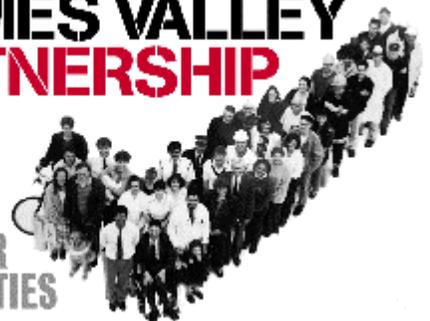


FUNDRAISING - A STARTING POINT"

**Thames Valley Partnership
February 2001**

**THAMES VALLEY
PARTNERSHIP**

**WORKING
FOR SAFER
COMMUNITIES**



Acknowledgement

The Thames Valley Partnership is very grateful to Mike Butler, of Sawyer Edwards and Butler, for his generous agreement that we could publish this fundraising guide, based closely on his work. Mike provides a fundraising consultancy and undertakes fundraising himself for a number of projects working with young people. He has a particular interest in motor projects.

Thames Valley Partnership hosted a training seminar run by Mike Butler on fundraising for community safety projects when he produced a guide for projects, which forms the basis for this guide.

This is a time of rapid change in the fields of community safety and work with young people. It is not possible to identify in this guide the various new initiatives and sources of funding that may be relevant, some of which may be one-off opportunities. We can never claim that the information here is exhaustive and it is important that you keep in touch with other organisations that may be able to help.

Thanks are also due to Siri Moorby of Thames Valley Partnership, who worked with Mike in order to help motor projects and others to strengthen their funding, and has updated and amended this guide.

We hope that you find it useful and easy to read. Good Luck.

***Sue Raikes
Chief Executive
Thames Valley Partnership
February 2001***

***Mike Butler
Sawyer Edwards and Butler
The Old Rectory
Doynton
Bristol
BS15 5SY
0117 937 2405***

Thames Valley Partnership Voluntary Organisation Funding Guide

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Introduction

Raising the funds needed to run charitable projects such as those working with young people used to be more straightforward - a statutory body would generally cover core costs and charities generally asked trusts for the salaries for the first year or so. A few local companies might donate a few essential pieces of equipment. After the first couple of years had passed the relevant statutory body (usually the local authority) would be expected to provide a grant for all of these costs.

Today, although there are more resources available to fund such projects, it has become more complex and time consuming to secure the sums required. This is because there are many more organisations applying for funds each year and they are using more sophisticated techniques for achieving their objectives. Substantial resources therefore need to be devoted to fundraising and a creative approach is necessary to achieve the desired result. An added complication is that most projects working with young people need to appeal to a variety of sources in order to sustain their activities. This guide has been designed for voluntary organisations concerned with community safety based in the Thames Valley. It was developed originally for motor projects but the basic fundraising principles apply equally to other local projects working to combat crime, so the Thames Valley Partnership has decided to circulate it more widely.

The information is provided as a step-by-step guide to effective fundraising. Some sections of the guide may be more appropriate to those projects that are in the process of raising funds for the first time. Organisations that have been established for some time will probably have some experience of identifying donors and making applications. It is important though for all organisations to continually look at how they are presenting themselves to potential donors and if what they are seeking best meets local needs and their own strategy.

The information contained in this guide is not intended to be exhaustive but to provide all the key steps that need to be taken in order to obtain grants over a number of years.

Chapter 1

Some Key Points

Almost all funding is **short term** - one to three years.

Grants are more and more tied to **contracts** or **service level agreements**.

Core **funding** is generally easier to secure for new projects or innovative work. Therefore, for established projects, you need to build all core costs into your project costs.

You need to **balance** your own goals against the wishes of those in a position to provide funds.

It takes **time** to raise money. The average lead-time to raise funds for a medium sized project (£50,000) is one year.

Fundraising is a serious **commitment**. It takes both time and effort to push through an effective fundraising strategy. Donors are more likely to give to organisations and people that can demonstrate their commitment to a particular project.

Trust lies at the core of successful fundraising. Donors give their funds to assist specific groups of people. They entrust their donations to people that they trust to spend the money effectively.

Fundraising is fundamentally **selling**. Unless a project is marketed well it will not achieve the resources needed.

The more **personal** the approach the more likely it is to succeed. Think of different levels of fundraising, with face to face contact having a better chance of success and cold mail having the least. Most small organisations need to develop their range of contacts, for example, by adding board members who have the contacts needed to assist with approaches. Alternatively, more developed projects tend to form fundraising committees who are made up of individuals with 'asking power'.

It is important to decide **who** will fundraise. In order to raise money effectively you need to resource the fundraising effort properly. This means identifying one or more people who have the time, commitment and experience to do the job.

Chapter 2

Developing a Business Plan

Aims and Objectives

Long before any organisation seeks to raise funds for a project it is necessary to put in place a business plan that looks ahead for at least one year. A business plan is something that the organisation may simply create for its own use rather than a document that could be sent out to possible donors. However it could also be a very useful tool in fundraising approaches. It should contain the organisation's aims and objectives, that is, what those involved want to have achieved in a year's time and preferably three or five years in the future.

Targets

A business plan therefore sets out a series of targets to be accomplished. The starting point could be the type and number of clients who will be given training or other support annually. For completely new projects, other issues that may need to be addressed are charitable status, location, catchment area, premises, staffing and policies.

Budget and Cash flow

From the fundraising point of view the most important part of a business plan is a budget and cash flow. These should be comprehensive and researched as much as possible to ensure that the figures are realistic and accurate.

Strategic Thinking

If an organisation has only recently set itself up, most donors will want to see evidence that those involved have genuinely thought about what they wish to achieve, that is, are there the skills to have developed an appropriate level of strategic thinking? Good budgets and cash flows are essential in this respect because copies of previous year's accounts, which are another good way of establishing whether a project is credible, will not be available.

Whoever drafts the business plan, all key members of the organisation should be in agreement with its contents. This could include a board of trustees, a steering or management committee and the director or general manager.

Evaluation

Once the business plan is in place it will provide a series of targets or milestones both strategic and financial against which the actual performance of the organisation can be judged. This is particularly important when updating the plan or when the work needs to be evaluated.

The key elements of a business plan are: -

What are our aims? A set of outcomes that are anticipated from the project

What are our needs? A list of items including, equipment, staff, premises etc.

Why are we doing it? A description of the local needs and therefore the reasons for undertaking the work in the way planned

What is the cost? These may include both capital and revenue costs (see Chapter 3: Budgets and Cash flows)

What are our funding sources? A breakdown of where you anticipate the funding coming from.

Chapter 3

Budgets and Cash flows

A key factor in successfully raising money is the initial planning process. Within this budgeting is in some ways the most important element. A good budget will help the organisation to plan, set objectives, inform funders and raise money. You should make sure that someone with experience of figures draws up budgets and cash flows, but it is important that others in a position to add their experience are involved.

What needs to be included?

There are obvious costs and others that are hidden. Some items may seem easier to fund than others but don't leave out the less attractive items, as these are part of the true overall cost. Include all core costs, if necessary under specific project budgets. Remember if you ask for too little you may not be able to run a project even if you have raised some of the money. Also include items that may be given in-kind, for example paint or equipment donated by local companies.

Capital Costs

- Land and buildings - purchase of land or premises, rent etc.
- Professional fees, for example, quantity surveyors, solicitors etc.;
- Building costs - security systems, redecoration etc.;
- Equipment.

Revenue Costs

- Salaries
- Premises costs - rent, rates, building maintenance, heating, lighting, insurance
- Telephone/postage
- Stationery/printing
- Cleaning
- Travel
- Training
- Accountancy and bank charges
- Sundries
- Depreciation (normally equipment costs defrayed over 4 years)

Project Budgets

You may decide that your organisation is simply undertaking one straightforward activity and therefore only needs one budget. As organisations develop they tend to produce separate project budgets. These identify one specific piece of work within the overall organisation and help to keep track of each individual strand of work.

Within a project budget you need to include direct costs such as equipment that will be used solely for this initiative. You also need to include a proportion of the core costs of the organisation. The way to come up with a realistic set of figures is to determine how much of the organisation's activities would be taken up by the individual project and then to allocate the percentage of the core costs. For the larger sums, such as salaries, you should work out how much of that person's time will be involved, then add a proportion of their wages plus employer's costs etc.

Estimating Income Sources

This is more difficult than predicting costs and is easier for organisations that have previous years figures on which to base their assumptions. In order to make decisions you should apply your judgement as to whether you think each source is certain, likely or possible. If, for example, your plans are dependent on a successful application to a statutory source or the National Lottery, what contingency arrangements do you have in place if it fails?

Developing a Cash Flow

This is a further important element in the financial planning process. The normal method is to break down income and expenditure for the year ahead by months. This may reveal deficits in particular months. The cash flow effect line shows the running total of cash at hand (in the bank). This line should not show a deficit. Otherwise you will need to be talking to your bank manager for a loan or you will need to re-schedule payments.

Chapter 4

Fundraising Documents

There are a number of ways of approaching potential donors for a grant. They include:-

- Completing an application form, for example, the National Lottery and BBC Children in Need
- Mail bids to trusts and companies - the most common method
- Meetings, for example with local authority representatives
- Presentations - to groups or individuals in a position to offer support, for example, Rotary Clubs or a visit by a trust grants assessor

But whatever approach you are making to a potential funder you will almost certainly need to draft a document that includes all the key points about what you are trying to achieve. These are main items that you should consider producing: -

Project Summary
Covering Letter
Accounts
Annual Report
Constitution/Equal Opportunities Policy

The Project Summary

This is also known as a bid document or funding prospectus. It is a tailored description of what you are seeking funding for. It is specifically written to appeal to potential donors as opposed, for example, to an annual report that sums up an organisation's achievements over the previous year.

You will need to consider how much effort to put into the project summary. For example, should it be two or ten pages? Should it have photographs and other visual elements? Should we get it printed or produce it in-house? The decision on this will depend on how much money you need to raise and how much time and other resources are available to put into its production. For instance, if you were trying to raise £10,000, a funder would not expect you to produce a full colour commercially printed document.

In making this decision, use the following guidelines: -

- **Size of Document**

Look at your overall fundraising target. For £10,000 or less, rely on a good

letter backed up by a page or two of more detailed information.
For every additional £10,000 (up to c. £100,000) add an extra page of information as a funder will expect more initial research to have been undertaken and a more detailed breakdown of outcomes and costs.

A further key point to remember - don't send information that is not directly related to your bid and don't think that sending large amounts of print means a better application. The larger trusts in particular have dozens of requests to wade through, and assessors and trustees are not impressed by reams of information.

- **Content**

No matter how large the project summary needs to be, always include the following elements: -

Introduction - to the organisation and the initiative that you are raising funds for

Background to the organisation - your history to date, key achievements etc.

Current **activities** - to give an overview of what you are currently doing

The specific **need** or project for which funding is sought

Research to show that there is a need for it, for example, statistics that demonstrate the local needs

Who the **beneficiaries** will be, for example, their ages, economic situation and other relevant details

How they will benefit - the **outcomes** you anticipate if you carry through the project

Evaluation - how you will monitor the effects of what you are doing

Budget - the costs, where you anticipate the income coming from, and therefore the fundraising target.

Additional points to bear in mind

Most donors, particularly trusts and companies, have a fairly clear idea of what is normally funded through statutory sources such as local authorities and health trusts, and the kind of work that the voluntary sector should provide funds for. Make sure that trusts etc are the most appropriate way of funding your project and explain why statutory sources cannot provide funds

in this instance if the distinction is not clear cut.

Many grant givers prefer to see voluntary organisations working in partnership with others rather than in isolation. Describe how you work with other voluntary groups and public services to benefit those with whom you work.

- **Style**

Text: Make it interesting and lively. Put yourself in the place of the person reading through bids at a large trust. Make your project stand out from the rest by using language imaginatively. Use bullet points to get your key points across. If appropriate, use humour to get their attention. Use two or three different fonts to highlight headings or important points.

Visuals: Page after page of straight text requires real effort on the part of the reader. Even basic computers can now be used to import graphics such as clip art. Try and get access to a computer with desktop publishing software so that you can use photos, logos and other visual elements to break up the text.

- **Covering Letter**

The letter that accompanies any other documents you are sending with an initial application needs to sum up what you are applying for in no more than two sides of A4. The covering letter may be the only item that will actually be read with a quick glance through supporting information.

Therefore the same points about making the text interesting that were outlined for the project summary should be applied to the letter. Say who you are, what you wish to achieve with your project and exactly what you are asking for to achieve it.

Consider asking a representative from the organisation to whom you are applying to visit. Even better, fix a date in the diary when a number of guests could attend a project visit or reception. If you take this approach, get the bids out at least six to eight weeks prior to the big day to give yourself a chance that a number of guests will be able to come.

- **Accounts**

Many potential donors will need to see a copy of the most recent set of full audited accounts. This gives them an insight into the financial management of the applicant, in particular how financially secure the operation is.

They will also be looking to see if there are substantial reserves tucked away. As a general rule, major trusts are less keen on charities that have in excess of

six months of operating costs tied up in reserves. If you do have a large sum on reserve for a dedicated project such as a capital scheme, or if they have been raised under restricted trusts (for example, specific projects within the overall activity) and this is not clear within the audited accounts, you will need to clarify the position in the covering letter.

If you are newly established and do not have accounts this is not a problem. You will simply need to work harder in the letter and project summary to convince donors that you are credible and can be trusted with their donation.

- **Annual Report**

Clearly this only applies to organisations that have been in existence for at least a year. Often it is possible to design an annual report so that it functions as a project summary for use in fundraising. An annual report sums up the achievements of the past year, looks forward to the activities and challenges for the year ahead and usually includes a statement by the chair of trustees and a summary of the audited accounts.

- **Constitution/Equal Opportunities Policy**

These two documents are rarely asked for but you should have them available for those who request them.

An organisation's Constitution sets out its aims and objectives. It can be seen as the mission statement that lies behind all that you are trying to achieve.

An Equal Opportunities Policy sets out how the organisation aims to work in a non-discriminatory way in recruiting staff, attracting the users of its services etc.

Chapter 5

Identifying the Targets

Projects concerned with community safety have a broad range of targets for fundraising. These are dealt with below under the following headings: -

- **Statutory**
- **Trusts**
- **The National Lottery**
- **The Children's Fund**
- **Companies**
- **Individuals**
- **The General Public**
- **Others**

STATUTORY

While a small project can survive on donations from local companies and trusts, the ability to attract sums from statutory sources is critical to the long-term success for medium and large projects. Some statutory sources are from central government funds but nearly all sources need to be approached via local authorities or regional government offices. The following statutory bodies are known to have committed grants to community safety projects throughout the UK.

- **Probation Service**

The Probation Service funds projects for those aged 18 and over, although it also supports the Youth Offending Teams. Funding is given to existing partnership projects and projects working with offenders on statutory supervision. Funds will need to be used to contribute to the prevention of re-offending. Funding may also be given to support vulnerable people through housing projects.

- **Single Regeneration Budget (SRB)**

SRB is the largest concentration of statutory support for local communities. Each year the total available for distribution is expected to increase as commitments under old programmes are fulfilled. Large grants have been received by many community safety projects. SRB funding is effectively a contract that is time limited and is for local regeneration projects. Initiatives funded can last between one and seven years. Money is channelled through the regional development agencies, for example SEEDA (South-East England Development Agency). They provide guidance notes on how to apply and assess applications. Partnerships are essential and projects form part of

consortiums with TECs, the local authority and other voluntary groups, to deliver a package of measures. You therefore need to keep up-to-date with policy in your area as well as local priorities.

The main features of SRB are to regenerate the economy; enhance employment prospects, particularly for the disadvantaged; promote opportunities for minority ethnic groups; tackle crime; and improve community safety. In order to access SRB you need to develop positive contacts and working relationships with the local TEC, local authorities and others likely to be part of the bidding process.

- **Local Authorities**

As with other sources of statutory funding, there have been large reductions in the amount of funding available from local authorities. In order to access the resources that may be available to support your project you need to work at developing close working relationships and work in partnership with them on joint bids to sources such as SRB and European Social Fund.

You may therefore end up working with not just different departments within local authorities, but with different tiers of government in your area. This includes the county council, district council, a borough or city council, unitary authority, and sometimes a parish or town council.

Each borough or unitary council in conjunction with the police, and County Council where relevant, has a community safety partnership that may be able to make awards for specific projects that relate to its community safety plan. The first point of contact will probably be the community safety officer at the council. Common themes appearing in the community safety plans include vehicle crime, anti-social behaviour, youth crime, domestic violence, hate and race crime, burglary and road safety.

There are two other points worth remembering in making contact with the local authority. In some areas there are now youth councils who advise on policy and sometimes hold a budget. Secondly, a large number have now appointed external funding units to liaise with voluntary groups and advice on opportunities for making applications.

- **Youth Service**

The Youth Service is responsible for informal education of all types for young people. Very few community safety projects in the UK receive any direct funding from their local youth services although about half of those surveyed receive in-kind support such as participation in management committees. As with other types of statutory funding, a grant may be dependent on a service level agreement. As an alternative to a grant it may be possible to use secondments and sessions from youth workers on your project. This enables

you to reduce your in-house personnel costs.

- **Youth Offending Teams**

YOTs have responsibility for offenders under the age of 17. If you are providing a programme specifically for this group it is well worth asking for a service level agreement which will detail specific numbers of referrals for particular courses over a given year. Bids may be made through local Youth Offending Teams for grants from the Youth Justice Board.

- **Education**

Education is potentially a further useful source as their interests include working with school non-attendees, training, working with unemployed young people and basic skills work with young people.

Funding from the DfEE is currently targeted at reducing exclusions through a series of programmes that can be accessed through the local education authority.

- **The Police**

Tangible support is very rarely financial but their in-kind support can often be substantial. Secondments can defray a large part of in-house staffing costs. The advantage of this input is that the young people taking part in the activities build positive relationships with the police officers and this can help to transform their view of the police and those in authority in general.

European Social Funding (ESF)

The EU provides ESF to part finance training initiatives aimed at groups who normally miss out on other opportunities or who are particularly disadvantaged. This includes the long-term unemployed, disabled people and those who lack basic literacy and numeracy skills. A number of community safety projects have secured ESF funding to deliver courses, generally in partnership with mainstream training providers.

ESF has one major drawback. It is paid in arrears with grants being made many months after the courses have been provided. This can cause cash flow problems and only organisations with cash reserves should consider it.

ESF is given under different **Objectives** and amounts to a maximum of 45% of the total required. The training provider needs to source the other 55% either from public bodies or charitable trusts. Typically a project would make their bid through the TEC and they would provide the balance of funding required.

Further issues to be borne in mind with ESF is that it is tied to specific outcomes, that is, the number of people who receive accredited training over a given period. An organisation bidding for ESF therefore needs to be sure that it can deliver pre-set outcomes. Secondly, there is a need to identify clear **Pathways** within the bid.

This means being part of a process that perhaps leads from outreach work to identify suitable candidates, through to training, job search and employment. Thirdly, there is a rigorous **Audit Trail** associated with ESF and organisations need to ensure that their auditing procedures are adequate to closely monitor all funds received.

Applications for ESF can be via Government Offices or SEEDA.

New Deal: Welfare to Work

The Employment Service is the lead contractor for the Government's strategy to get unemployed people into work. There is a Gateway process through which young people will be given guidance as to which of the various options they should take up and additional skills will be offered to enable them to take up training or jobs.

New Deal started in April 1998. Depending on what your project is providing it may be that you will be able to bid for part of a New Deal contract - typical examples could be the provision of basic skills training or driving tuition. With New Deal you will again be looking at a consortium bid to the Employment Service with other statutory agencies such as Social Services, Probation, the Police and the Youth Service.

TRUSTS

Money from grant giving trusts now represents the bedrock for many local projects working with young people. Trusts are managed by trustees who make the grant-giving decisions. They may meet once a year, quarterly or whenever they have enough applications to consider. Many of the larger trusts employ staff to administer the organisation - they can advise on your bid and may also make a visit if they think this would be worthwhile. Crucially they also make recommendations to the trustees.

Most trusts will not accept unsolicited written applications. You should not approach them if this is indicated in one of the many guides available on trusts. Wherever possible you should try and make contact by telephone before submitting your application to discuss it with a member of staff on the principle that 'the more personal the approach the more chance of success'.

Most trusts will simply make a cash donation to your project if they decide to make a contribution. The size of grant will vary dramatically depending on

how large the trust is, their grant giving policy and how much you ask them for. Local trusts give as little as £10 but the major national trusts are capable of giving millions.

Some Key Points

- Most grants are short term and are given for one to three years. Once you have used their grant you can only rarely go back for the same thing.
- Many trusts will not accept a further application if you are already in receipt of a grant. Sometimes you have to leave them for a year or more after a grant has been given so you should check their policy on this.
- Trusts will often have a policy on whether they can give to capital or revenue costs. Again this needs checking prior to submitting your bid. If you are seeking a revenue grant you may well need to show how your project will be supported after their money runs out.
- Most trusts prefer to support initiatives that have an element of innovation about them. You need to demonstrate how your project is different from the rest in order to make it stand out. Preferably find something about the work that is innovative, say how you will evaluate the project, and show how you will tell other organisations about the experience you have gained.
- Trusts will not support work that is seen as statutory. The only exception is when a new project is being established and you need to 'prove the approach' prior to applying for grants from statutory sources.

The best way of working out which trusts to apply to is to undertake some research. There are a number of useful publications that you can generally access in your local library:

Publication	Contents	Publisher
A Guide to the Major Trusts Vol 1	The top 300 Trusts	Directory of Social Change
A Guide to the Major Trusts Vol 2	A further 700 Trusts	Directory of Social Change
Director of Grant Making Trusts	Top 3000 Trusts	Charities Aid Foundation (CAF)
A Guide to Local Trusts in the South of England	700 local Trusts	Directory of Social Change
CD ROM Trusts Guide	Top 1000 Trusts	Directory of Social Change
CD ROM Grant Seeker	Top 3000 Trusts	Charities Aid Foundation (CAF)

Computer Programme Funder Finder	Interactive search	Funder Finder Ltd
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Although these lists will probably be all you need when deciding which trusts to approach, it is as well to remember that there are many more grant givers in the UK than those listed. The guides provide the top trusts which means that they have more money to give away than the rest. The downside to this is that they are approached by everyone and are consequently deluged with applications. This should not put you off, it simply means that you need to work harder on the application to be successful. If necessary, you should also consider tapping into larger databases of trusts either directly through the Charities Commission in London, through a fundraising consultancy or volunteer bureaux.

Apart from the address, phone number and contact name, the key information that you need to be looking for when you search through the books, CD-ROMs etc. are:

- **Policy:** most trusts will identify specific areas of work that they wish to support, for example, children and youth, penal affairs etc. (note that a large number say 'General Charitable Purposes')
- **Budget:** look for how much they are giving away each year. Normally this sum is the interest on the capital that they hold, so if interest rates are high this is good news for charities
- **Beneficial area:** which areas are they making grants to? You will be looking for those that give in the UK and in particular smaller trusts in your own area
- **Trustees:** if it is a local trust is there any chance that someone associated with your organisation will know them? This will help in making the approach.

You know that you definitely have a top prospect if you can find a major trust with large sums to give away only in your area for your type of work and there is a personal contact amongst the Trustees!

Unless you target your applications carefully by selecting only those trusts where you meet their criteria, you will waste lots of paper, time and money.

THE NATIONAL LOTTERY

The National Lottery Charities Board

For the purposes of fundraising, the National Lottery Charities Board should

be treated as a major grant giving trust. It is the largest single source of funds for voluntary groups with about £100 million to give away to organisations working with young people each year.

Although it is possible that you could consider making an application to any one of the current five Boards - Millennium, Charities, Sport, Arts and Heritage, the vast majority of voluntary organisations will only be interested in a bid to the Charities Board. The New Opportunities Fund may also be of interest because one of the main priorities for this Board will be 'after school clubs'.

With the Charities Board the following are key points to consider: -

- You do not need to be a registered charity but you do need a written constitution.
- Grants can be for both capital and revenue. It is often a good idea to go for a whole project as the Board takes the view that they would rather see an initiative definitely take place than wait for the charity to come up with the rest of the money from other sources.
- Organisations with an income of less than £10,000 can apply for small grants of up to £5000.
- Grants range from £500 to £500,000.
- The Charities Board has now moved to a system of rolling programmes, which means that there are no rigid deadlines to meet in making your application under a particular theme.
- Be prepared not to succeed the first time. Even applications that meet all the eligibility criteria stand only a 1 in 25 chance of success. One of the secrets of success is to keep trying.
- As with trusts you cannot apply for a grant to replace lost statutory funding. You need to be clear that what you are applying for sits well clear of what is normally funded by a statutory source.

What do you need to apply?

A registered charity or a written constitution

Latest annual accounts or, if you are new, detailed budgets and cash flow

For applications of over £200,000 a business plan will be needed

For two or three years funding, detailed budgets and cash flows for each year

For capital applications realistic quotes from suppliers etc.

You will need to demonstrate the following points in your bid:

Planning

Is the project well planned? Will it be well managed? Is it realistic?

Target

Are the targets measurable and what systems are in place to monitor and evaluate the work?

Budget

Is the budget accurate, realistic and good value for money? What plans are in place when the Lottery money runs out?

Finances

Does the organisation have good financial management? How big are the reserves?

Track Record

Do you have a good record for delivering the type of service that the project will offer?

Equal Opportunities

What is your commitment to equal opportunities in a practical sense? For example, are women, minority ethnic groups, and people with special needs represented in the staffing and management of the organisation?

User Involvement

How far are those benefiting from the work involved in the planning and management of it?

In order to apply for a grant you need an application form that will be sent to you by phoning **0345-919191**. The section on How to Complete the Application Form in the guide is very clear and thorough.

Assessment of your application is carried out by one of the Board's assessors who will want to receive further details either by a visit or on the phone. Such assessments can be quite detailed and lengthy - three or four hours are typical. They will go into your finances and each aspect of the project in depth so make sure that you have the expertise on hand to answer all the questions. Remember that assessors do not make the decisions on who makes a grant but

their recommendation, which is partly based on a point scoring system, carries weight.

Remember if at first you don't succeed with the Lottery, keep going back. Sooner or later you stand a fair chance of winning and it's much easier to complete the form the second or third time.

- **New Opportunities Fund**

National Lottery money is available for four programmes including Information and Communications Technology (ICT) training for teachers; Healthy Living Centres; Out of School Hours Learning; and Out of School Hours Childcare. These programmes are very broadly defined and may be relevant to your project.

Further information is available on 0845 0000 121 for England, or on the web site <http://www.nof.org.uk>

- **Southern Arts**

This is a Lottery Small-Scale Capital programme that provides grants between £5,000 and £10,000. Applications must address certain priorities including cultural diversity, arts and disability, audience development, arts and young people, production and distribution, and investment in artists. Further information is available on 01962 855099.

- **Awards for All**

Awards for All is a grants programme set up to help small groups. If you are a local group and you need between £500 and £5000 they may be able to help you. They will fund projects that involve people in their local community, bringing them together to take part in a range of arts, sport, heritage, charitable and other community activities. You can apply at any time. For an application pack call 0845 600 2040 or visit the web site at www.awardsforall.org.uk.

THE CHILDREN'S FUND

The Children's Fund has been established as part of the Government's strategy to tackle child poverty and social exclusion. It is intended to address the gap in preventive measures for children who fall between the Sure Start and Connexions programmes. It is therefore aimed at helping children between 5 and 13 years, supporting parents, and supporting community groups to find solutions to child poverty. The Fund will be managed by the Children and Young People's Unit, a cross-departmental unit located within

the DfEE.

Some of the money will be made available to local community groups through a network of local funds administered by the voluntary sector. The fund is intended to provide a flexible and responsive approach to meeting needs and developing good practice for services for vulnerable children, supporting them and their families in breaking the cycle of poverty and disadvantage.

More information is available from:

Children and Young People's Unit
Level 4E
Department for Education and Employment
Caxton House
6-12 Tothill Street
London
SW1H 9NA

CYPU.MAILBOX@dfee.gov.uk

COMPANIES

Unlike trusts, companies are under no obligation to give money away and in fact most do not. Even some of the largest firms give nothing away, as the Directors believe that this is simply taking money away from their shareholders. But some companies take the view that having a positive community policy will actually improve their economic performance in relation to their competitors, and there is evidence that customers are more prepared to buy a company's products if they have a good image.

It is very unlikely that companies will pay for salaries or core costs. They tend to either give one off donations towards your general good work, pay for a specific item of equipment or donate in-kind. This is where some charities really win with companies, as donations of staff time, company facilities, computers etc. can save an organisation a large part of their overall budget.

Company giving only represents 3% of voluntary sector income so, while it is a worthwhile target for fundraising, it should be treated as less of a priority than trusts and statutory income. Most companies support less than 1 in 10 of the applications they receive and the average cash grant is £250.

As with trusts you will need to target your applications so that you don't waste money. These are some sources for research in the library:

Publication	Contents	Publisher
A Guide to Company	The top 1400 company	Directory of Social

Giving	givers	Change
Corporate Register	Full details of all UK PLC's	Hemington Scott
Kompass UK (CD ROM)	Full details on the top 200,000 UK Companies	Charities Aid Foundation (CAF)
Local Directory	Lists of local companies	Chamber of Commerce

Key points to look out for in your search are:

- **Location:** does the company have its head office in your area or a subsidiary location close by?
- **Size:** are they large enough to justify an application? The more profitable a company is, the more likely it will be to have a substantial budget from which to make donations
- **Activity:** does their business have some relationship to your own activity? For example, car parts manufacturers and motor projects
- **Contacts:** who are the directors or others in the company who actually make the decisions about community policy and allocating charitable budgets? Does your organisation know any of these people?
- **Public Relations:** does the company need some good PR to improve its image in the local community? Can you help them to deliver some positive press?

It is important to try to tailor your approach to companies even more than trusts. Again, the more personal the contact the better, so try to get their representative to visit the project so that you can start to build a relationship. If you are simply sending them your funding document make sure you work on the covering letter to explain how it will benefit them to support you. Try and think of items that they may be able to give that you will not then have to buy.

One tip is to ask for something small to begin with and allow the relationship to grow over time.

INDIVIDUALS

Getting money from individual givers will almost certainly be a low priority for your fundraising programme. But for new start up projects it can be an important source. The main focus is on people who have a high level of disposable income. There are two main types of giving.

First, when you are recruiting a management committee or new trustees, you

should aim to secure the involvement of one or two people who have connections to those in a position to give sizeable personal donations. A tailored approach to help fund a specific item, perhaps with an invitation to visit, can often result in a donation being made.

The second way of giving is by individuals making arrangements in their wills for a sum of money to be given to particular organisations. A legacy campaign that aims to secure such contributions needs to be, for obvious reasons, part of a long term funding strategy.

THE GENERAL PUBLIC

Fundraising from the general public through raffles, small events etc. has long been an important source of income for some local community organisations. However, there is one major problem, with this type of fundraising - the return on your investment of time and energy is likely to be far less productive than, for example, applying to trusts. However, it may be worth the effort for those organisations where a small sum can make a big difference.

If you are planning an event there are some basic principles to bear in mind: -

- Don't be too ambitious. You can lose money very easily with events, for example, the weather!
- Be realistic about the risks. You may need to take out insurance.
- Make sure you can resource the planning and event itself.
- Pick something that is accessible to all the people you are trying to get to donate.
- Make a separate budget so that you can see if the effort is going to be worth it. If paid workers are going to be spending their time on the event count this in as well as a share of the overheads, telephone costs etc.
- To get the most from the event, try and generate as much publicity as possible both before and after the big day. This will not only help to raise money but raise the whole profile of your work.
- Try and get local companies to sponsor your event to meet the basic costs or to donate prizes etc.
- There are some good books on organising fundraising events that provide

a step by step guide. Three have been produced by the same author, Sarah Passingham, and published by the Directory of Social Change. They are: -

‘Tried and Tested Ideas for Raising Money Locally’
‘Organising Local Events’
‘Good Ideas for Raising Serious Money’

OTHERS

New opportunities from government programmes are becoming available all the time. This guide cannot hope to capture them all. However, the following provides a rolling programme covering, among other subjects, domestic violence, burglary and CCTV.

Home Office Crime Reduction Programme

The Home Office's aim is to build a safe, just and tolerant society in which the rights and responsibilities of individuals, families and communities are properly balanced, and the protection and security of the public are maintained. To that end the government will invest resources in a range of programmes such as community crime prevention, targeted policing, work with offenders to reduce re-offending, acting on the social conditions which sustain crime, and preventing criminality in young people. New programmes are regularly announced. Further information about current programmes and how to apply for funds can be found on the Home Office web site: <http://www.homeoffice.gov.uk>.

Thames Valley Partnership

Thames Valley Partnership supports local projects as part of its own programme. Up-to-date information can be found on the web site www.thamesvalleypartnership.org.uk Application forms are available from the Partnership on 01844 202001. Projects include:

- **Schools in Action**

Schools may apply for small grants to set up projects that address a range of activities from crime prevention to improving self-esteem. On-going help and advice is available and schools are entered into an annual competition, with the chance of receiving the Equitable Life Award of £5000. Schools have gone on to win the National Crimebeat and Stephen Lawrence Awards. Examples of past projects include sixth form students providing counselling services for younger pupils; mentoring for Year 7 students; and setting targets for good citizenship with a chance to work for awards.

- **Generation Project**

This scheme provides an opportunity for young people to use their enthusiasm and ideas to help make their community a safer place. Issues addressed may include: reducing crime and fear; personal safety; improving the local environment; promoting diversity and reducing racism; raising self esteem; fostering a sense of citizenship; communicating with young people; and building links between the younger and older generations. Examples so far have included producing a youth magazine, the Beat Factory Sound Studio, a youth council and a crime audit.

Thames Valley Police Community Safety Trust

The objectives of the Trust are:

- To provide additional resources and make grants to community safety partnerships
- To assist community safety partnerships in the acquisition of funding from other sources.

Grants will be awarded to initiatives that fulfil one or more of the following criteria:

- Help to create a safer community
- Stop people committing crime
- Reduce the fear of crime
- Prevent social nuisance
- Support the victims of crime
- Create and promote the principles of public and private sector partnership.

Further information and advice is available from:

Thames Valley Police Community Safety Trust
Park Farm
Akeman Street
Kirtlington
OX5 3JQ

Tel: 01869 364910

Fax: 01869 350345

E-Mail: *communitysafetytrust@tvpct.demon.co.uk*

Chapter 6

Databases, Auditing Contacts and Donor Development

It is essential to be able to keep track of all the possible sources that you are approaching for funding. Even for small organisations this information is normally stored on a personal computer. You don't necessarily need to have database software although there are packages that are specially designed for this purpose. Most local groups store all the information they need in a standard spreadsheet program like Excel. If you have one of the Microsoft Office Suites of programmes you are likely to have a program called Access, which is a very useful database format.

Once you are engaged in fundraising to trusts and companies you will need to retain the following information on each organisation:

Type (Trust/Company etc.)
Name of Organisation
Address
Contact Name
Trustees
Directors
Approach 1
Type (for example, invite to reception)
Date
Response Date
Response
Action
Approach 2 etc.

Keeping your information stored in this way has several big advantages:

- A database enables you to choose who you are going to approach much more easily
- You can mail merge a large number of bids, updates etc.
- It helps to avoid missing opportunities, for instance if a trust asks for an update in September for their October meeting
- It is a much more straightforward way of updating records, for example, when the named contact changes.

Even if you are part of a small organisation it is well worth investing in basic computer equipment and software. Try and get the hardware donated by a local company - most are continually upgrading and the second hand value of older machines is minimal.

Once you have completed the research to identify which targets are worth approaching you should consider a further step called '**auditing the prospects**'. Print off a list of the organisations selected with the names of all the trustees and directors of companies, etc. Go through this list with each person associated with your group who you think may have some useful contacts. Mark up the list with comments that indicate how they would prefer to make the approach to their friend or business associate. If the contact is a good one within a major prospect ask them if they can make a personal approach by phone or letter to invite them to see the project at first hand.

Although donor development is one of the most important parts of the fundraising process it is neglected by too many voluntary organisations. What donor development means is building a long-term relationship with those who have given to your project with the aim of them making further grants or other commitments. Most local groups are unlikely to have more than two or three dozen donors and therefore it is possible to develop a much more focused method of keeping them on board.

- When you receive a donation write a tailored thank-you letter saying that you look forward to keeping them informed about the progress made, etc.
- Send them a copy of reports that evaluate the success of your work
- Invite them to come and visit the project so that they can see how they have helped to make the difference.

Appendix 1: Charity Registration

This is relevant for new or start up projects. More established initiatives would have already been through the process of developing their organisational structure to suit their needs. The first thing you need to be sure of is that your activities will be charitable. You can check with the Charity Commissions at:-

www.charity-commission.gov.uk.

Registration is allowed under four headings:

- The relief of poverty
- The advancement of education
- The advancement of religion
- Other purposes beneficial to the community (this allows for objects of general public benefit, for example, public works, moral improvement, rehabilitation of prisoners, cultural projects etc.)

You need to weigh up the advantages of achieving charitable status. The main advantage is, of course, funding and fundraising. Most donors will be reassured if the organisation they wish to fund is a registered charity. Many will only give to charities.

There are also financial advantages like rate relief (normally 80% although some local authorities will grant up to 100%). There are also tax advantages, for example, for donors, income tax relief, and to the charity - stamp duty and capital gains taxation. Tax legislation is complex and fast changing and you need an accountant with specific experience of taxation law to help you through the maze and get the most out of the system.

If you decide that you need to become a charity, follow these steps.

Step 1: Secure Legal Advice

It may well be worth talking to other groups to get a recommendation for someone who specialises in charity law. Get someone with the relevant experience, as an inexperienced solicitor may not only give poor advice but may submit an application with the Charities Commission that is rejected. It is always more difficult to gain registration at the second attempt.

Decide what you want them to do and how much it will cost. Many solicitors will give a discount to charities on their normal hourly rate. Agree with your solicitor how many hours they expect the registration process to take. Talk about adopting model constitutions from existing charities.

If you wish to get free external advice talk to the:

National Council for Voluntary Organisations (NCVO)
Regents Wharf
8 All Saints Street
London N1 9RL

Tel: 020 7713 6161

Step 2: Prepare a Constitution

This needs to include your 'objects' and the means to achieve them, or 'powers'. It is preferable to use model clauses used by other charities and amend them if necessary.

Step 3: Decide what Legal Format to adopt

Again, your solicitor should advise you. You can have an unincorporated body such as a trust or an incorporated organisation such as a company limited by guarantee.

Step 4: Select your Trustees

All charities must have trustees to control the organisation. Think about whether to have individuals with particular skills, or contacts that you can use for fundraising.

Step 5: Ask the Charity Commission if they will register you

You will need to send them your draft constitution and a statement of your proposed activities.

Step 6: Formalise your Constitution

Once you have the go ahead from the Commission, finalise your constitution with any suggested amendments and formally adopt it by completing the appropriate documents.

Step 7: Register as a Charity

Send the Charity Commission two copies of the adopted constitution with a completed Application for Registration as a Charity.