

Section 3 Funding

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Checklist

Step 1 Get 'funding ready'

	Yes or No?	Actions we need to take	Completed on (date)
We know how much funding we need and how we will spend it.			

We have:

A Constitution or governing document, page 11			
Up-to-date financial records, page 37			
A bank account, page 13			
Relevant policies, page 48			

Step 2 Find suitable funders

	Yes or No?	Actions we need to take	Completed on (date)
We have a list of funders who support our type of group and what we want to do			

Step 3 Complete a funding application

We have:	Yes or No?	Actions we need to take	Completed on (date)
Filled in an application form			
Asked for feedback from someone outside of the organisation			
Created a business plan, page 25, and included monitoring and evaluation			



Step 1 Get ‘funding ready’

If you had some money to give to a charity - what would you want to know about that charity before you write the cheque?

- Who will benefit?
- Why do these people need help?
- How will they benefit?
- Why should I give my money to this charity instead of another one?
- Will they spend my money wisely?

Funders also want answers to the same questions. Before you ask for anything, make sure your group thinks about exactly what change you want to achieve, how you will do it and work out a realistic set of costs.

Example - Getting funding ready

A group has set up to support children with learning disabilities because they know that there is not much for them to do out of school hours, and as a result they lack confidence and feel isolated – an issue they want to change.

They decide they want to run a youth club for 20 children with learning disabilities every Thursday night, because they can hire a room in a local community centre at that time.

They decide they'd like to run a pilot scheme to gauge interest in such a club. When they research the costs they realise they need to raise £2,575 in funding:

Cost Breakdown

Room hire at £20 per hour x 2 hours per week x 25 weeks	£1,000
Volunteer expenses: approx £3 per volunteer x 3 volunteers per session x 25 weeks	£225
Advertising - 100 flyers in schools, local centres	£100
Equipment: approx £30 x 25 weeks	£750
Refreshments at £20 per week x 25 weeks	£500
TOTAL	£2,575

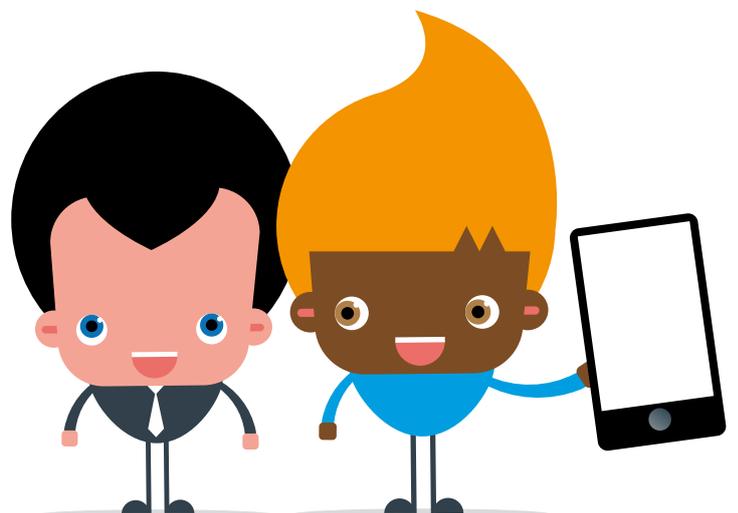
Putting together this information is an essential part of being funding ready. Equally important is ensuring that your group is ready to take on this level of responsibility. For example, who will look after the money and pay the bills on time? Do you have the right insurance and are all of your policies in place and used to ensure everyone is safe and protected?

As well as thinking through these questions for your own benefit, you can reassure funders if you have the following in place:

- A **Constitution** or **governing document**, listing your aims and how you operate, page 11.
- **Safeguarding policies** and **procedures**, an **Equal Opportunities policy**, **insurance** and a **health and safety policy**, page 48.
- **Financial records**, plus a **bank account**, page 36 onwards.
- **Insurance** - see page 13 for the different types.
- **Monitoring and evaluation systems**, page 30.

Monitoring and Evaluating systems

- As you deliver your project you will need to keep evidence that shows how you have achieved what you set out to do. In our youth club example, the group could:
 - ✓ keep an attendance sheet so you can add up the number of people who came.
 - ✓ ask the children to complete a survey to say what they liked about the project and how it has benefited them. Ask for 'constructive criticism' so you can make improvements.
 - ✓ help the parents of the children that attended the youth club give feedback on how they feel the lives of their children, and even their own lives, have been helped by the project.
 - ✓ hold a short meeting, or a quick feedback session, where people can talk openly about what they have gained from the project. You can capture this information by either writing it down, or even taping the meeting.
- You will also need to make sure that you carefully document how the money is spent compared to how you planned to spend it. Make sure you are keeping to your budget. Keep receipts as evidence.



Step 2 Find suitable funders

Before you start...

Usually funders have specific causes in mind. They only want to support certain types of organisations. Do your research before you apply to a funder, otherwise you may be wasting your time.

Real Example

The National Express Charity Foundation likes to fund the postcodes where its coaches travel to. It also wants to fund projects that promote good community relations.

- A group applied for an area that was not on the postcode list - and was immediately disqualified.
- A group that offered counselling services for young people said that counselling would promote community cohesion by preventing anti-social behaviour. This is highly likely, but more difficult to prove. The group did not win the grant.

Where can we find suitable funders?

The easiest way to search for funders is via the Internet. If you don't have access to the Internet try your local library. Some useful funding websites include:

- [Wolverhampton 4 Community](#) - This website allows you to search for different types of funding, provides useful information and links directly to the funders' webpages.
- [Funding Central](#) - This is a funding search tool funded by the Cabinet Office for Civil Society.
- The [BIG Lottery website](#) has a Funding Finder tool so you can match your project to their different funds.

Other ways to find out about funding opportunities:

- If you have heard of a charity, you can go directly to their website or do an online search into the type of funding you need.
- **WVSC Newsletter** - to receive the weekly newsletter with details of funding opportunities and other useful information, contact Wolverhampton Voluntary Sector Council on info@wolverhamptonvsc.org.uk or call 01902 773761 and ask to go on their database.
- Some local support organisations, page 54, assist with funding knowledge and run training events about funding. They can help you complete your applications or raise funds in other ways, for example, holding an event or running a lottery.
- It is always worth asking local businesses if they would donate to your project. Remember that they may give valuable advice, for example, a law firm specialising in property or an architect may be prepared to help you with your building project.

More information - Finding Funders

If you grow you could also consider:

- **Contracts** for services. These will usually come from government organisations and will be for larger amounts of money, for example Wolverhampton City Council has a contract for organisations who work with people recovering from alcohol addiction.
Contracting can be more risky for organisations because there may be penalties if there is a problem with delivery. You need to be confident that you can achieve everything you set out to do.
- By partnering up with other voluntary and community organisations you may be able to work together in **consortia** and therefore access larger amounts of funding or bid for contracts. One local organisation is People in Partnership CIC - contact them via any of the support organisations on page 54.
- **Trading** - social enterprises should use this as the norm to reinvest the surplus into their social aims. Charities are allowed to sell goods and/or services to generate an income if it helps them continue to deliver their charitable aims. If you have the skills to develop a service or produce that people are willing to buy, this is a great way to make the organisation stronger over the long term.

Step 3 Complete a funding application

In this section, we start with the checks you need before you start your application, followed by tips for filling in the application form.

Information for this section includes material adapted from [The Green Fish Partnership](#) and [Solihull SUSTAIN](#).

Pre-application checks

If you send a standard letter to funders asking for money they will spot this straightaway. You will increase your chances of funding success by tailoring your letter to the interests of the funder.

Many funders provide a funding application form that has to be completed if you want to apply to them for money. Applications are 'scored' against a criteria that the funder has created. You need to keep to the point so that they have the information they want to know and give you a good score.

All funders will want to know that you are dealing with a real issue in your community. They will ask for evidence that proves people in need will be supported by what you plan to do. Make sure you have statistics to back up your application.

Checks

Tick off the boxes when you can say "yes" to these questions.

- We have the **funder's criteria and guidelines**. We have checked that the funder supports our type of organisation and the type of work we do i.e. we are **eligible** to apply.
- We also have a **contact number** if we need to discuss anything with the funder. We have read their guidance notes and looked at the types of things they have supported in the past.
- We know what information we need to supply. We know we can get it **in time for the funder's deadline**.
- We have made a decision about whether **to work with a partner** or not. We have planned the time with our partner.
- We know **who is responsible** for this application. We have given them **enough dedicated time** and support to complete it in time for the deadline.
- We know **who else needs to contribute**. They know when they will be needed and are keeping their diaries free.
- We have checked that we are **funding ready**, page 29
- We have the **predicted costs of the project (budget)** and **can cover these** without going into debt if we win the grant (**cashflow forecast**), page
- We know **we can deliver the work** - we have enough workers and equipment. We have also planned enough time **between the funders decision and the proposed project start date** so that if we are unsuccessful we can go elsewhere, and if we are successful we can get everything in place to begin on time.
- (If required) we have the **right insurance** in place.

More information - Criteria and Guidelines

Every funder will have their own list of what they look for, for example a charity number, a group that supports children, working in a certain area of the country.

They will also make it clear in their guidelines about the sort of things they will spend money on and the amounts they will give out, for example, some funders won't support building projects (called capital funding), others will not give out grants larger than £10,000.



Filling in your application

Funders have plenty of reading to do! Make your application as easy as possible for them to understand. An application which is hard to understand will stand less chance of success.

Here are some top tips to make your application strong, clear and really stand out:

- ✓ Answer **all the questions directly and fully**. Do not assume the funder will read the whole form, so make it easy to read and easy to find relevant information.
- ✓ Pay attention to **presentation**, so it is easy to read and take in. Short sentences are best. Keep to any **word counts** you are given and remember to check your **spelling**.
- ✓ **Explain** anything that the funder might not know. Be clear and avoid acronyms.
- ✓ **Show the need** strongly and list the benefits of your approach - use a mixture of stories, examples and facts. Use positive language and not emotive language e.g. 'sob stories'. For example: How many people will benefit? Why will they benefit? How will the environment and the local economy benefit?
- ✓ Show **your unique grasp of the issue**. Explain what will happen **if the need continues to go unmet**. Explain how you think you can **change the situation**.
- ✓ Explain how your work is **good value, will tackle the need** and **lead to the change**.
- ✓ Make your budget clear and simple. Break all the costs down so they are straightforward to understand e.g. Room Hire: 20 weeks x 2 hours per week x £10 per hour = £400
- ✓ Include a proportion of the **indirect or running costs (overheads)** for managing the project (**project management**), running an office (rent, gas, electric), monitoring and evaluation etc
- ✓ Refer to the **guidelines** again to make sure you've covered everything.
- ✓ Ask somebody who doesn't know much about your project to **check your application** - do they understand it? Your support organisation may be able to help with this, page 54.

Follow up your application

Fundraising is a long term, ongoing effort built on your relationship and reputation as well as your applications.

Let funders know the benefits that their funding has brought e.g. a thank you letter, a report with photos, offer of a presentation to their Board, good news stories promoted on your website.

Build your networks and partnerships, so that you can communicate the need for your organisation's work to the funder as well as understand what their needs are. Why, and what, are they interested in funding?

Don't be discouraged if you don't succeed first or second time - remember it is very competitive and there is a limit to amount of the funding available. Keep learning and trying - the opportunities are still out there!