Fundraising 1: The Fundraising Plan

The benefits of the plan:
The Fundraising Plan is a practical document which describes all the elements of your fundraising activities in a systematic way – so you can see how they fit together, work out priorities and follow clear plans of action. A well thought out, flexible plan can:

- spell out long term project proposals for developing your organisation – ready for the right funding opportunity to get them started
- ensure that you allocate staff, volunteer time and other resources to the most urgent and promising fundraising ventures
- help to remind trustees and staff of forthcoming deadlines.

What the plan will look like
Your Fundraising Plan should cover:

- what you are fundraising for
- the different types of fundraising you will undertake
- the organisations you will approach for grants
- priorities for your fundraising work
- a timetable and targets, including application deadlines
- the budget you are prepared to spend on fundraising
- the individual tasks needed to put the plan into practice
- who will be responsible for what.

Think strategically
Make sure you are clear about what you are fundraising for:

- Are you aiming for expansion or simply survival?
- Do you need to fund the core organisation or to develop projects for new and better services?
- Do you want to fund capital projects (such as buildings or equipment) or revenue activities (such as employing staff or paying running costs)?
- What contribution will the fundraising make to the long-term sustainability of your organisation and its work?

How will fundraising affect your organisation?
You need to ask yourselves how the fundraising activities themselves will affect your organisation. This should help to determine both *what* you do and *how* you do it. The questions include:

- Will it affect your vision of how you want the organisation to develop?
- Is it in keeping with your charitable objects in your constitution?
- Will it adversely affect the way you do your existing work?
- Do you have the paid staff or volunteers with the time to devote to it
- Have you got the skills to do it?
- Have you got, or can you get, the money for fundraising activities?
- Can you sustain your work when the money runs out – and if not, what else is needed?

- Does your organisation have a profile which can attract money or will you have to build this up?

Compiling the plan
Here's what you need to do to produce a practical fundraising plan. *And, even if you cannot produce a written Fundraising Plan, to be effective fundraisers you should be following these steps in practice anyway:*

- **think about how you may be affected** (see the issues in the checklist above) and what adjustments you may need to make
- **consider *all* your funding requirements** present and future, and make sure these fit with your organisation's plans for long term development
- **set priorities** for each separate issue so you don't have to do everything at once
- **produce preliminary budgets** for your target activities to give you a rough idea of how much money you need
- **identify funding sources to target** – specifically, who you will be applying to for grants or what activities you will be carrying out (be guided by what succeeded and what failed in the past)
- **estimate the cost of these fund raising activities**, and check that you have the money
- **draw up a timetable**, splitting jobs into separate tasks with target dates, and check that the timings and tasks are realistic (some jobs will have their own unmissable target dates – deadlines for grant applications, bookings for venues, applications for licenses etc – and others will have to fit in with the things you can't control)
- **allocate tasks** clearly to your staff and/or volunteers, and show them how their roles fit in with everyone else
- **put someone in charge** of making the plan work – the more people that there are involved the more crucial it will be that your efforts are properly co-ordinated and that no one lets you down
- **make allowances for things to go wrong** in your timetable and in planning everyone's roles (because they will).

Working with your plan
The real challenge is making the plan work, and there is no point in putting it together if you don't:

- write down all these arrangements in a draft document and discuss them with your full Committee – and formally adopt the final version so that you know everyone has agreed to it
- keep the plan up to date as time goes by –re-jig your targets and deadlines if they become unachievable
- keep records of all the work you do to implement the plan – any experience, good or bad, can be valuable in the future, and current staff and volunteers may no longer be around to remind you
- ensure that your Committee regularly monitors progress and supports staff and volunteers to unblock log jams and solve problems.

Fundraising 2: Making grant applications

Preparing to make an application

Making grant applications is almost always a competitive business. It's the best applications which tend to get funded. So:

- **give yourself plenty of time** – impressive applications (not to say the most exciting, practical and effective projects) are those which have been thought about in advance
- **get advice**, especially by talking to people who have had past successes with the funders you expect to target
- be prepared to show that you need a grant to **pursue your organisation's objectives as part of a "development strategy"** (and that you're not chasing money for the sake of it); if you haven't thought strategically about where you're going, do so now
- **start planning by working out how much grant money you need**; then refine the costings repeatedly as you think about the application in more detail – that way the project will get better along with your costings
- do your level best to **prepare a business plan** to back up your application.

Targeting your funders:

Funders have different reasons for giving away money, even when several of them fund the same project. Sometimes the same aims and approaches which persuade one funder to help you can convince another not to do so. To be consistently successful you will need to target potential funders effectively:

- **follow the instructions** and guidance material to the letter; if in doubt phone up and ask for clarification
- **ask yourself what the *funder* wants to achieve,** and then show how you can help
- **reflect back the funder's aims and buzz words** intelligently in your application answers – some funders tell you *exactly* what they want to hear from you, but you should still show what this means to you in practice
- find opportunities to **make additional points** about your organisation and project by all means, provided the contents of the application form does not get too long
- **build up a relationship** with funders over a period of time – you're usually more likely to get a repeat grant from an organisation which knows and likes your work than from someone who's never heard of you.

Completing application forms:

- **Just answer the questions** which the application form asks – this is vital since the questions are probably constructed very deliberately to collect evidence that you meet the grant criteria
- find opportunities to **make additional points** about your organisation and project by all means, provided the details you enter on the form do not get too long to be easily readable
- **use a word processor** if you possibly can to give you the chance to amend the first draft of the application; there are several ways you might do this:
  - a few funders (still too few) now produce application forms on disc, so do take advantage of this if you can

- you may be able to print your answers directly on to the blank sheets of the application form if it is permissible to copy or dismember the form (though you will need a dummy run to make sure your answers line up with the questions)
- paste longer sections of word processed text on to the application form

- if you have to complete application forms in long hand, make **sure your writing is crystal clear and tidy** – scrappy and illegible forms will work against you.

Making applications in bulk

If you are preparing a large number of applications, perhaps for relatively small sums of money and where there is no application form to complete, it may not be practical to target every one of them individually, e.g. if you have a long list of charitable trust funds to write to, for instance. Here are some suggestions:

- **don't send out a standard letter** – so even within a large batch of letters you should try to use the power of a word processor to insert information which addresses each funder's stated priorities
- **write enquiries *about the possibility* of funding** rather than specific requests for a grant to organisations you have no previous contact with
- **never make your grant request look like a circular** – address each one individually
- **don't waste your time –** if you can't meet the criteria set by funders don't bother to apply; it's highly unlikely you will succeed.

Fundraising 3: Costing your project

It is important to make sure that your grant applications include *all* the costs of your project which you are unable to meet from other resources. Here is a basic checklist, but your project may need other items.

Staff and volunteer costs
- wages and National Insurance
- travel expenses for staff and volunteers
- recruitment advertising
- training
- other volunteer costs – e.g. meals
- [redundancy reserve for paid staff]

Premises
- rent/lease rates/purchase price
- heating and lighting
- repairs and decoration
- cleaning

Equipment
- large capital items
- small renewable items
- office machinery

Office overheads
- telephone, fax, internet connection and use
- postage and stationery
- publicity and printing

Costs of providing services
- main operating costs – e.g. transport for clients
- activities - e.g. trips and visits, training
- materials used - e.g. refreshments

Other costs
- insurance
- accountancy, banks charges
- architects and other professional advisors
- legal costs (e.g. for premises)
- [project evaluation by outside body]

Fundraising 4: Outline for a business plan

1. **A cover:** include your name and logo, the name of the funder it is addressed to, and the date. Number different drafts sequentially to keep track.
2. **Introduction:** a brief description of the project or development, the total funding required, prospective sources, and the amount being applied for from this funder.
3. **Background:** what you do, your objectives (and charitable objects), the origins and development of your organisation, your constitutional arrangements.
4. **Personnel:** list the names of the current trustees and the manager with their roles and experience (include key staff job descriptions in an appendix).
5. **The need or "market":** provide details of the current and proposed users of your services, how you have identified and evaluated the need (with objective *quantified* information on this need and with anecdotal evidence), and the "competition" i.e. anyone else offering similar services (describe any feasibility study work or market research you have carried out, but present the full results in an appendix).
6. **The development proposal:** the services which you want to provide or develop, your targets, who and where your users will be, any special regulations you will have to meet, and potential problems which you have evaluated etc.
7. **Promotion:** how potential users and purchasers will hear about your service.
8. **Charges:** describe how have you fixed your charges, if any, and how do they compare with similar services elsewhere (include any detailed calculations in an appendix).
9. **Staffing and volunteering:** describe paid posts and volunteer involvement, skills required, recruitment issues, induction and training.
10. **Management:** who makes overall policy and who takes day-to-day decisions, and existing and proposed line management and communication arrangements; procedures for target setting, management reporting, monitoring, staff supervision, and appraisals, management of financial arrangements (a management chart may help).
11. **Premises, equipment and other issues:** the ownership and/or tenancy terms, lease or purchase cost, and suitability of premises, adaptations and conversion costs, transport facilities etc.
12. **Training and support:** the help you have had and will continue to receive to develop the project, the capacity of your group, and management skills, training plans.
13. **The *beneficiaries*:** the groups of people who receive benefit from your activities, (e.g. service users and clients, volunteers), how they benefit and how you will record and measure whether you are achieving these benefits.
14. **Accountability:** how you will evaluate your progress and achievements; how you will communicate with and involve and the community, users, partners, funders etc.
15. **Budget/cash flow forecast:** for the forthcoming three years.
16. **Analysis of the financial arrangements:** a detailed description and overall assessment of the financial implications of your proposals, explaining each item which appears under the income and expenditure headings in your cash flow forecast; sources of funding and prospects for sustainability.
17. **Project timetable:** a timetable showing the key stages in achieving each of your main objectives.
18. **Strengths and weaknesses:** a description of the strengths and weaknesses of your organisation and project and how you will deal with the weaknesses.
19. **Summary of grant request:** the total amount of grant aid needed from all sources, the sources explored and funding secured, particularly matching funding.

See also CPC information sheets on Business Planning

Fundraising 5: Targets, budgets and monitoring

This sheet explains how to set up a monitoring system which will provide both the funder and your organisation with information about the impact of your project.

What funders want to know: Before they award any grant potential funders will usually want to know:

- how you will spend their money
- whether the grant will have the results you say it will
- whether you have the capacity to keep your project on course .

Once approved, they will usually want to see how you fulfil these promises in practice. They will ask you to produce reports, often with detailed statistical information about the outcomes of using the grant, and may make decisions on the release of the grant in stages depending on your progress.

A first step to measuring your progress:
Your grant application is usually the most comprehensive statement of what you will do if your bid is successful. *So you are most likely to be judged by what it says* (which is also a reason why your applications should always be honest and realistic). This means you will need systems for recording information, monitoring and evaluating your progress and performance (this is enormously valuable for you as well as the funder – so you should set up systems *even if the funder does not ask for them)*. This can provide you with information about your progress and performance to:

- check against the budgets, targets, timetable and objectives in the grant application
- make adjustments if you are going off course
- publish in your annual report, which you can use to build your public image
- demonstrate your effective use of funding to use in the next round of grant applications.

Overview of the monitoring system:
If you want hard evidence today of the impact your organisation is having, you should have started keeping monitoring records a year ago! That's why it is so useful to write a workable system into your next grant application. It should contain:

- financial forecasts – the budget
- measurable, numerical targets
- a timetable
- a way of recording unmeasurable features such as the satisfaction for your service users
- internal reporting arrangements.

The budget
Your financial forecasts should show how and when you receive income and incur expenditure year by year. You may produce a budget just for the grant, but it is better to show how the grant fits into your whole organisation or a distinct part of it, provided you indicate clearly what is grant expenditure and what is not. Don't be afraid to ask for help on putting together a budget if you need it.

The timetable

- break the project down into different stages (e.g., recruitment – start up – development – first milestone – second milestone – completion)
- break down the more complicated steps again into component tasks (e.g., all the steps involved in recruiting a manager and other staff and setting up the project)
- give your best estimate of when each stage will be achieved, numbering the weeks rather than guessing calendar dates
- make allowance for the unforeseen problems which create delays.

Measurable targets

- try to come up with telling targets which you can keep track of – e.g the number of enquiries dealt with, the number of additional people using your facilities, the number of trainees/volunteers supported/receiving qualifications/getting jobs
- some application forms invite you to speculate wildly about outcomes (there is no sane answer to the question, "how many full time jobs will be created indirectly by you project?"); just provide good optimistic guesses.

Measuring the unmeasurable

The most difficult thing to do is to record things which you can't count – such as the impact of your project on a shy unemployed volunteer whose outlook changes dramatically, and who acquires new skills or the confidence to take up a training course. Don't depend on remembering these changes – keep a log book to record significant developments or individual progress files on the people who work on the project. This can be powerful ammunition when you want to attract funding *next* year.

Reporting arrangements

Once you have decided what you will record, you need to devise a system which allows you to:

- compare the actual results with what you forecast every month or every quarter
- take swift action to deal with problems which become apparent
- readjust targets and budgets if they become hopelessly adrift of the reality.

In organisations which have a paid manager the reporting will normally form part of the existing arrangements for the Committee to receive monthly management reports.

Towards an integrated monitoring system: Nowadays many funders are extremely specific about the information they want you to record, and almost every grant-giver has different reporting requirements – which are often more about their need to account for money than about your need to run an effective project. This can produce a nightmare for organisations which receive funding from several different sources. What you need then is **a single integrated record-keeping system which can maintain the relevant information for your own internal monitoring *and* for all your funders** as and when you have to provide it. This may take some time to set up initially, but if you design it around your own requirements it will be more manageable and provide you with better information in the long run. And don't hesitate about complaining to your funder if the reporting regime is irrelevant or unnecessarily time consuming: they need to be told.

Fundraising 6: Boosting your chances of success

How are grant applications assessed by funders?
Put yourselves in the funders' shoes. Would you give money to an organisation like yours on the strength of the information you are giving them? If not, what can you do to improve your chances?

- Are you a properly established organisation?
- Are you a competent group?
- Do you control money properly?
- Is there a need for your project?
- Will your project actually meet the needs you have identified?
- Can potential beneficiaries influence the organisation's policies?
- Is the project innovative?
- Is your budget realistic?
- Do you work in partnership with other bodies?
- What are your targets?
- Do you monitor and evaluate your progress effectively?
- Is your project sustainable?
- Does the project meet the criteria of the grant fund?

Get help when you need it

- your local County Voluntary Council e.g. Carmarthenshire Association of Voluntary Services
- Wales Council for Voluntary Action – advice on European funding and help for Wales-wide bodies
- "Funder Finder" and other computer databases and directories of funders (check with your Council for Voluntary Service
- your local authority
- your parent organisation (if you have one).

Just go for it!

- be CONFIDENT - good projects deserve to be funded
- be PERSISTENT – the first grant application may fail
- be HONEST – funders know all the tricks applicants play
- be AMBITIOUS – go for what you need
- be REALISTIC – go for what you can reasonably achieve.