



## Funding Factsheet 2

# FUNDRAISING – GETTING STARTED

All groups need some money to carry out their services or activities. So, although you would probably rather get on with the 'real' work of running your playgroup or lunch club, you also have to spend some time planning and raising funds.

If everyone in your funding sub-group takes fundraising seriously and gets involved in thinking it through, then you are much more likely to be successful, and you might even find it fun!

Once the whole group has decided what money needs to be raised, by when, and how, then the actual job of raising it can be allocated to the smaller group. But make sure that they report back regularly on progress to the whole committee. A standard item on the Agenda could be fundraising.

### ***Plan Ahead***

Raising money can take quite a long time. Most funders work to strict timetables. Local authorities and government bodies normally only consider applications once a year. Some charitable trusts only meet once or twice a year. Some special funds like Opportunities for Volunteering only invite applications every three years. So, as a general guide we would advise you to apply for money at least six to nine months before you actually need it. Once you get going you should get into the habit of planning your fundraising needs two years ahead. This is especially important if you are employing workers.

### **Keep Records in a Fundraising File**

Keep a record of all the funders you approach, with the dates you approached them and the outcome. This is useful information for the future – giving you an idea of who you can go back to and when.

### **Some Legal Considerations**

Before you start applying for money you will need to consider whether you need any of the following:

- A written constitution – most funders will require some sort of constitution or written set of rules.
- To become a registered charity – if your yearly income is more than £1,000 and your aims are ‘charitable’ then, by law, you should apply to become a registered charity. This will open up more funding opportunities for your group.

(This figure of £1000 will change when the new Charities Act comes into effect).

- A committee.
- A bank account.
- Last year’s accounts.
- Insurances.
- Meeting health and safety requirements.

### **Equal Opportunities**

Ensuring equality of opportunity and access should run through everything you do, and it is something that an increasing number of funders will ask you questions about. Is membership of your group and access to your activities or services open to everyone in the community you are set up to serve? For instance, if you are running a drop-in centre, can people using wheelchairs get into the building? If you are providing a service to clients in a racially mixed area, do you have workers or volunteers who can speak the relevant community language?

### **Keep Up to Date**

Whilst you do not want to be ‘money-led’, you do need to keep up to date about funds and new pots of money. One way of doing this is by getting into networks with groups doing similar work. Subscribe to relevant journals or use the internet, where available.

### **Fundraising Skills**

You may think there is no one in your group, or not enough of you, with the experience or skills to fundraise. Don’t panic – help is available. You could send

people on a training course, or get advice from one of our development workers at the Council for Voluntary Service (CVS).

### ***Which Funders to Approach***

You may have to approach different funders for different aspects of your proposal. If you have a funding proposal that contains different elements (for example, workers' salaries, office equipment, building alterations) you may need to break it down into a number of projects and seek funding for each project, rather than the whole thing.

Our Development Team at Telford & Wrekin CVS can help you identify appropriate sources of funding for particular funding needs.

### ***A STEP-BY-STEP APPROACH TO FUNDRAISING***

Once you have some knowledge and information you can then get started on your fundraising using the following step-by-step approach:

#### **Step 1 – Decide what you need and why**

Before you approach people for money you need to carefully think through your ideas. You need to debate and decide what the issues or needs are that your group wants to tackle and why it is important that you tackle it. Then you can decide what you need money for (it might be rent for a meeting place or the costs of producing a monthly newsletter).

These ideas can then be turned into a written funding proposal which should contain the following:

- A clear idea of the problem, need or issue which needs funding.
- Evidence in the form of facts and figures or any research to back up your case.
- A list or description of the things your group wants to do in order to meet this need.
- How you will go about doing these things – the methods you will use.
- Reasons why you have chosen these methods – perhaps it has been tried before elsewhere successfully.
- How you intend to measure the success of your proposal.

- An explanation as to how this work or project will fit into the rest of your organisation.
- An account of how you will manage the work – have you got the people, the skills or other resources needed to cope with it?
- How you will manage and keep account of the money.

Having thought through all these things you need to decide whether you really want to take it on and if the answer is ‘yes’, then think about how you will show that your group is capable of carrying out your proposal to a good standard.

Any written proposal should fit on to one or two sides of A4 paper once typed.

## Step 2 – Work out how much money you need

Once you have decided what you want to do, you then need to work out exactly how much it will cost. This is called your **budget**.

You will need to spend the money allocated by funders on the exact items that you have applied for. It may be possible to negotiate in the case of unavoidable changes.

You may need to fundraise for all the costs or just part of them if you have other income.

- Make sure that your figures are as accurate as possible, don't guess costs or use old figures. Get estimates, use catalogues, and talk to other groups running similar schemes, check out local pay rates.
- Make sure you don't under cost the work, as this will lead you into financial problems. Just as importantly, don't over cost the work as this may mean funders reject your bid.
- Make sure you don't miss out any 'hidden' costs like insurance, maintenance, repairs, travel, training, heating, lighting, rent, recruitment, advertising and so on.
- Are your costs one-off capital items, like equipment; are they project costs with a clear start and end date; or are they ongoing, revenue costs, like wages?

You could produce a list like this one for a tool library trying to raise money to computerise its membership records and accounts;

Item	Cost
Computer hardware	
Software	

Furniture (desk & chair)	
Peripheral equipment	
Installation costs	
Software consultancy	
Training for members	
Stationery	
Transfer of existing records	
Equipment insurance	
Maintenance contract	
Electricity bill contribution	
<b>Total</b>	

If you are applying for money for more than one year remember to include inflation, replacing items, and staff pay increases and increments in your budget.

### **Step 3 – Draw up a fundraising plan**

Once you have your written proposal and a budget, you need to plan how you will actually raise the money – this is your **fundraising plan or strategy**.

There are lots of different funding sources and many ways of raising money. Try to limit yourselves to things you can do well, rather than spreading your efforts too widely.

You need to think about:

- Which funders are most likely to be interested in your work.
- When you need to raise the money by. It might help to draw up a timetable, remembering to build in time for funders to consider your application.
- Have you got people in your group with the skills, contacts and time to do the work?
- Have other groups done similar work? If so, find out how they raised their money.
- Could you raise all or some of the money yourselves? In which case you can choose how the money is spent to benefit your work.

### **Getting Help**

You will be able to get help from the Council for Voluntary Service, or from someone in your local authority or a local community worker.

### **Useful Books**

**Raising Money for Good Causes** by Jane Sutherland & Mike Eastwood,  
Directory of Social Change, 1998.

**The Complete Fundraising Handbook** by Nina Botting & Michael Norton,  
Directory of Social Change, 2001.

**Writing Better Fundraising Applications** by Michael Norton & Mike Eastwood,  
Directory of Social Change, 2002.

**Voluntary but not Amateur** by Jacki Reason, Ruth Hayes & Duncan Forbes,  
London Voluntary Service Council, 2000.

Directory of Social Change, 24 Stephenson Way, London. NW1 2DP.

Tel: 020 7209 5151; Fax: 020 7391 4804; email: [books@dsc.org.uk](mailto:books@dsc.org.uk)

Online: [www.dsc.org.uk/charitybooks](http://www.dsc.org.uk/charitybooks).

***Taken from the South Yorkshire Funding Advice Bureau Information Sheets***