

Funding Toolkit



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Foreword

As Portfolio Holder for Community Development and Partnerships for Fenland, it gives me great pleasure to introduce this Community Toolkit. At Fenland District Council we are committed to supporting and sustaining the voluntary and community sector as we believe they play a vital role in the quality of life in our district. This toolkit is an excellent example of good partnership working between Fenland District Council and the voluntary sector and I am sure will prove an invaluable resource for voluntary and community groups across the board. The toolkit combines a step by step guide to funding opportunities and a useful organisational development guide, which helps groups to either establish themselves or build on existing practice.



This is the first version of this toolkit, which will be updated as necessary; the district has never had such a resource before so we are very excited about the potential effect on the voluntary and community sector.

We hope you will find this document practical and useful and look forward to working with you in the future for the benefit of our community.

Councillor Jill Tuck
Portfolio Holder for Community Development and Partnerships

Information and guidance

Information and guidance on the topics covered in this toolkit are available from:

Fenland Council for Voluntary Service
Town Hall
Market Place
March
Cambridgeshire
PE15 9JF

Tel. 01354 659772
Email info@fenlandcvs.co.uk

Community Development
Fenland District Council
Fenland Hall
County Rd
March
Cambridgeshire
PE15 8NQ

Tel. 01945 427140

Introduction and overview

This toolkit has been produced to help Voluntary and Community organisations based in Fenland improve the quality of applications they submit to funders and by doing so increase the chances of a successful bid.

The toolkit looks at fundraising from the perspective of the funder and what they will look for in a funding application which they receive.

There are literally thousands of possible funding sources available including both the statutory sector and grant making trusts. Nevertheless most funders receive far more applications than they have resources to meet. Whatever type of funder you decide to approach they will have criteria which you must meet and are likely to include:

- ✓ The type of organisation they will fund (some fund only registered charities).
- ✓ The geographical area the proposal covers.
- ✓ Does the proposal fit with the priorities of the funder? (e.g. arts, sports, health).
- ✓ Who are the beneficiaries of the work? (e.g. older people, children).
- ✓ Whether the money is for revenue (running expenses) or capital (to buy a specific item).

Many funders are very specific about what they will fund and many also have a list of things they will not support.

In addition to making sure that the application fits with its criteria the funder is also likely to consider:

- ✓ Is the organisation in good shape to deliver the proposal?
- ✓ What is the need for the project, service or item?
- ✓ How does the proposal meet this need?
- ✓ How will success be measured?
- ✓ What will be the overall impact?

Guidance on these aspects is covered within this toolkit.

Guidance on how to locate the right funder for your group is included in Section 7 of this toolkit.

Getting started

Before you start looking for funding for a project, you need to be sure that what you are doing fits into the overall strategy for your organisation.

Some projects may be good ideas, and may mean the development of much needed services, but each organisation should be prioritising its activities in line with its purpose, mission statement or key aims. It can be all too easy to take on additional projects only to realise after a time that the organisation has drifted from its original mission. It can be harder to get back on track later.

Many funders will impose conditions on how money can be used and what they expect you to achieve. Are you and the committee of your organisation prepared to meet conditions and submit reports to funders? If not, your funding choices will be limited.

It may be a good idea to develop a strategic plan. Guidance on setting aims and developing a plan is included in the **Organisational Toolkit** produced with this guide.

Not just one person

Funding is so important to any organisation that it should not be left to just one person.

Start by:

- ✓ Forming a funding committee with at least 3 members.

Or:

- ✓ Make funding a regular agenda item for your management committee.

Then:

- ✓ Find out what other people in the group are already doing to raise funds.
- ✓ Find out how funds have been raised in the past.
- ✓ Find out who in your group may have good contacts, experience or knowledge you could use.

Is your organisation in good shape?

One of the key things that a funder will be looking for you to show is that your organisation is fit for the work it is doing and for the work it wants to do. The easiest way to test this is to conduct a health check of your organisation. A health check template is included in the **Organisational Toolkit** which accompanies this guide.

Whether or not you use a formalised health check you may need to consider the following:

Legal issues

- ✓ What are the objects of the organisation?
- ✓ Is there an up to date constitution? (model available; see Organisational Toolkit)
- ✓ Do members of the Management Committee understand the constitution?
- ✓ Are policies and proposals regularly reviewed?

Key policies may include:

- ✓ Child Protection
- ✓ Health & Safety
- ✓ Equal Opportunities

Models are available (see Organisational Toolkit)

Financial issues

- ✓ Does your organisation have a bank account? If so, are all cheques signed by 2 people?
- ✓ Is responsibility for keeping financial records clearly allocated to one person?

- ✓ Does the organisation produce a budget or financial plan?
- ✓ Are regular financial reports produced and looked at by the Management Committee?
- ✓ Does your organisation have a reserves policy?

Managerial issues

- ✓ Is there a business plan?
- ✓ Is there a plan for raising funds?
- ✓ Are projects and proposals checked against the organisation's vision?
- ✓ Is there a clear organisation and management structure?
- ✓ Are staff & volunteers trained, supported and supervised?
- ✓ Does the organisation have appropriate procedures?
 - Equal Opportunities, grievance & discipline
 - Protection of children and vulnerable adults
- ✓ Are service users involved or consulted? (e.g. questionnaires or forums).

A funder is likely to expect you to have appropriate procedures in place or for a new organisation to have plans to implement them.

What is the need?

Before you go into great detail you need to check that your project is needed and collect evidence of this need. This can be anecdotal evidence, or hard facts. It will also help you to plan a project that truly addresses the needs.

You may find, if you conduct some research that you come across issues you had not considered. Consulting those who are likely to be recipients of your project services is ideal as they can really put you straight if you're heading in the wrong direction. **See the following section on Research**

Make sure you have also considered what other projects like yours already exist. There is no point in duplication, unless your project is offering a unique element, or angle, but there may be opportunity for replication of good examples. A funder will want to be reassured that you have considered that which exists already.

You must be clear in defining the problem and showing why it is important. Think about the following:

- ✓ What is the need you are tackling?
- ✓ How widespread is it and why is it important?
- ✓ What will happen if nothing is done?
- ✓ Are there statistics or evidence to show that there is a problem and if it is likely to increase?
- ✓ Who will be helped as a result of the work and why are these needs especially important?
- ✓ What are the features of your area or community that make it important to give you support? (e.g. are you in an area of rural disadvantage?).

Tip

Rather than the fact that you want to buy equipment or update premises a funder is much more likely to be interested in:

- ✓ The fact that you will offer additional services
- ✓ More people could use your existing services
- ✓ The way your services are delivered will be improved
- ✓ Other organisations could use the facilities delivering entirely different services.

Research

You may need to produce information to demonstrate the need you have highlighted. Good ways of doing this include:

- ✓ Parish or town plans (available via your Parish Council or Cambridgeshire Acre).
- ✓ Census data (available from County Council website).
- ✓ A survey or questionnaire.
- ✓ Talking to people or users.
- ✓ Talking to people from other communities who have undertaken similar projects.
- ✓ Letters of support.
- ✓ District or County Council strategies (available from FDC or CCC websites).

Tip

Do not undertake expensive research without talking first to your potential funder.

How does your proposal meet the need?

You need to show that you have a practical and sensible solution which meets the need.

- ✓ State clearly what you are going to do
- ✓ How many people will the project affect and what difference will the project make to them?
- ✓ How do you know that it will work?

If there are a number of groups in your area with similar aims what is different about your group?

- ✓ Can you show you are close to the people who will benefit?
- ✓ Can you show your plan is effective and cost efficient?
- ✓ Has your organisation got a track record of achievement?
- ✓ Does your project represent value for money when compared to other solutions?

What will be the overall impact and how will you measure it?

You will be asked to detail how your project is going to make a difference to the need you have identified. It is a good idea to think about the likely impact your project may make in advance and how you could measure it.

There are some terms used frequently which funders may use. The most common are as follows:

Outputs

What you actually provide and to what extent, e.g. 4 information events planned per year with an expectation of attracting 20 attendees to each event.

Outcomes

What has been achieved as a result of the Outputs, e.g. 20 attendees at each event are better informed about supporting environmental improvements in their community.

Impact

The wider difference your project has made, e.g. More local people are engaged in supporting environmental projects, which leads to an improved local environment and greater community cohesion.

Your project may have just one output, or it may be broken down into a number of outputs, with each having their own outcome and impact, or sharing outcomes and impact.

Task

At this stage it would be a good idea to sit down with your committee and think about the project you are planning. Using the following template try to highlight the activities, intended outcomes and overall aim of the project.

Activities

In this column list the main services or activities you plan to carry out.

Examples:

- ✓ Running activities
- ✓ Producing information
- ✓ Building a community centre

Outcomes

In this column list the changes you aim to bring about.

Examples:

- ✓ Increased skills
- ✓ Raising awareness
- ✓ Greater community involvement
- ✓ Reduced isolation

Impact

In this column list the wider changes your project will make

Examples:

- ✓ Improved environment
- ✓ Community cohesion
- ✓ Building future capacity

An example of this completed for a youth project is included at Appendix 2

Measurement

A funder will often ask for you to submit a report to show how successful your project has been and they may ask at the time of the application how you intend to measure the success of the project.

Using the example above you could measure as follows:

The **outputs** could be measured simply by maintaining a record of people attending the information events.

The **outcome** could be measured by a questionnaire completed at the end of each event asking people if they feel better informed about how to support environmental projects. To have a more tangible measure people could be asked to 'score' their understanding at the beginning and end of the event and the improvement could be measured.

The **impact** could be measured by a simple survey (e.g. a phone call) to find out how many attendees have actually got involved in a project having attended an event; hopefully you could also find out what that involvement has actually changed.

Producing a budget

The key to producing a budget is to understand what you need to achieve the task. Think about:

- ✓ What you are planning to do
- ✓ How you are planning to do it
- ✓ Breaking the task into stages
- ✓ Looking at the resources for each stage

If your organisation is planning to undertake several activities or projects which will benefit a similar group of people consider producing a budget to cover everything; it may be possible to approach one funder for the whole amount rather than submitting several applications.

Identify a basic budget at this stage just to give you an idea of the overall likely cost. Aim to be realistic with this – there is no point in trying to slim a project down to fit in with what you think is the amount of funding you are likely to get. It will only result in a poorly run project, overworked staff and possibly failure. Do not forget to include the costs for overhead charges, such as rent, utilities, management time, IT support, administration etc.

If the project is only part of what your organisation does make sure that you include a proportion of any costs the project will share (e.g. insurance) not just the additional costs.

An example of a budget template is included in Appendix 1. This gives you guidance on things you may need to include. The budget could be for your whole organisation or simply for a project. You will only need to include those headings which apply to your project or organisation.

Finding the right funder for your project

There are a number of potential sources of funding for your project including:

- ✓ **Statutory funders**
(ask to speak to a Community Development officer)
 - central and local government organisations
 - applications often considered only once a year
 - often linked to specific local priorities
- ✓ **European funders**
 - tend to focus on large sums
 - focus tends to be regional or wider
- ✓ **Lottery funders**
 - a range of funding programmes
 - funding from £300 upwards
- ✓ **Charitable funders**
 - each can be very specific on what they will fund
 - thousands of potential sources
- ✓ **Companies**
 - keen on local links
 - employee giving
 - equipment
 - secondment of staff to help you
- ✓ **Private fundraising**
 - funds raised from events
 - personal giving
 - earned income from shops or products
 - philanthropic or service organisations (Rotary, Lions etc)

If you are wondering how to search for potential funders:

- ✓ Use contacts you already have particularly with local companies
- ✓ Use the Funderfinder computer package available from Fenland CVS
- ✓ Ask for a Grant finder search from Fenland District Council
- ✓ Ask to see the Directory of Grant Making Trusts available from Fenland CVS
- ✓ Ask for an appointment with a Fenland CVS Development Worker
- ✓ Ask about training or briefing sessions that may be available

Look to highlight 5-10 funders who may be interested and research these in detail and aim to narrow down to 2 or 3 to apply to.

Your funding application

Check the guidelines thoroughly

Before committing yourself to your chosen funders, get hold of the guidelines that they all produce and read them thoroughly, checking you are not excluded from applying, or whether their decision making timetable is too long for your project plans.

Make contact

Where possible, talk through your application before filling in forms or putting your project plan into letter form. This is often encouraged by funders to make sure no one's time is wasted. They can often give you some pointers on the application questions.

Writing the Application

Remember the key things most likely to convince the funder are:

- ✓ The need/problem which your project addresses
- ✓ The credibility of your organisation to deliver it
- ✓ If the service will continue when funding stops and try to explain how

Some basic rules are:

- ✓ show how the project meets the funder's criteria or priorities
- ✓ avoid jargon
- ✓ keep it clear and straightforward
- ✓ make sure you say the important things without assuming the funder knows anything about your organisation

It can be helpful to get someone who knows nothing about your project to read through your application and then tell you what they have understood from it. Do not waffle on to fill in space, but if there is an allocated word limit or space to complete on an application form and you have not put much in, think about what kind of information the funder is looking for, and maybe contact them again for some pointers. You may well have the information they are looking for, but had not considered it relevant.

It is a very good idea to proof read the whole application thoroughly before you send it off. It is easy to make mistakes, and it could be enough to eliminate your application from the funding round completely.

Task

Showing how you meet the criteria is crucial. Look back at the table in Section 5 above and the similar one that you have created for your project. Look at the beneficiary groups and the range of benefits they could receive. There may be several groups or several potential benefits. Now think how you could demonstrate these benefits to a funder. At Appendix 2 we have included a list of potential criteria that our example youth project may meet. Do the same for your project and then highlight the top 3 which you think are most appropriate.

Applying to several funders at once

It is fine to apply to several funders at once. The funder will understand that you cannot predict the outcome.

In some cases the project will be too large for one funder and you will need to approach several. Tell all funders you approach:

- ✓ The total project cost
- ✓ The contribution you are asking them to make
- ✓ The other funders you are approaching

In applying to several funders you may be lucky to be offered more than one grant for the same work. You must offer to return the money to the second funder but you can also ask if they will allow you to transfer it to another project in your organisation – they may say yes.

Dos and Don'ts

Do

- ✓ Send for the funder's guidelines or download from their website.
- ✓ Research carefully the wishes and intentions of the funder.
- ✓ Be honest: untruths may come back to haunt you.
- ✓ Make sure that the person the funder may contact is available.
- ✓ Keep a copy of your application together with facts and figures.
- ✓ Let the funder know the outcome of your project.
- ✓ Go back to ask for a second grant (if appropriate).

Do not

- ✓ Send out a standard circular letter.
- ✓ Prepare glossy brochures.
- ✓ Assume you know what the funder wants to know. If they ask for an application form or certain information then provide it.
- ✓ Send irrelevant literature.
- ✓ Send enclosures unless asked for.
- ✓ Expect an acknowledgement or reason for rejection; many funders spend their money on grants rather than administration.

Steps to success

1. Agree a vision or aim for your group.
2. Get other people and organisations to support you.
3. Develop projects which tackle real problems in the community.
4. Find and research likely funders. Find out what they really want to fund and how much money they have to give.
5. Plan ahead over 1-3 years; sort out a funding strategy and be aware how long it takes funders to make decisions.
6. Write a good proposal and target it to the funder's guidelines or criteria.
7. Manage the process; know when deadlines are and leave yourself enough time to write a good quality application.
8. Keep copies of everything you send.
9. Have a fall back plan if your application is unsuccessful.
10. If you are successful keep in touch with the funder, send reports and build the relationship.

Why funding bids fail

Funders give a number of reasons why bids may fail. These include:

1. Project is outside of the funder's criteria.
2. Applicant did not complete all the questions.
3. Applicant missed the funder's deadline.
4. Poorly handwritten, not typed.
5. Project benefits the organisation not the people.
6. No evidence of need or exit strategy.
7. Waffled rather than answering questions on the form.
8. Unrealistic targets or outcomes.
9. Unrealistic costings or monitoring proposals.
10. The contact given in the application could not answer questions the funder asked about the project.

There is of course one reason why even the best application can fail: the funder has already allocated their funds to other projects.

Glossary of Terms

The following is a list of terms commonly used by funders.

Aims	The key purpose of your organisation.
Beneficiaries	Users or people who will benefit from your project or service.
Budget	A description of how much money you need for your project or activity.
Business Plan	A plan with a clear analysis of need and assumptions for income and expenditure for 3 years or more.
Capital funding	Money to purchase equipment or a building.
Community consultation	Process for obtaining people's opinions.
Continuation strategy	Your plan for continuing after the grant runs out.
Evaluation	How you will compare what has happened with what you were hoping for.
Exit Strategy	The same as 'continuation strategy'.
Funding criteria	The types of expenditure or project the funder will or will not fund.
Impact	The wider difference your project has made, e.g. More local people are engaged in supporting environmental projects, which leads to an improved local environment and greater community cohesion.
In kind support	Support in non-money terms e.g. free use of premises, volunteer time.
Match funding	You may have to find some of the money yourselves, either from your own funds or getting other funders to support you.
Milestones	Defined steps on the way to achieve your objectives.
Mission statement	A statement of the aims of your organisation.
Monitoring	Collecting information about the work you have done e.g. numbers using your service.
One-off grant	A single donation towards your project.
Outcomes	What has been achieved as a result of the Outputs, e.g. 20 attendees at each event are better informed about supporting environmental improvements in their community.
Outputs	What you actually provide and to what extent, e.g. 4 information events planned per year with an expectation of attracting 20 attendees to each event.
Project proposal	A description of what you want to do and why.
Revenue funding	Money for salaries or running costs
Sustainability	The funder wants to know how the things they are funding will continue in the longer term
Value for money	The funder will want to know that the money spent and benefits achieved compare well with other ways the money could be spent.

Useful websites

SUBJECT	ORGANISATION	WEB ADDRESS
Charity Law	Charity Commission	www.charity-commission.gov.uk
Finance	H M Revenue & Customs	www.hmrc.gov.uk
	Inland Revenue	www.inlandrevenue.gov.uk
Local Government	Cambridgeshire County Council	www.cambridgeshire.gov.uk
	Fenland District Council	www.fenland.gov.uk
Lottery	Big Lottery Fund: Portal for grant Schemes and useful resources & publications	www.biglotteryfund.org.uk
Voluntary Organisations/ Volunteering	NCVO: Information, advice, support and publications.	www.ncvo-vol.org.uk
	NAVCA: Find your local CVS using this site	www.navca.org.uk
	DSC: Useful publications and resources	www.dsc.org.uk

Activities, Outcomes and Impact Youth Project example

Activities	Outcomes	Impact
<ul style="list-style-type: none"> ✓ Arrange community awareness days ✓ Start a youth club at the community centre ✓ Recruit, check and train volunteers ✓ Encourage and train young people as volunteers 	<ul style="list-style-type: none"> ✓ More positive community attitude towards young people. ✓ Increased skills for young people ✓ Increase participation in sporting activities ✓ Young people more confident about expressing opinions ✓ Young people are more aware of options available ✓ Young people start to take responsibility for running activities 	<ul style="list-style-type: none"> ✓ Young people positively engaged in the community ✓ Reduced fear of antisocial behaviour

Funder's Criteria

Depending upon existing need and proposed activities a project such as this could meet the criteria of funders interested in:

- Children & Young People
- Sporting activities
- Health and wellbeing
- Skills and training
- Improving employment opportunities
- Reducing antisocial behaviour
- Music & arts
- Social inclusion

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Documents prepared by Fenland District Council are available in Community Languages, Large Print, Moon, Braille, Audio Cassette and Electronic format upon request.