

CANDL PROJECT

FUNDRAISING - A STRATEGIC APPROACH

This document presents an "ideal" or "model" process for fundraising, in which one step follows another from stages 1 to 4. In the real world, groups enter on fundraising at a range of points. Some have a project already under way and in urgent need of some cash help just to survive the next 3 months. Others already have a substantial funding base and are looking to widen it or replace elements about to run out. Yet others have just the germ of a vision for a project. The reality for most groups will be about starting where you are, and working on stages 1-4 in an overlapping, "chicken and egg", parallel-processing way. Few groups will have the luxury of taking the whole process in linear, stage order.

Stage 1. Business Plan

Rather than start with specific applications or fundraising methods, start with developing an overall **resourcing/fundraising strategy** for the project/group.

The best first stage is to pull together a **Business Plan** that as a minimum details the group's

- (i) Mission or Vision
- (ii) Aim(s)
- (iii) Objectives
- (iv) specific tasks/targets with timescales
- (v) resources needed to achieve those tasks/ targets
- and (vi) from where those resources are coming or to be requested.

A simple Business Plan could be produced in table form, with a Mission/Vision and overall aim of the project as a heading. The first column would have numbered Objectives, the second column would have Tasks needed to meet each of the objectives and the proposed timescale for completion, the third column would list the Resources needed to fulfil each task (e.g. volunteer time, equipment, premises, running costs, etc.), and the fourth would say who is supplying these resources or who is going to be asked to do so. Specific columns for capital and revenue costs could be included. Objectives should be **SMART** ones - Specific, Measurable, Agreed, Realistic, and Time-related. The resources section should include those already in place or pipeline (which might therefore be quotable as "**match**" funding in an application), including volunteers' time (don't forget the management/planning committee's time), premises, fees/subs paid by users, and any "in-kind" support or help (e.g. include CANDL's consultancy time).

Drawing together a more comprehensive Business Plan from scratch can be a long process, but there is a lot of unnecessary "mystique" about them. Any working or workable project has a Business Plan, even if it's sketchy and mostly held in people's heads. The important thing is to start getting it down on paper, and build its comprehensiveness over time.

It's important too to keep the whole thing realistic by identifying **who is going to do the work** of getting or applying for the resources not yet gained. If the group cannot identify who will do the work, they should scale down the objectives, and tasks/targets accordingly! It is worth having contingency plans in case resources do not emerge in time - will start dates be postponed, can they "make do" with what they have, can they borrow from other agencies/sources...?

The Business Plan should ideally have a current or forthcoming year phase and a **2-5 year** phase.

Other elements which would be included in a comprehensive Business Plan document: **Community Profile** (including evidence of the need being addressed, and details of other agencies working locally in the same field); **management/staffing structure chart** with Management Committee members' names; a **training plan** (identifying training needs and when/how they will be addressed); a **marketing plan** (showing how the project will be publicised); core **policies** (e.g. Equal Opportunities, Children's Safety/Protection, Health & Safety, Volunteer Support, etc); and details of how the group will **monitor and evaluate** progress on its objectives (information from this process will be crucial in fundraising applications, let alone its value in helping the group plan and learn).

A detailed financial **budget** should be drawn up based on the Business Plan. This should use properly researched figures for salaries (using standard scales), capital works (actual quotes if possible), etc, rather than "guesstimates". The budget should show all intended expenditure, promised/predicted income, and the inevitable "gap" still to be filled. The ideal budget would be fairly detailed for the coming year, and outlined for the next 2-5 years.

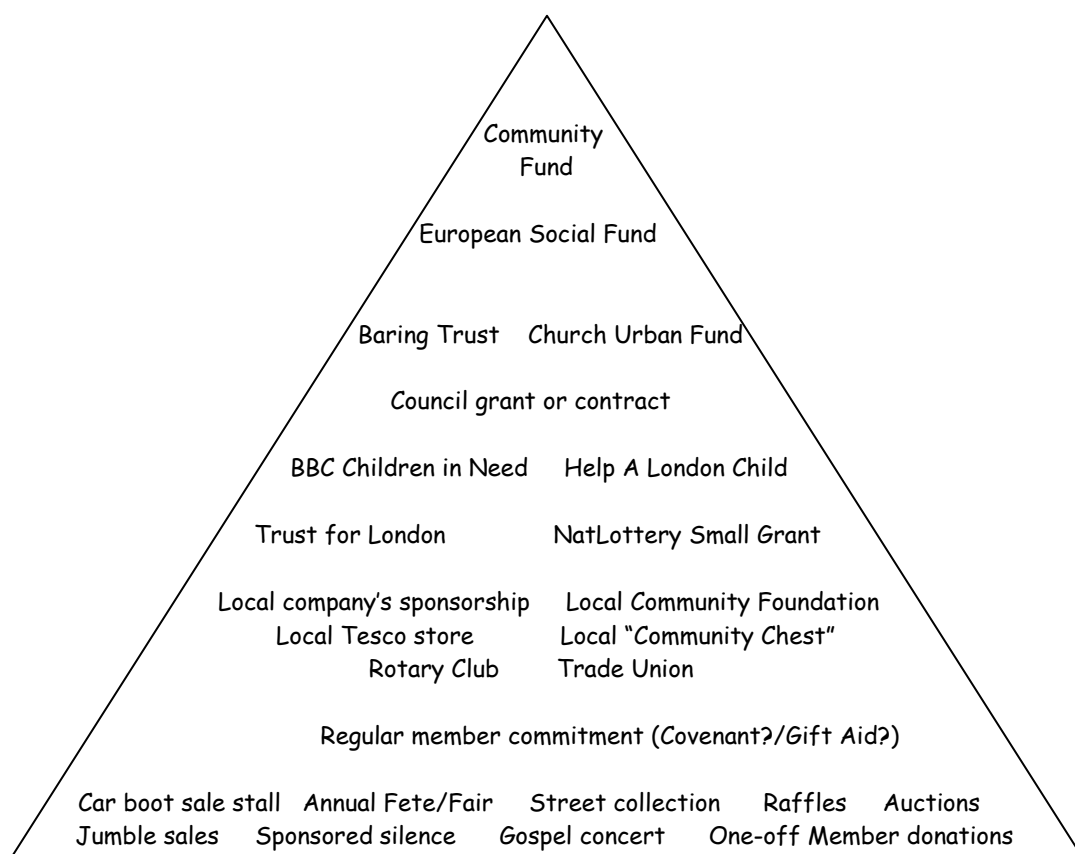
Stage 2. Build a Pyramid!

Related closely to the Business Plan and particularly the emerging budget gap, a fundraising strategy should involve a **broad-based** approach, not relying on just one or two sources. Many funders strongly appreciate evidence of a group's own local methods of raising even relatively small amounts of money - they are a

sign of personal commitment. A sustainable project will need to maintain this broad-based approach over the years if it is to avoid major funding crises. Remember, the more significant the contribution from a particular source, the greater the impact when that source dries up!

Your group should also consider ethical questions about who it will/won't approach for support - e.g. are they happy about money from Lottery sources, or companies such as Nestles?

A good model is to use a "pyramid" diagram, with small-scale things like jumble sales, sponsored events, individual donations, one-off church collections at the bottom; on-going church commitments, small local trusts, company-giving, etc. in the middle; larger London/National Trusts and the Community Fund at the top (see below).



The more the project can integrate fundraising events or activities with its primary purposes the better, as it reduces energy "lost" to fundraising. Can you get sponsorship from a local business for your newsletter, conference or AGM (in return for an ad or mention), or for specific training needs? Can your youth group plan and run an event (as an educational project)? Can you use a fundraising event for publicity or volunteer-recruitment purposes?

Stage 3. Identify the funding targets

Using Funderfinder and other funding databases, directories, local information, etc, the group should narrow down those funders who would be most likely to fund their kind of project. Check **criteria, funding levels, and deadlines** carefully. It is obviously no use applying to RichBod Trust in January for £500 to run an Easter Playscheme if RichBod Trust's decision-making body meets in December and June, or doesn't fund work with under 16s, or only gives grants to projects of £50,000 or more! Why not ask for advice and suggestions re possible funders from the local voluntary services council, local authority "community" section, local reference library, CARIS, etc? Use the telephone to speak to grants officers, company representatives, etc, about the proposed application - check with them that the project is within their remit. Don't waste time on applications which are highly unlikely to succeed. Ensure you know the individual funder's application process. Is there a form? If not, how much detail do they want in a letter? Is it OK to attach further material (e.g. reports, photos, leaflets, newspaper cuttings, etc)? Do they require charitable status (and number), Equal Opps policy, bank account details, etc? How long will it be before the decision is notified? A small or "just starting" project could ask a bigger local organisation (e.g. CVS) to administer grants on its behalf as a temporary measure - some funders will accept this as an alternative to the group having its own charity number.

The group should then **prioritise** its application process based on:

- how closely it fits the criteria
- when it needs the money
- how much the funder is likely to give
- when the funder's deadline is
- how much effort the application process will take
- how it fits into the "pyramid"

It may be worth postponing "the big one" until progress has been made on making the project "fundable" - building up its fund-worthiness in terms of comprehensive Business Plan, core policies, trained management committee, track record, etc.

The group should check that the amounts it is asking for at least match the budget gap identified. Ideally you would have a number of alternatives available, perhaps applying at the same time for the same need on the assumption that some applications will fail (most funders accept this, but want to know if an application is also being made to other potential funders).

The group should plan how you will progress your fundraising over the year. A simple year chart could be drafted, scheduling in when you need which sums of money by, the dates of your own fundraising events, any funders' deadlines, expiry dates of any existing grants (and re-application deadlines), when you aim to get letters/applications in to funders who don't have specific deadlines, etc..

Stage 4. Applications.

The first rule is, if there is a **form**, use it. Check with the relevant officer. Read and follow the guidance that comes with the form. Don't be tempted to fill in the form without first carefully reading the notes. If your organisation or project doesn't quite fit the tenor of a question, try to write something positive rather than "n/a" or leaving it blank. Always get someone one-step removed from your project to read through the completed form to help you ensure your answers make sense, and that you haven't missed something.

There are numerous quick tips and comprehensive guides to the dos and don'ts of application **letters** in CANDL's Fundraising Resource Boxes. It is worth getting familiar with the detail and working through some of the quick tips sheets with the group. The key is **clarity**. Be clear about:

- what the applicant group is
- what need it is addressing and what track record it has
- what specific need the funding is being asked for
- what difference it will make to people and how
- what is interesting/new/special about the work
- how the request fits the funder's criteria/remit
- how much is being asked for
- how it fits into the overall project budget
- who else is contributing (including the group itself and other "in kind" donors)
- how will the work be managed
- when the funding is needed by
- the name of the group's bank account
- how the funder will learn of the results of their giving
- the position of the person signing the letter.

The tone of the letter will depend on the funder to some extent. The more "public" the Trust, the less personal the approach should be. The more "family-based" the Trust, the more personal the approach might get. Generally speaking however, the letter should be written from the heart, showing personal commitment, but concisely and not over-emotional and never "begging". It should try to "tell the story" of the project in way that captures the

imagination, rather than coldly working through the above list. If possible, it should be addressed to a named contact person. The letter should be accompanied by any additional information specifically requested, e.g. accounts, annual report, list of committee members, etc. (if unavailable, explain why); and by anything else they have said they would value. The letter should offer to supply further information or talk through your application on request.

If the group is applying to local businesses, you should consider whether a request for something "in kind" would meet their needs. A printing company might buy in extra paper at cost price. An office-based business might donate some office equipment (bought at its bulk-buy rates), or give some good quality second-hand equipment. A company might lend someone from its finance team to help with budgets, accounts, etc, or someone from its legal team to help with leases, articles and memoranda, etc. The company's staff might run an in-house fundraising event, e.g. a raffle, sponsored coffee-free day, or ransom the boss!

Finally, the group should **keep a copy** of everything you send out to potential or actual funders. A **thankyou** letter should always follow receipt of any support. Regular **updates** on progress of the supported work should also be sent (e.g. newsletter, annual report, summary letter, etc). If a funder indicates that they will not consider a new application, or not within a certain timescale, don't pester them, but do put a note in your 2-5 year plan as to when to consider **re-applying**.

No advice can guarantee success in fundraising, but if you follow the approach we have outlined we think you'll stand a very good chance.

SV - CANDL - November 2002