

20 FUNDRAISING STEPS



Fundraising for Social and Community Needs

Faith organisations, be they places of worship or faith based charities, aiming to meet the needs of communities will often need to seek funding from sources other than their immediate membership. To stay true to their faith teachings and meet good standards as set out in law, carefully planned steps will be required to help reach the funding required. The average faith leader may have some knowledge of fundraising but will not be an expert or have enough time to commit to the task. Often others in a faith group with little experience are asked to take on what can be a very demanding task.

This Near Neighbours Toolkit has been developed in partnership with the St Philip's Centre and has been written by John McCallum, Near Neighbours East Midlands Coordinator.

John would like to acknowledge the many people and organisations that have provided information and advice that have contributed to the information in each toolkit.

INFORMATION

For more advice and support on any of the issues raised in the toolkit please contact Near Neighbours on:

w www.near-neighbours.org.uk

f www.facebook.com/nearneighbours

@ [@nearneighbours](https://www.instagram.com/nearneighbours)

t [@nearneighbours](https://twitter.com/nearneighbours)

The good news is that successful fundraising isn't just reserved for highly paid experts; in fact anyone can begin to learn about fundraising using this simple toolkit. It will help you plan your fundraising strategy in 20 progressive steps by revealing 'tricks of the trade'. Every project will have its own unique requirements, but this toolkit is based on factors common to all and compiled from the practice of many successful faith based fundraisers.

The toolkit will help you to understand what is needed to organise your fundraising activity, seek additional information in support of your case and make realistic bids to funders who are happy to work with faith based organisations.

"While fundraising for the cause of desperately needy people and communities is a serious business, don't get overawed by the task. Remember that you are the expert on your project because you know more about it than any remote funder can possibly hope to." – Expert

Step 1

A vision for the future

You might be interested in the Near Neighbours Toolkit on Vision Development which describes a range of easy to use vision development tools that can aid your project in devising this important starting point and begins by offering a simple 7 question format to help guide you ask the right questions.

Before you begin to raise funds, it is vital to have a clear vision for what you want to do that can be easily communicated to your own faith community and external decision makers. Fundraising Applications that succinctly describe why and what their vision is about are much more likely to be able to offer a winning message. Bear in mind that busy funders want to gain an immediate impression of your plans and may not read lengthy descriptions. Therefore the ideal written "vision" can be a single paragraph or a maximum of one side of A4 that has been developed and agreed by faith leaders, managers, volunteers, staff, project partners and most importantly the beneficiaries of your activity. Seeing the active hand of the relevant children, young people, families, vulnerable adults or the elderly in your visionary planning is a great encouragement to most funders.

In the early stages of your visionary thinking it is normal to raise more questions than you can answer. This should be seen as a positive experience rather than a stumbling block because you are immediately beginning to identify things you need to research to advance your vision.

The primary reason for having a plan is to aid your management of activity and having gone to the length of writing, don't be surprised if every funder will not want to see it in full. However once written, you can cut and paste words from your plan into letters and applications forms to funders.

Step 2

Say it with a plan

Your written vision will be the basis for developing a plan of work. The resulting document might be called an Action Plan, Development Plan, or more formally a Business Plan. It doesn't really matter what you call your plan as long as it includes ingredients that will structure your eventual project management and delivery of activity and then provide funders with the detail they will need to convince them to fund your project.



A typical plan might include:

- An introduction and history of your project
- How you are constituted and managed
- A very brief mission or vision statement
- Who the beneficiaries are and analysis of their needs
- Your aims and objectives
- Targets and expected outcomes
- Strategies on how you will manage and deliver the activity
- A budget for 1-3 years

You might also include supportive information that could include site plans, job descriptions, professional reports, community research, local people's descriptive experiences and annual accounts & reports (If your project is less than 12 months old, a bank statement or budget sheet will be helpful in place of accounts). In certain rare circumstances where the funder wants to know your basis of faith this might also be included but in general most funders will be more interested in the details of how you are constituted i.e. are you a charity?

The size of a plan is proportionate to the scale of your activity and the amount of money you will spend delivering it. A rule of thumb for applications up to £5,000 would be to provide 2-10 pages of information in a plan, and for up to £30,000 would be 20-30 pages and possibly above providing progressively more detail. For bigger sums of money much more information such as reports and submissions from professional advisors plus research you have undertaken would be needed. Most plans will include or refer to operating policies and procedures and should help to convince decision makers of your ability to manage activity and money.

Don't get overwhelmed by the need for a plan. Just start with something simple and understandable by all involved in your faith group or project. It should be seen as an organic document that can grow with you and be added to as information becomes available and your experience and ability grows.



Step 3

What are your USPs (Unique Selling Points)?

Why should a funder give money to support your project? What are the special issues that will interest them? It is essential for you to clearly convey the key elements that they are interested in that make your project worth supporting. The selling points that may interest a potential funder could be your location, the social need and deprivation you tackle, the age and background of your project's beneficiaries or something particular about your faith or style of work you deliver. Most often it will be a combination of these factors.

Whatever your selling points are, the fundamental interest of nearly all funding bodies is the impact you make on people and often how those people are involved in the decision making process. Using photographs of, and quotes from people are a very effective ways to "sell" your project and are much more interesting than pages of flat text. Including pictures, artwork, poems, brief personal stories and other media throughout your written funding bids will make them much more dynamic. It can be helpful to produce a video of what you do although some funders might not have the time to view it. Ultimately your bid for funding will be in competition with other worthwhile projects and so you need to use your USPs creatively to give you the edge over other applicants for money, but don't go over the top and obscure the clear message the funder needs from you about what you do and want.

Step 4

Creating credibility

Every funding body wants a reasonable level of assurance from you that you will use the money they give appropriately and part of that assurance is for them to understand how your project is governed. Very small new projects that haven't got a written constitution will need to adopt one to prove to funders how they govern their activity. Most projects spending more than a few thousands of pounds will require more than a constitution, needing some sort of legal identity before anyone will give them significant funding. This simply means becoming a recognised 'incorporated' body such as a registered charity or a limited company.

Incorporation confirms to a potential funder that you are required to follow certain laws in the management and accountability of money. Consequently many grant making trusts will only give to registered charities. It is therefore important to understand the legal status of your project so that you can correctly answer the questions a potential funder will ask of you on this.

At the time of writing many Church of England, Methodist and Roman Catholic churches do not currently register independently as charities as they are recognised by the Charity Commission as "Excepted" charities and this explanation usually satisfies funders, however charity law has changed and they will have to become registered charities in their own right before March 2021. Other faith groups may either use the charitable registration of their parent body or independently register as a charity. Full details of this are available from the Commission's website (www.charity-commission.gov.uk/).

There are other legal status for not for profit organisations including Charitable Incorporated Organisations, Community Interest Companies, Co-op's, Credit Unions and Industrial and Provident Friendly Societies but you would be well advised to seek expert advice on what any structure will allow you to do and what is best for your activity. Whatever your status is, understanding it and the way you are governed will be important in helping you to establish credibility with a potential funder and save your application for funding from being rejected before they even get to judge the work you do.

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Step 5

A blast from the past

If your project has had any sort of funding from a funder in the past always go back in your records, as far as you possibly can, and reveal what was given. Do this even if previous grants were for an activity different from your current needs. Assess if you used the funder's money appropriately and then research their current funding criteria. If it is appropriate to go back to the funder you might say to them "We made good use of a grant from you in the past, will you consider helping us again?" Unless they have a particular "once only" policy or limit the time-period in which you can re-apply they may be interested in you because you have an established track record with them.

Regardless if your bid is for the first time or a repeat application beware of "crying wolf" for a 'desperate need'. Crisis appeals for your organisation's basic costs may sometimes reveal to a potential funder that you have not been effective managers and have allowed a problem to arise that should have been anticipated. Instead always approach the funder with a "positive" but honest message, to encourage confidence in your ability to manage any money that they might give.



Step 6

Sustainability

Funders often want to know how you will sustain activity after their award ends. You will be unsure of this at the start of your project, but you need to demonstrate that you are at least aware of and working towards gaining other funding when your initial grant runs out. It is rare for grants to be for more than a 3 year period and then you have to re-apply. A brief 3 year fundraising strategy in your plan encourages potential funders that you will be looking beyond your initial period of operation; some may actually require you to send them such a written strategy. Start off with a simple document and expand it over time as you gain more knowledge. For projects that have established credibility and who keep people informed it is not unknown for funders to continue helping over many years.

Step 7

Finding out who gives what and why!

Someone will tell you of a wonderful funding source that you will rush to find out about. They will neglect to tell you of the funder's detailed criteria and that sending off a general begging letter will be a waste of time. Time spent in researching a funder's requirements will pay dividends. Projects that seek advice from skilled fundraising advisors are more likely to succeed than if they try to do it alone. The normal D.I.Y. routes to funding information will be accessing the publications, websites and databases from the Directory of Social Change, local authorities, local voluntary sector infrastructure support groups, Funding Central and the Charity Commission.

For projects that need more than a few thousand pounds it is almost always productive to dedicate quality time and experience to the fundraising task. Most projects find they will continually need to fundraise throughout a project's life. Some organisations lump the fundraising task in with an already overloaded job description of a worker and others have too many people involved in applying for funds. As a consequence neither method achieves the best results.

The ideal would be a handful of people who can offer the considerable time required and who are able to build skills in the fundraising environment. They would then report regularly to the project manager who may guide, (rather than deliver) the process enabling the project manager to devote more time to their other management tasks.

Step 8

Ask somebody that knows!

Your local Voluntary Sector support agency and sometimes your Local Authority will have specialists to advise on fundraising. They may also have information that you will be unlikely to find elsewhere. With this generally free advice and support, most projects should be able to successfully fundraise themselves. In fact many funders will be keen to see the “hand” of local people involved in the process.

Be aware of people who wish to charge you for a fundraising service, only in certain circumstances would it be worth engaging such costly help as not every funder will pay you to pay them! In the rare circumstance where you do decide to engage an external fundraiser you would be well advised to talk to their previous customers and seek a number of quotes from different agencies in recruiting a suitable individual or organisation. Often faith denominations will have advisors on aspects for faith based fundraising and it is very common for faith based organisations to share their knowledge of the fundraising world.

Step 9

Seek the line of least resistance!

There are many sources of funding from street collections, through grant making trusts, to contracting services with governments. All funding comes with strings attached. You will need to judge what will cost the least effort in time and expenditure and what brings the most benefit to your activity. Be aware that many projects in their keenness to attract funding become diverted from their core aims as they seek to fulfil the conditions set by the external funder. You have a choice not to accept those conditions and money or to ask the funder to meet you half way in conditions that are beneficial to you both. Local and Central Government may actually need you to help them to achieve targets that benefit them as much as you, so don't just accept everything that is thrown at you. Where possible you should seek a mutually beneficial partnership with equitable terms.

A rule of thumb is that projects without a full time fundraising staff member (either voluntary or paid) may only need an external fundraising contractor for raising very large sums, say £500,000 or more and then for only exceptional projects.

Successful projects that stand the test of time may use a number of fundraising techniques and sources, but new organisations starting without the luxury of fundraising staff will find they need to focus on one or two key sources so that they can achieve the quality of communication required by their chosen funding sources.

Step 10

Is your project 'healthy'?

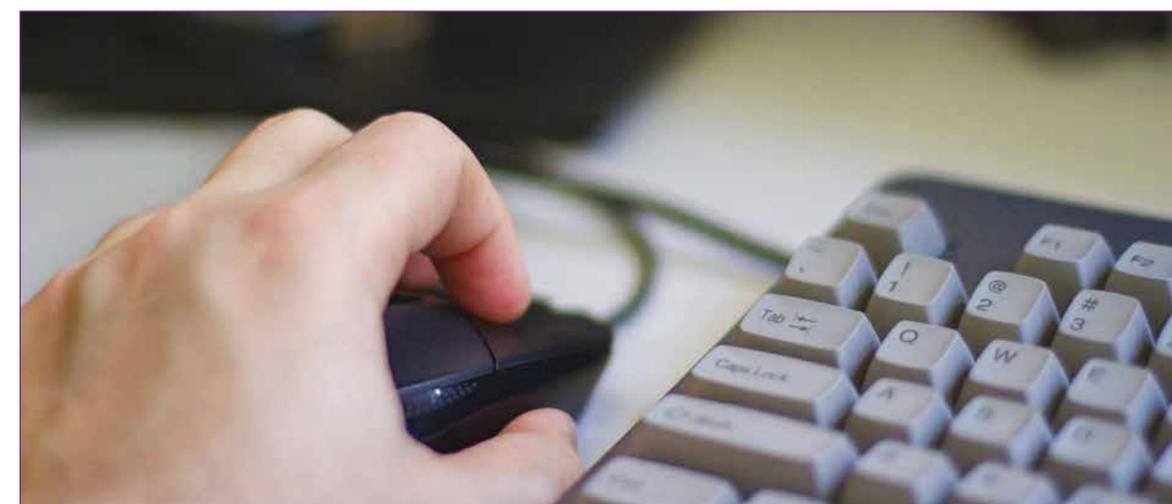
Once you know the information a potential funder requires you can do a “health check” on your project plan to see if it includes the necessary details. This might also mean that you evolve your project activity to fit with the funder's requirements. Some funders positively encourage you to reach a “good practice standard” as a condition of funding. For example, adopting equal opportunity and safeguarding policies or employing appropriately trained staff. For building projects they may want to see planning permission. If you want a staff salary, a potential funder will have an idea of market rates from the other applications they receive, make sure you have researched realistic salaries and costs.

Step 11

Shortlist the most likely sources

'Scatter gun' bids that send a standard letter to numerous funders result in lower standards of application that rarely work. It is far better to shortlist potential funders that give the most to our type of activity and location. Then select from your researched list the 10 that give the largest grants and apply to them in order of who gives most.

It is usually good to target funders that give specifically to your locality or region, for when you apply to national funders you have to compete against many more projects than can apply to your more local sources. If you have done the right research and your project is of interest to the funders by the time you have written your first 10 bids you might start to begin to get results. However don't stop doing more bids until you have all the money you need, you can always say no thanks if you are offered more than you need.



Step 12

Getting your facts right

Below are the main ways of searching for information on funders and all have their costs in terms of time and effort. You may need to combine methods to give you all the information needed:

- Make contact with your local Infrastructure support organisation such as a Council for Voluntary Service/Voluntary Action Council, Rural Community Council or community funding advice consortium (they may have a different name in your locality). They have a wide range of information and experience as well as offering impartial advice and they do not usually make a charge other than for photocopies. They will either do a search for you or allow you to access a database to do your own search. They often provide free training courses and have a useful local knowledge of funding sources.
- Access useful information on the web on Funding Central (www.fundingcentral.org.uk). This service is at a low cost but is potentially good value.
- Trustfunding.org does cost but is an excellent site and is worthwhile if you regularly need to raise larger sums such as £50k plus per year.
- Web searching is great but you usually need to know the name of a funder before you can find out the information you need.
- Ask your Local Authorities for help. Many have an online fundraising advice and search service as well as giving grants themselves although at the height of the current reductions in Local Authority funding they may only offer very few targeted options to meet their highest priorities. It is therefore important to attend networks, consultations and public meetings created by Local Authorities to be in and around the decision making on grant aid and contracts for work.
- Buy a book or database. This can be expensive and you might need the advice of experienced fundraisers to help you to make best use of such a resource. Books are usually out of date as soon as they are published and the voluntary sector now largely uses databases. Currently the most affordable resource is the Directory of Social Change online resource Trustfunding.org.uk that has details of over 4,000 trusts. This does not have information on government grants and non-trust funders, however these can be found on the Funding Central website.
- Employ a member of project staff as a paid / unpaid fundraiser or buy in a fundraising consultant. External contractors can be expensive, but may be worthwhile for amounts greatly in excess of normal operating costs. Whatever you decide you will need to ensure that you get the right person as a fundraiser and then spend time to manage them and the process. Some funders will be unhappy to see money being spent on a fundraiser who is not part of your project or community. Community Funders like to see local people fundraising, but realistically some time-scales and budgets may not allow for this and only then is it worth considering contracting out the work.

Things to remember

Demonstrating to a potential funder that you have researched and evaluated your current and future operations will suggest that you know what you are doing. This could be revealed in your fundraising strategy.

Even the best and most experienced fundraisers don't succeed with every application, but sending a limited number of quality bids that are fully researched considerably improves your likelihood of success. If you are just beginning don't be surprised if you only get a 10% success rate. Over time you will learn from your experience and gradually improve.

There are lots of free and low cost fundraising training courses out there, ask your local voluntary sector infrastructure support agency for advice on what is locally available.

Under no circumstances accept money and then use it for something the funder has not agreed to. This might debar you from future grants and may be communicated to other funders. It could also be illegal and at the very least be a breach of trust.

Step 13

Don't put all your eggs into one basket

Once you have sent in an application you cannot afford to await a reply before sending applications to other funders. It is a high-risk strategy to limit your options and normally potential funders like to see that you are actively hunting for money elsewhere as this demonstrates that you are hungry for success. If you are fortunate enough to be offered more money than you need, funders will usually understand that an offer they make to you may have been superseded by successful applications elsewhere. In some cases you might be able to say to them 'may we use the money you have offered for a similar related activity that will help our project achieve its aim?'. Once they have gone to the effort of assessing you and making a judgment about offering money they may still be happy to help.



Step 14

Talk to the funder

When you find a relevant funding source you will want to send in an application. To save time and effort writing an application that may not meet their needs, think about making contact with the funder before you apply. As long as they don't have a stated 'no contact' policy you should telephone, write or e-mail giving brief details of what you want. You will ask if it is worth making an application and how they wish to receive it. If they have a website visit it before doing anything as it may have all the info you need. If you are then sure that they will be open to receiving an application, carefully follow their instructions. Giving them the information they need is an important confidence building factor in their relationship with them.

Step 15

Writing winning letters

You will normally have to send a cover letter to the potential funder unless they specifically ask you not to - possibly because they might have an application form. When a letter is needed it should be 2 bullet-pointed pages of A4 with only the most essential details. Imagine if you are a clerk to a grant-making trust and you have to read long uninformative letters every day. The concise detailed letters will consequently stand out. Your letter needs to give all the information required in a short and readable style saying who you are, how you are governed, what you want, why you want it and what it will provide. You must include clear contact details. That is all you initially need in your letter apart from saying "thank you" for their time in considering it. Lay out your letter in a polite factual style, do not use negative or sensational language such as 'we are desperate' or 'we are unique' and never grovel! If you have something worth supporting it will sell itself through the detail you provide and if it doesn't you know to apply elsewhere or make some changes before applying again. One or two very clear photographs that illustrate your point may also help, but only if they are totally self-explanatory or have a related caption.

Step 16

Ask a third party

You and your colleagues will be so close to your plans and funding applications that you will not be able to see the wood for the trees. You might understand what you have written, but will somebody else? Ask a competent third party to check your application before you send it. Always check your sums, as error with figures are the most common mistakes.

Step 17

Phew! That's it gone in the post

When you send an application it should normally be in loose-leaf A4 format to aid photocopying by the funder, put it in a stout envelope, with the right postage and a clear address. Always keep a copy of everything that you send, a note of who it was sent to, adding when you sent it and what you asked for. If something happens to it or if the funder wants to ask you anything, the information will be on hand. Many funders now have online application formats. Don't try and change the format but if possible space out your submission with paragraphs and bullet points, it makes it easier to read and remember to always keep a copy yourself.



Extra tips

- It is a good idea to invite the potential funder to visit your project, as this lets them know that you are not hiding anything!
- Ensure that you provide your project leadership with a copy of your application for them to approve, be that a faith leader, a committee chairperson or your line manager.
- Make sure that your word font, colour photographs, graphs and illustrations are understandable when photocopied in black and white so that when a potential funder copies your submission for their decision makers to see your message is clear and easily absorbed.

Having received your submission, if they are interested, it is common for a potential funder to contact you for clarification on a point or even arrange a visit to see you. Always make sure that the person detailed in your application as the correspondent is someone who knows enough about your plans to handle such an enquiry. Ideally it should be the person that has written the submission or will manage your project's delivery.

Step 18

Use failure as a positive learning tool

The most successful fundraisers learn from their failures and then press on. You will have rejections from funders, often through no fault of your own. They may simply have not had enough money to meet the demand or have hidden criteria that they do not make public. Some funders will make no acknowledgement of your application and only make contact if you are successful. Even if they do respond with a negative they may give little or no reason. Unless they particularly request 'no contact', get in touch with them and politely ask why you were turned down. The resulting comments from funders might help to improve your practice and inform you if there is any point in applying again. Failure is inevitable so don't get disheartened, there is always another funder out there for you.

Step 19

Getting your timing right



Most funded activity of any size will take many months from inception to delivery and most large building projects will take at least 3 years to be completed. Some achieve things in much shorter timescales, but they run the risk of outstripping their ability to manage the process. If you are motivated and passionate about your project you may well become frustrated by the length of time it takes to achieve funding and some projects may have to work harder than expected to meet a timescale imposed by a funder. If you are aware of the challenges for you and your project of such timescales you will be able to plan with a greater chance of success and attract and manage funding that will consequently encourage your funders to continue to give. In general it usually takes longer than you might have originally hoped, but being aware of this can help you keep everyone involved. If you are just beginning, don't be surprised if you only get a 10% success rate. Over time you will learn from your experience and gradually improve.

Step 20

They think it's all over

Too many projects sit back and wait after initial funding until the money has nearly run out. They then panic and send obvious crisis appeals to funders. This places unnecessary stress on project staff, their management and those benefiting from your activity. It doesn't give a good impression to funders. Why leave it to the last minute if you have already learnt how to fundraise, keep on doing so, for it is a rare project that has more money than it needs. The continuing relationship with funders and the growth in your fundraising experience will make it easier to carry on into the future. Some projects are harder to fund than others but it is amazing what money is out there if you dig deep enough and for long enough.

Final advice

- Don't be put off by other fundraisers who boast about gaining grant awards, they are unlikely telling you how many failures it has taken them to get the point of success.
- Demonstrating basic contingency plans for your project in your fundraising might convince funder of your ability to manage their money effectively.
- Ongoing research and fundraising activity is the hallmark of a good organisation and a really Red Hot Fundraiser!



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