

Fundraising for your community group



Workshop Information Pack

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Fund-raising for your group

Notes:

A fund-raising strategy

It's always best to start any fundraising campaign by answering some basic questions. In this way, you are far more likely to make best use of your resources and to focus your efforts on those fundraising activities that will yield the best results.

- ❖ *What do you want to raise funds for?*
 - a one-off project or on-going projects and activities?
 - for the running costs of your project or group (revenue) or for physical equipment, buildings or other material (capital)?

- ❖ *Why do you need to raise money?*

Is it really essential to raise money, or could your project(s) be carried out through voluntary time, donations of equipment or space, and other 'freebies'?

- ❖ *What people and other resources do you have to carry out the fundraising?*
 - How ambitious can you afford to be?
 - Do you have members with experience of fundraising?

- ❖ *What opportunities do you have to support and promote your fundraising?*
 - What kind of appeal might your project have to the public?
 - Are there wealthy people / organisations or celebrities who might support you?

- How does your project or group fit with current government policies or public interest?

There are two basic ways of raising funds for community and voluntary groups:

- 'DIY' methods, whereby you organise all sorts of things to bring in money and support directly from the public or local business and other organisations
- Grant-funding, whereby you apply to charitable trusts or statutory donors for grants to pay for specific projects.

It's often a good idea to try both approaches, since funders often look favourably on groups who have taken the initiative to help themselves.

DIY methods of fund-raising

The following are the main 'tried and tested' DIY methods.

Running fund-raising events

Examples include:

- Sports events
- Music and cultural events
- Dinners, auctions, fashion shows and other entertainments
- Exhibitions, festivals and fairs
- Jumble sales, car boot sales.

Funding for your project can be raised through ticket sales, sponsorship for the event, and – at the event - from the sale of donated goods, collections, appeals for donations, and raffles. You will greatly raise the profile of your event if you can get celebrities involved, and this

in turn tends to stimulate more business sponsorship and media interest. You can cut costs by getting as much as possible donated for the event, such as venue costs, performers, and prizes. Ticket sales can be boosted by asking every member of your group to commit to selling a certain number of tickets each.

Walks, runs and challenge events

Another highly effective fundraising method is an event where participants are sponsored by their family and friends for an amount depending on what they achieve. Besides the (now familiar) marathons and the like, there are many other types of challenge that can be sponsored; for example:

- Slimming (amount of weight lost during a set time)
- Giving up smoking (no. of days without a cigarette up to a specified limit)
- Penalty shoot-outs (goals scored – or goals saved if you are the goal-keeper)
- Cycling
- Swimming.

Collections

The two main options are:

- House-to-house collections, where the collector knocks on doors and asks for support, or leaves an envelope and leaflet, and calls back the next day
- Street collections and collections in public places.

Under the 2006 Charities Act you may need a 'certificate of fitness' from the Charity Commission and/or a permit from your local authority if you want to carry out a collection.

Raffles and lotteries

Many community groups raise funds successfully using different types of lottery, such as raffles (a colloquial name for a lottery, usually with non-cash prizes), 100 clubs, sweepstakes or competitions.

All lotteries are regulated, and the main regulator is the Gambling Commission. Some lotteries require licences, while others are exempt. As a general rule of thumb, you are more likely to need a licence if you want to sell tickets to general members of the public over an extended period of time.

Getting goods or services donated as lottery prizes can be a good way of getting support from companies. Having a celebrity present the prizes (and be photographed with the winners) can boost sales.

Crowdfunding

Crowdfunding has become an increasingly popular way of raising funds for all sorts of projects. A community group or individual publicise your proposed project on one of the crowdfunding websites, stating the target amount you are aiming for and asking for pledges or donations. Usually you would offer 'rewards' of some sort for different sized offers – e.g. a name on the event publicity for £20, a T-shirt for £30 etc. In some cases the project would not go ahead if the target amount isn't reached. In others, you may be able to go ahead with a scaled-down project. Popular crowdfunding websites in the UK are: www.crowdfunder.co.uk and www.justgiving.com/crowdfunding

Fundraising by applying for grants

Let's turn now to the second approach to raising funds for community projects: seeking grants from established donor organisations. We shall cover

- The key stages in the fundraising process
- Funders' guidelines and their criteria for giving grants
- How to plan a project and prepare a grant application
- How to monitor and report on projects that have received grants.

There are thousands of grant-making organisations in the UK, many of them eager to fund community projects. Grants are given by these organisations in order to enable the recipient group to carry out specific activities – activities which fit with the funders' objectives. The challenge is to find funding organisations whose priorities match the needs and aspirations of your group.

What is a project?

A project is any set of activities, organised over a particular period of time for a particular purpose.

A project is different than a group, organisation, club or enterprise. It has a particular goal or set of goals, and once these are met, the project is finished.

A **community** project is a project run *by or with* members of a particular community, *for the benefit* of the community.

The community might be a community of place, such as a neighbourhood, village, district or town. Or it might be a community of identity, such as a particular age-group or members of a particular ethnic group.

Types of community project

There are many different types of community project; for example:

- Running a one-off event
- Running a programme of events of activities
- Setting up and running a group, club or association to meet a particular set of needs
- Campaigning or working with others for a new or better facility or service.

Below are examples of many different types of community project.

Social	Facilities
<ul style="list-style-type: none">• Day-trips• Fun-days• Festivals• Street parties• Socials• Community arts• Sports projects	<ul style="list-style-type: none">• Community base• Resource centre• Community café• Pensioners lunch club• Parents and toddlers• Local shop• Community transport• IT suite / Internet cafe

Environment

- Clean-up days
- Tree-planting
- Recycling facilities
- Community gardens
- Allotment
- Dog warden
- Nature reserve
- Nature trail
- Path for wheelchair users

Economic

- Careers and jobs advice
- Training schemes
- Job search clubs
- Credit unions
- LETS – skills exchange
- Co-ops & small business advice / support
- Community enterprises
- Resident services organisations
- Local labour schemes

- Community laundry
- Local surgery / health advice
- Complementary therapy centre

Young People

- Youth club
- Breakfast club
- After-school / homework club
- Rehearsal rooms

Influencing services

- Housing
- Sheltered schemes
- Energy efficiency
- Crime / Community safety
- Neighbourhood wardens
- Health services
- Traffic calming
- Drugs & alcohol advice
- Graffiti & fly poster removal

What kind of projects do funders like?

However, most funders prefer particular types of community project. Funding organisations generally like

projects that are **new** or **additional** to the community group's normal, day-to-day activities, such as:

- One-off events and programmes
- 'Start-up' activities or costs, things that kick-start a new group, service, or area of work
- 'Capital' projects – paying for equipment or materials, the refurbishment or upgrade of existing premises, or building new community facilities.

Most funders *avoid...*

... **any** projects that may lead to dependency.

Because most funders are not in a position to be able to support community groups indefinitely, they look for projects where their grants can make a substantial difference, and where the impact of the funding will continue well after the grant has all been spent. Ideally, they would like the community group's work to continue long-term, but to be self-sustaining, for example by generating ongoing income. Funders define this as the **sustainability**.

It is useful to distinguish between **capital** and **revenue** spending. Generally, capital spending is for something 'physical' such as equipment, materials, or buildings. Revenue spending, on the other hand, is for ongoing, repeatable, everyday things, such as electricity bills, hall hire, or salaries. If you are running an after-school club and you are looking for funding for the revenue costs, few funders will be interested. If, however, there is no after-school club in your area and you can prove that it is needed, you might be able to get funding to help you

set one up, so long as you can show to funders that the club will be self-supporting after the first six months.

What kinds of organisations give grants to community groups?

Grant-giving organisations include:

- Local authorities or partnerships¹
- Local development agencies – such as Voluntary Action (VA) or Community Voluntary Service (CVS)²
- Lottery schemes
- Charitable trusts and foundations
- Government
- European institutions.

Many lottery, government and European funding programmes are directed through schemes which are set up on a semi-independent basis, with their own names, addresses, websites, and so on. However, it is important to recognise that the priorities and criteria for these schemes are set by the institutions giving the money. If those operating the particular scheme seem rather

¹ Local authorities and other statutory bodies – such as police authorities, primary care trusts and schools – increasingly work in formal partnerships, such as 'Local Strategic Partnerships', and establish joint mechanisms for funding community-based projects.

² You should be able to find your nearest VA or CVS in your local telephone directory, or visit the website for the National Association for Voluntary and Community Action: www.nacvs.org.uk/cvsdir/ or www.nacva.org.uk.

bureaucratic and demanding at times, it is because they are accountable to the donor institution.

Overview of the fund-raising process

The key stages in raising funds through grants are:



There are many ways in which community groups develop initial ideas for projects. Sometimes it starts with a major **problem** that you want to overcome, such as anti-social behaviour, or divisiveness within the community, or isolation experienced by some groups. Sometimes it starts with a **vision** of something you want to achieve, such as a wonderful community centre someone has visited in another area.

However the initial ideas have evolved, it is vital that your group carries out some solid **research** before you start applying for grants.

Researching your ideas

These are some of the key questions you will need to ask yourselves:

- What are the **problems** we are trying to address?
Besides the ideas we already have, are there any other **options** for solving them?
If, for example, there appears to be a problem with teenagers causing disruption in the local streets, there are many different options for tackling the problem, from provision of various youth facilities/activities and detached youth work, to more effective patrolling and policing. Funders will want to know that the options you are proposing are the best ones for tackling the problems.
- How can we prove there is a genuine **demand** for this project?
Besides members of your group, how many other people – and which sections of the community - will use the service you are proposing to set up?
- Is our group ready to **manage** this project?
Do you have the right level of experience, skill and commitment to make your proposed project a success in the long-term?
- How does this project fit with government and local authority **policies**?
Are there government or local authority policies – for example, to empower communities, support young people, tackle low-level crime etc. - which favour the approach you are proposing?
- What **resources and funding** are we likely to need if we go ahead?

While you do not need to work out detailed costs at this stage, it is useful to have an idea of the kinds and levels of resources you are likely to need if the project moves forward.

Checking demand

These are some of the main methods that you can use to consult local people about the issues that affect them.

- **Questionnaires**

Self-completed questionnaires can be posted (with return envelopes) or delivered & collected door-to-door. Alternatively they might be left in meeting-places or housing offices for people to pick up. You will get a higher response by using questionnaires to interview people one-to-one – but this is time-intensive and needs proper training.

- **Interviews**

Although questionnaires can give you some information about people's concerns and ideas, sometimes you need to dig deeper to explore how people are experiencing particular problems. Longer, open interviews with a small number of people are a way of getting at issues in a fuller, richer way.

- **Public meeting**

You can hold one or more large public meetings to float your ideas and canvas opinion. It is important that careful records are kept, indicating the level of support for the proposal(s).

- **Block / Small area meetings**

Meetings can be organised in blocks (of flats) or in small areas, to find out the key issues or problems affecting

people. It is good to start with very 'open' agendas, allowing people to raise any issues and noting everything down.

- **Meetings for special interest groups**

Instead of organising meetings by location, they can be organised to reach groups with shared interests – for example, particular age groups or ethnic groups or parents.

- **Discussions with existing groups or organisations**

Instead of setting up special meetings, you might go to groups or events that are already set up and running – and ask for some time on their agendas to consult with their members.

- **Focus groups on particular themes**

If there is a particular theme around which you want to take action (for example, the environment or children's play) you might organise a group to focus on it. The group might meet once or a number of times over the life of a project.

- **Stalls / Exhibitions**

Having a stall at an event (such as a fun-day) or in a public space (such as a shopping precinct or library) can be a way of informing and consulting people when they are feeling sociable.

With many of the methods outlined here, there are choices to be made about the kinds of tools you use. Participatory tools – for example, using post-its, stickers, visual images – are often more engaging, and can include more people, than tools that rely on lots of words and writing.

Providing 'baseline' information

Gather evidence about the current situation, the conditions that you want to change. This will be vital, both in explaining to potential funders about the needs that you are hoping to address, and, if your application is successful, as a way of measuring the impact that your project has.

Some useful types of baseline information are:

- Photos
- Local information, such as the numbers of people using or asking for a resource
- Reports, for example those that have appeared in local newspapers or have been produced by the local authority
- Statistics about the local area and its population.

The Office for National Statistics (www.statistics.gov.uk) might have useful information from the latest census. You should also check the government website www.neighbourhood.statistics.gov.uk for information about your area. A postcode search can give you information such as:

- How easy it is for people to access different services
- How far people travel to work
- Crime figures
- Health and housing data.

Organising yourselves

If you are part of a community organisation dealing with a wide range of matters, you may need to

- Set up a **project working group**
- Share out **tasks** to different members of the group
- Prepare a **timed action plan** to carry your project forward.

The following is a typical action plan format:

Tasks	Lead person	Others involved	Start date	Finish date	Notes

Understanding funders' priorities

- All trusts have their own key areas of interest, often the particular reasons why they were established in the first place
- Besides these key interests, many trusts have priorities which change from time to time
- Local authorities and government also have changing priorities

- Although the Lottery has some core themes for all its 'good causes' funding, its priorities and criteria for funding frequently change – and its schemes often change.

Trusts' priorities may be

- To focus on particular geographical **areas**
- Target **groups of people** (e.g. the Lloyds Foundation focuses its funding on 'disadvantaged people')
- Specific **themes** (e.g. the Joseph Rowntree Foundation aims to tackle poverty and influence social policy through its funding)
- Types of **outcome** or result (e.g. unLtd aims to develop social entrepreneurs).

The Big Lottery Fund (BIG for short) is a major funder. It has three key themes:

1. Supporting community learning and creating opportunity
2. Promoting community safety and cohesion
3. Promoting well-being.

And it wants to see projects achieve these **outcomes**:

1. People having better chances in life, with better access to **training and development** to improve their **life skills**
2. Stronger **communities**, with more **active citizens**, working together to tackle their problems

3. Improved rural and urban **environments**, which communities are better able to access and enjoy
4. **Healthier** and more active people and communities.

Eligibility

Besides looking for **funders' priorities**, it is important that you read carefully what their 'eligibility' criteria are. Some of the key things that funders often refer to are:

- The minimum and maximum grants available
- The status of community groups receiving funding (e.g. you will probably need to have a formal constitution of some sort; some donors will only fund registered charities etc.)
- Whether they will fund the entire project or whether they expect other funders to offer what is called 'match funding'³.

Before offering funding, funders will ask these sorts of questions:

- Is this group (the applicant) **efficient**, open (to a wide section of the community) and accountable (to a governing body)
- Will this group **complete** the project?

³ Some funders specify that their offer of funding is dependent on other funders, donors, or volunteers covering a percentage of the overall costs

- Will they provide us with good monitoring **reports** during and at the end of the project?
- Is this the **best group** to deliver this project (or are there others who could do it better)?
- Are the project and the group **sustainable**? What will happen after the grant has been spent?

Understanding application forms

Project aims and description	<i>Be as specific and clear as possible</i>
Start dates, completion dates and milestones	<i>The start date must be well after the date when your application will be considered; 'milestones' are key dates and targets during the life of the project</i>
Outputs and outcomes	<i>'Outputs' are the concrete, immediate, visible results of the project (see 'SMART' below); the 'outcomes' are the longer term impact that the project should have, for example on community engagement</i>
Beneficiaries	<i>The particular groups or sections of the community who will benefit from the project</i>
Project costs and amounts applied for	<i>The project costs may be greater than the amount you are applying for; perhaps because you are looking for other funders or because some costs will be covered by</i>

	<i>donations in-kind or through volunteering.</i>
Forward strategy	<i>What are your plans for carrying things forward after the grant funding has been spent?</i>

SMART outputs

Many funders like outputs (or 'objectives', 'results') to be expressed in terms that are

- Specific
- Measurable
- Achievable
- Relevant, and
- Timed.

If, for example, your project is to organise a social event, an output like *'a minimum of 350 people to take part in a community fun-day during August, with a minimum of 50 signing up to take part in activities during the following three months'* is much more 'SMART' than *'holding a social event with a high level of community participation'*.

How much should you apply for?

- Get **evidence** to back up estimated costs – e.g. three quotes from different suppliers
- Most funders like to see **voluntary input**, and so you may want to show voluntary time as a project cost (for which you are not seeking grant aid)

- Some funders will only fund a certain **percentage** of the costs
- It is sometimes necessary to seek funders for **different parts of a project** (for example, one funder to help you refurbish a community building, and another funder to enable you to train people to run it)
- **In kind contributions** - such as donations of equipment by local businesses – can be shown as project costs (for which you are not seeking grant funding); they indicate to funders that there is real local support for the initiative
- Putting a value on **voluntary time** (if you are showing voluntary time as a project cost, you will need to agree with the funder an hourly rate equivalent for the time; you will also need to set up a system for recording the voluntary time that is actually donated)
- If the funding you are seeking is for **more than one year**, you will need to show how the costs will be phased over the whole project (the costs in the first year are often greater, proportionately, than in later years, due to start-up spending).

Running a project

- Funders always require **monitoring reports** of some kind (e.g. monthly or quarterly); reports usually include a record of income and expenditure, and a list of the outputs met

- Careful **record-keeping** is essential, since funders expect solid evidence of what you have achieved
- It makes life easier if you create and use **standard forms** from the outset of the project
- Make sure from the start that one or more members of your group **keep a diary** and **take photos** of work in progress
- Funders will often expect you to use their **logos** on all materials associated with the project, and to take part in **publicity** about the project
- You will very likely be expected to take part in an **end-of-project evaluation**, assessing what has been achieved and what you and others have learnt.

FURTHER INFORMATION

Here are just a few of the thousands of funding organisations in the UK.

Arts Council England

www.artscouncil.org.uk/funding

The Arts Council funding for England is divided into several regions

Lloyds Bank Foundation for England and Wales

www.lloydsbankfoundation.org.uk

Offers grants to charities and small, community-based charities – regional offices across England & Wales

Comic Relief UK –

www.comicrelief.com/grants/initiatives

Offers grants to community groups on a range of themes

Government funding

www.governmentfunding.org.uk – useful website enabling you to search for grants available for community groups from different government departments

BBC Children in Need

www.bbc.co.uk/programmes/articles

Offers grants to organisations that work with disadvantaged or young people in UK

Big Lottery Fund

www.biglotteryfund.org.uk/funding

0345 4 10 20 30

Offers wide range of grants and funding (including the Awards for All programme) for community groups

GENERAL FUNDING ADVICE

National Association for Voluntary and Community Action

www.navca.org.uk; tel. 0114 278 6636

National Council for Voluntary Organisations

www.ncvo-vol.org.uk; 020 7713 6161

The national umbrella body for voluntary organisations in England. Useful publications, advice and training on fund-raising.

NCVO provide an essential on-line search facility –

Funding Central – to help you with fundraising:

www.fundingcentral.org.uk

Community Foundation Network

www.ukcommunityfoundations.org; tel. 020 7713 9326

Directory of Social Change

www.dsc.org.uk; tel. 0845 0 77 77 07

Produce a useful publication: 'The Complete Fundraising Handbook' (2012)

VolResource

Useful information for any community group:

<http://vr.volresource.org.uk>

Institute of Fundraising

www.institute-of-fundraising.org.uk; 020 7840 1000

Publishes useful good practice guidelines