provides information about 2,500 grant-making trusts. The entries include concise contact details, what is and what is not funded, type and range of grants made, and examples of recent grants. The extensive indexes - by geographical area, field of interest and type of beneficiary, and type of grant - allow users to target the trusts that are most relevant to their needs.

There is also an online versions of these directories:-

- **[www.trustfunding.org.uk](http://www.trustfunding.org.uk)** : An online subscription service providing summary information on over 4,400 trusts in the UK. Subscription costs range from £285 to £575 (+VAT) per year. Before subscribing, check to see whether your local CVS or local authority provides free access to local groups through their subscription.

Other online information sources include:-

- **[www.fundingcentral.org.uk](http://www.fundingcentral.org.uk)**: Is a relative newcomer. It provides a FREE searchable database of grant funders, but results are generally poor. Not recommended.
- **[www.grantsonline.org.uk](http://www.grantsonline.org.uk)**: Is very comprehensive *and* includes EU funders *and* UK government funding as well. Much cheaper than the DSC database at £125 +VAT for an annual subscription. Even better, you can have a FREE 14 day trial.
- The Charity Commission (**[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)**) holds a register of all charities in the UK, together with details on trustees, accounts and constitution. As all grant-making trusts are registered charities, this is a useful source of further information.

## **COMPANIES**

Companies may support organisations in a number of ways, including:-

- Donations
- Sponsorship
- Cause-related marketing
- Gifts in kind
- Micro-donation schemes
- Piggy-back mailings
- Asking their customers for donations
- Matching staff fundraising efforts
- Payroll giving

**EXERCISE: How might we research companies?**

Tools for researching companies include:-

### **THE GUIDE TO UK COMPANY GIVING**

Directory of Social Change

24 Stephenson Way

London

NW1 2DP

Tel: 020 7209 5151

£35.95

This guide provides information on over 500 UK companies. There is also an online version also available from the Directory of Social Change:-

- **[www.companygiving.org.uk](http://www.companygiving.org.uk)** : Prices vary from £295 to £576 per annum, depending on the number of users

Other resources include:-

- **[www.bitc.org.uk](http://www.bitc.org.uk)** : The Business in the Community website, giving information about companies with corporate social responsibility policies and programmes.
- **[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)** : The official UK register of companies, providing access (for a small fee) to company accounts, shareholder and director details

Print resources include:-

- Local and national newspapers
- Financial magazines, such as the Economist, investors Chronicle, Marketing week, PR Week etc.
- Yellow pages
- Thompson Local Directory

Local Chambers of Commerce will also be good sources of local business information.

Because effective fundraising is based on relationships with people, the best way in to a company is through somebody you know who works there – many companies only support employee-led initiatives, so you need to identify who you know who could help you 'get a foot in the door'.

## **INDIVIDUALS**

Individuals may also support organisations in a number of different ways, including:-

- One-off donations
- Committed giving scheme such as Give As You Earn (GAYE)
- Gift aid
- Events
- Major gifts
- Legacies (the most cost effective for of fundraising there is!)

**EXERCISE: How might we research wealthy people?**

Useful tools for researching wealthy individuals include:-

### **THE SUNDAY TIMES RICH LIST**

This book contains information for over 5,000 of the wealthiest people in the UK. The Rich List estimates the minimum wealth of 5,000 of Britain's richest people or families, based on identifiable wealth, whether land, property, racehorses, art or significant shares in publicly quoted companies. It contains insights into how wealth is created and distributed, as well as contact details for all the individuals portrayed.

### **WHO'S WHO**

Published by A&C Black, this annual publication gives information on influential people in the UK. The entries are autobiographical (i.e., people write their own entries). £135

### **WEALTHWATCH**

Published by Sunrise Publications ([www.sunrisepublishers.com](http://www.sunrisepublishers.com)). A monthly publication which tracks the increasing numbers of multi-millionaires in the UK. Each issue contains in-depth detail on the backgrounds, interests, careers and lifestyle of high profile and / or wealthy people. £600 for 12 issues.

Sunrise also provide address listings of wealthy individuals.

Online resources include:-

- [www.prospectingforgold.co.uk](http://www.prospectingforgold.co.uk) : Providers of research services for identifying wealthy individuals. Some services are free, including summary information about new millionaires

Other resources include:-

- Celebrity magazines
- Lifestyle magazines
- Local and national newspapers
- Company directories / websites
- Local estate agents



## DONOR MOTIVATIONS

**EXERCISE:** What do you think motivates the following types of donors / funders to give?

<b>STATUTORY</b>	<b>TRUSTS</b>
<b>COMPANIES</b>	<b>INDIVIDUALS</b>

**EXERCISE: Consider your own organisation / cause. Which sources and methods of fundraising would be appropriate?**

**Are there any that would not be appropriate? Why?**

## THE CASE FOR SUPPORT

The case for support is an important fundraising tool – it sets out who you are, why your project is worthwhile and why it deserves support. A generic case for support document can then be adapted to fit different donor motivations at different times.

The following questions provide a clear structure for developing a generic case for support:-

- Who are you?
- What are the (SMART) aims and objectives of your organisation?
  - What (are you planning to do)
  - Why (are you planning to do it)
  - How (in brief, do you intend to do it)
  - Who (will benefit from it)
  - Where (do you plan to do it)
  - When (do you plan to do it)
- How do you know there is a need for the work? / What is the problem that needs to be solved? Must cite evidence
- Who the beneficiaries are, including:-
  - What the beneficiaries needs are
  - How these needs have been established (especially, whether or not the beneficiaries have been involved in identifying their needs and shaping the project intended to meet them). Need must be evidenced.
  - How many beneficiaries there are (primary, secondary and tertiary)
  - Where the beneficiaries are
  - How the beneficiaries will benefit from what you do
- How will you know whether you have been successful in delivering the benefits? (Monitoring and evaluation)
- Why is your organisation well-placed to carry out the work?
- Who will do the work and how will the activities be supervised and managed?
- How much will the work cost?
- Does this represent good value for money?

What should also emerge from the case for support is your unique selling points (USPs) – i.e. what is so great and different about *your* organisation that a prospective donor should support it?

**EXERCISE: Why should I give a donation to your organisation?**

**Talk about:**

- **Who you are (i.e. your organisation)**
- **Who your beneficiaries are**
- **What their needs are**
- **How you know what their needs are**
- **How your organisation helps the beneficiaries**
- **What your beneficiaries say about the help they have received**

**Now ask me for money!**

## THANKING DONORS

Thanking donors is a very important part of the donor development process since it helps to build the relationship.

**EXERCISE: How can we thank, retain and develop donors and funders?**

## ATTITUDES, BELIEFS AND OTHER OBSTACLES TO FUNDRAISING

There are a number of attitudes, beliefs and other obstacles that can significantly hinder fundraising activity and dampen its success. A few of these are listed below:-

- **Failure to look at things from the donor's point of view**

One of the first exercises this morning was to put yourself in the position of a donor. With respect to your charity, you need to do this regularly and to anticipate any questions that the donor may have and be ready with positive answers. If you were a donor, would you be happy with the way things are done in your organisation? If not, why not? What needs to change?

A very useful question to consider is:

*“Are there any questions that I would not want a donor / potential donor to ask about our organisation?”*

- **Failure to consider donor motivations**

It is a mistake to think that all donors are motivated by the same things. For any appeal, the fundraiser needs to consider: “Why would this donor be

*interested in supporting this appeal?"* Understanding donor motivations often requires research.

Where trusts are concerned, NEVER, NEVER, NEVER send the same appeal letter to lots of different trusts. Each one needs to be tailored to the trusts' own priorities.

- **Not wanting to ask for money for fear of causing offence**

Causing offence is extremely rare and those that take offence are those who would have been unlikely to support your organisation anyway. Usually, the worst thing that can happen is that the prospective donor will say "No" (on this occasion). Most people in the UK understand that charities depend upon voluntary income and being asked to support charities is an integral part of British culture (and indeed many other cultures).

More important is the first rule of fundraising:

***"If you don't ask, you don't get!"***

- **Not wanting to ask through lack of confidence**

Askers need to feel confident about asking for money. They therefore need to be fully briefed about the project, its benefits, the costs etc... in other words, they need to be conversant with the case for support and feel confident that they can answer any potential questions that the prospective donor might have. Often, the fundraiser's role is to provide this support and information to those tasked with actually asking for money.

- **Lack of belief or passion about the cause**

If you, the asker, cannot be enthusiastic about the cause, why should anybody else be?

- **A belief that it is just the fundraiser's job to raise money, not anybody else's**

Everybody in the organisation has a role to play in fundraising and it is not an activity that can be parcelled off from the rest of the organisation. The fundraiser's role is to facilitate the fundraising process across the entire organisation. The fundraiser cannot succeed in isolation – he / she needs access to case histories, project plans, financial information in order to build up a case for support, and access to contacts who could be approached for funds. He / she needs to rely on others to promote the organisation as widely, positively and consistently as possible.

- **The trustees are not interested or involved in fundraising**

The trustees are in a unique position to fundraise, since they are not financially benefiting from their involvement with the charity and are therefore in a better position to ask than the paid fundraiser. Trustees can get involved in many ways by informing / approving / supporting the fundraising strategy, helping with research, helping with applications, giving advice, providing details of their contacts (and a willingness to use them). Trustees have a responsibility to maximise income to the charity – if they are unwilling to do this, why are they involved?

- **Lack of organisational infrastructure to support fundraising**

This might include things like:-

- Not having a business plan
- Not having a fundraising strategy
- Not having the necessary policies and procedures that funders expect
- Not having a database to record information about donors and funders
- Not having SORP compliant accounts
- Not having appropriate financial procedures and systems
- Not having funding research tools (or knowing where to access them)
- Lack of monitoring and evaluation mechanisms

- **Thinking that fundraising does not require investment**

It does:-

*“You have to speculate to accumulate”*

The organisation needs to commit to fundraising by having a fundraising budget which is based on the fundraising strategy. One of the items within the fundraising budget will be staff time. Other items might include consultancy, training, promotional materials, postage, telephone costs etc.

- **Thinking that fundraising is a short-term endeavour**

It isn't. Fundraising for large sums of money takes time. For organisations just starting out with 'serious' fundraising, at least eighteen months should be allowed before any significant returns can be expected. For legacy fundraising, you will need to wait between three to five years before any return on investment can be expected – possibly longer.