

Fundraising Now, 30 March 2023, George Knight, Training Consultant

SECURE FUNDING OF CORE COSTS

Working Together, with Tech!

Some things remain the same

- There's no such thing as a silly question
- Respect – space and values for others
- Participation – involvement/contribution

Some things because we're virtual

- Where possible, video always on during whole group or breakout room discussion
- When we break, feel free to switch camera off
- Take a screen rest during breaks

... a virtual handshake

With the end in mind...



Prepare



Train



Targets



Implement



Review



Teach



Share

Key takeaways

- What are core costs?
- Understanding why they are not costs
- Working with funders to fundraise

Core Costs

“We must be equally committed to the fundraising of our services, as we are to the delivery of our services.”

Kara Logan



What are core costs?

Costs not directly applicable to service delivery

Why are they not costs?

Because without core functions the charity
cannot operate

**It is not: 80% of money goes to
the cause**

It is: 100% goes to the cause

Examples

- Management
- Administration
- Finance
- Governance
- Compliance

Why is it important?

Services can only run if the organisation
can run!

Who is responsible?

- Fundraising
- Finance
- Leadership team
- Service delivery
- Trustees
- Everyone?

Alternative funding

- Project funding
 - Money to run projects exclusively
- Capital
 - Money to build things
- Development
 - Money to develop new projects

Fundraising

How do you raise core costs?

Funding techniques

- Basic budgeting
- Full recovery
- Project repackaging
- Unit costing

“Unrestricted” funding sources

- Individuals
- Community
- Corporate
- Legacies
- Trading

Basic budgeting

- Your project funding includes a flat % of your overheads in the costing.
 - Typically between 10-20%

Full recovery

- All core costs are distributed effectively between all projects

Project repackaging

- Funding for a project that pays for core costs:
 - Pay for our finance manager...
 - Hire our policy manager...
 - Keep our building serving beneficiaries...

TASK: Repackaging

- What could you repackage into projects?



TASK: Repackaging

- Part time therapist
- Fundraiser
- Comms campaigns
- Volunteer expenses
- Marketing admin
- Volunteer coordinator
- Data for the quality manager
- Staff in new charity shop

Unit costing

- Project is broken down into bitesize costs:
 - Fund X for £100
 - Buy two X for a beneficiary for £10
 - Typically individual funding

Project funding

- Questions to consider:
 - Can it include all costs?
 - Can we build all costs into the project costs?
 - Can we run this project without funding everything?

Example

- Project needing funding
 - 10 courses delivered over 1 year for £10,000
 - 50 hours of consultancy over 1 year for £10,000
 - 5 fundraising bids written for £5,000

Project cost: £25,000

Core costs needing funding

- Customer service
- Finance
- Leadership team
- Building costs
- Utilities

Additional costs

- 1 CS agent for half a day a month for £650?
 - Consider putting this into project cost?
- % of finance staff for £X?
- % of leadership team for £X?
- % of building costs for £X?
- % of utilities for £X?

How to work out additional costs?

- Yearly costs
 - Finance team - £10,000
 - Leadership team - £10,000
 - Building costs - £7,000
 - Utilities - £1,000

Yearly costs: £28,000

Basic Budgeting

What do we do?

Basic budgeting

- Charge flat 20% of project cost (**£25,650** with the CS agent)

20% of project cost: £5,130

New total cost: £30,780

Full recovery

What do we do?

What % of your operating time will this project take up?

- 10 courses
- 50 hours of consultancy
- 5 fundraising bids

Staff time: 20%

Building time: 10%

Full recovery

- Overheads needing funding
 - 1 CS agent for half a day a week for £650
 - Added into Project cost, not core
 - 20% of finance staff for £2,000
 - 20% of leadership team for £2,000
 - 10% of building costs for £700
 - 10% of utilities for £100

Full recovery

- Project costs:
 - £25,650
- Core costs:
 - £4,800

Total costs: £30,450

Costing your fundraising

- Salary
- Equipment
- Stationary
- Expenses
- Overheads

Putting it all together

What costs need covering?

5. Analysis of support costs

	Education	Social Inclusion	Recreation & Leisure	Product Sales & Gardening Services	Total 2019-20
	£	£	£	£	£
Management & Admin Staff	534	3,631	454	721	5,340
Premises	999	6,790	849	1,348	9,986
Administration	154	1,049	131	209	1,543
Professional fees	-	-	-	-	-
Depreciation	78	530	66	105	779
Audit	-	-	-	-	-
Governance	-	-	-	-	-
Insurance	358	2,434	304	484	3,580
	2,123	14,434	1,804	2,867	21,228

St Mary's Secret Garden

- We need to cover >£20k
 - What % of each costing line per project?
 - We are open for 5 days, so a 2-day project can be 40% of the costs for that line
 - Keep more detailed finance lines

Work with finance



A sunset over the ocean with a bird in flight. The sun is low on the horizon, creating a bright reflection on the water. The sky is filled with clouds, and the overall scene is serene and beautiful.

Full cost recovery projects

Individual/community funding

Other unrestricted funding sources



“We must be equally committed to the fundraising of our services, as we are to the delivery of our services.”

Kara Logan

Join CloF Regional Group

- CloF Regional and Special Interest Groups:
 - <https://ciof.org.uk/about-us/groups>

The Complete **Fundraising** Handbook

7th edition

Nina Botting Herbst
with Lianne Howard-Dace





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START

STOP

CONTINUE

Any questions?

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Thank You

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