

introduction

At some stage in the development of your project, you begin to plan for the future, and one of the key things you will be thinking about is fundraising. Essentially, fundraising is about resourcing your project – working out what you need to move the idea forward and developing a strategy and implementation plan for bringing these resources in.

Fundraising may seem like a frustrating process with a lot of obstacles to overcome, but understanding a few basic principles and processes will help you navigate your way to success.

This briefing is designed to help you think about how to approach your own resource needs by exploring the processes involved in raising funds. After reading this briefing, you will have a better understanding of how to approach, source and secure funding for your project.



what is fundraising?

There are many different approaches you might use to bring resources into your project, and all of these can be considered fundraising. For example, you might apply to a charitable trust or government body for money, or you might hold a raffle or a jumble sale. Fundraising doesn't have to be all about money either – it might involve asking companies to donate goods or human resources.

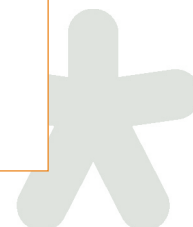
Different types of projects and organizations will consider different fundraising opportunities. A social enterprise may look at fundraising in terms of obtaining preferential loans or selling some equity in the enterprise to outside investors, while a community-based project may look for grant funding and rely on donations, sponsorship etc. Whichever approach you adopt, you will find it is a competitive process. Social enterprises will have to compete for investors' attention and find innovative and creative ways to make better use of resources. If you are applying to grant-making bodies, you will find that they have set criteria, priorities and time scales.



funding process: four stages

Fundraising can be broken down into four key stages:

1. Identifying the need
2. Developing a fundraising strategy
3. Implementing your strategy
4. Managing the money and relationships

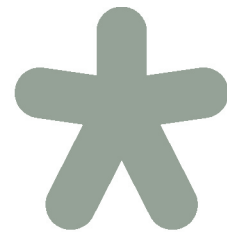


1. identifying the need

At the heart of a good fundraising strategy is a good idea. In this context, a good idea is one which meets an identified social or environmental need. It is important that you are sure there is a need or demand for what you want to do – you can refer to UnLtd’s business planning template for more information if you are unsure about how to demonstrate this.

Once you have shaped the idea, you will need to think about what resources you need to make it happen. It is important that you are clear about this before you start developing your strategy. At this stage, you should try to think through as many options as you can – although you probably have an idea in your head about how you want to do things, there might be viable alternatives that are easier or more cost-effective.

After you have a draft budget to fundraise to (you might refer to UnLtd’s briefing on forecasting and business modelling), you are ready to prepare your strategy.



2. developing a fundraising strategy

The next stage is to develop a strategy which will show how you intend to raise the money required. A fundraising strategy sets out what a project’s funding needs are likely to be over a future period and outlines how resources will be identified and raised to meet those needs.

A good funding strategy will include what the money is for, where it will come from, how much will be sought and when it is needed – and depending on the funding type, how the investors will get their money back.

The table below provides a template for a simple funding strategy. In this example, the budget item in question is hire of premises for one year. The author has identified an overall target as well as specific potential funders, including their deadlines and the amounts for which each will be approached. A fundraising strategy for an entire project might include a number of small tables, each detailing a different budget item.

Budget item: Premises 1 year hire			
Target: £12,450			
Where from	How much	When by	Total
Local authority	£8000	Sept 2005	£8000
Jumble sales/membership	£1000	Oct 2005	£1000
Local trust/foundation	£3450	Oct 2005	£3450
			£12450



It is important in developing your fundraising strategy that you do your research. Different funders will have different priorities and deadlines, and the most successful fundraisers know that the best approach is to target funders whose criteria you fit with. A few well chosen applications will serve you better than hundreds of speculative ones. There are a number of resources at the end of this briefing which you can use to help you think about your research, and your local Council for Voluntary Services is a good place to start. Your Development Manager should be able to help you identify good local resources and let you know about any local training courses that might help.

Finally, don't forget to plan for contingency – even with the best research, it is likely that some of the applications in your strategy will be refused.

 **tip**

Any application will take at least four to six months to be processed and can often take longer. Plan this long lead time into your strategy.

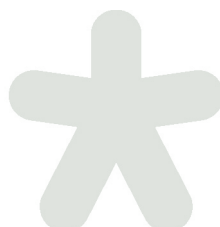
3. implementing your strategy

Once you have developed a strategy you are happy with and you think is realistic, the next step is to get started. This can feel like a long process, particularly with charitable trusts and foundations, which may have long lead times. If you have done your research thoroughly at the strategy stage, however, you will be prepared for this.

The implementation stage generally consists of getting your applications and appeals out of the door, as well as planning for any non-application-based activities, such as raffles, jumble sales or events. If your key resource strategies revolve around generating your own income, this stage will be where you get your new business ideas up and running.

Where applications are concerned, as a general rule, the more funding you ask for, the greater level of information you will be required to provide. Some funders will have an application form, and others will ask you to submit a few pages explaining your request. Either way, you will need to make sure you can explain clearly why you are asking for money – who your project will benefit, why it is necessary, how you will do it and what you will achieve. Remember to include the human face of your project – a few well explained case studies can be very compelling! Don't forget to be clear about the difference the money will make and what won't happen if you don't get it.

It is important to note that as you grow, and your resource needs become greater, it will be necessary to develop increasingly sophisticated organisational structures and approaches to demonstrate that you can manage your money. You might want to use the UnLtd briefing on legal structures for further guidance.



4. managing the money and relationships

Once you have approval, you definitely want to maintain a good relationship with your benefactor. Write to them and thank them for their support. Make sure you fill out any interim or final reports they require, and send them regular updates about your project and your plans for the future. Make sure anyone who has given you money knows how important their support is to you, and how valuable it is for everyone in your group.



There might also be some administration you need to deal with before you can actually receive the money. Read the terms and conditions carefully so that you understand the commitment you are making. Think about the reporting requirements and how you will address them.

It is also important to remember that keeping any business alive is an ongoing concern – if you have raised all your money, congratulations! Now is the time to start the cycle all over again.

conclusion

Fundraising is about more than just applying for grants. It involves thinking about what you want to do and what resources you require to do it. Doing your homework before firing off your applications can make the critical difference between success and rejection, so don't skip over the thinking and planning stages. Try and think creatively about what resources you need and where these might come from, and remember it doesn't always have to be about money.



UnLtd is one of the few organizations that will fund individuals directly, so it will be important to start thinking about how you make the transition to a more formal structure sooner rather than later.


Finally, don't forget that fundraising is always about selling your story, so don't forget to let potential supporters know why your work is so important and how their support will make a critical difference, both to your plans and to the cause you are working for.




further resources

finding funds


Funderfinder

 www.funderfinder.com
Directory of Charitable Trusts and funding resources.

Government Funding


 www.governmentfunding.org.uk
Comprehensive and up to date site with lots of information.

Charitynet


 www.charitynet.org
Wide range of useful information.

help & advice


Charities Information Bureau

 www.cibfunding.org.uk
Source of advice on wide range of issues relating to funding. Sign up for e-bulletins on funding.

National Council for Voluntary Organisations


 www.nacvs.org.uk
Information on local councils for voluntary services.

Business Link


 www.businesslink.gov.uk
Advice and information to new businesses including social enterprises.

news & information


Social Enterprise

 www.socialenterprisemag.co.uk
Monthly magazine aimed at social enterprise, available online.


Newstart

 www.newstartmag.co.uk
Weekly publication for community and voluntary sector.

Volresource

 <http://volresource.org.uk>
Information and news for voluntary and community sector.

CIVICUS Civil Society Toolkits


 www.civicus.org/new/content/civitoolkits2.htm
Toolkit on writing a funding proposal.

training

Open University

 www.open.ac.uk
Have specific fundraising courses available.


Business Link

 www.businesslink.gov.uk
Run various courses, mostly free.

Social Enterprise London

 www.sel.org.uk

Community Matters

 www.communitymatters.org.uk
National & regional training opportunities.

