

Fundraising Factsheet

Introduction

This factsheet provides an introduction to the principles and processes involved in seeking funding for your project. It doesn't give information on specific funds (you can find an up to date list of funds on the [Paths for All](#) and [Funding Scotland](#) websites), but will show you how to seek funds effectively and, hopefully, successfully. The first section looks at some of the basic principles of fundraising, whilst later sections look at the specifics of applying to different types of funders.

Fundraising Principles

Why should someone fund your project?

To seek funding effectively, you need to look at your project from the perspective of the person giving out the money (whether that's an individual, a company or an organisation). Why should they give money to you rather than someone else? What will your project do for them that other projects won't? To persuade the funder to part with their cash, you need to show them why your project is the most deserving recipient.

Working out what you need

Before you start seeking a potential funder, it's important to be clear about how much money you're looking for and what you'll be spending it on. This doesn't need to be accurate down to the last penny, but it does need to be a comprehensive list of what you require and an estimate of what it might cost. So you'll need to break-down your project into specific elements - such as survey, construction, signage, interpretation boards, and so on. Working this out will also be important when it comes to selecting potential funders – some organisations will support the building of paths, others may be more interested in people using them.

Most funders want to see projects that have clear objectives. So try and make sure that any projects you submit for funding have SMART objectives (Specific, Measurable, Achievable, Relevant, Time-bounded) – this will help you show the funder what their money can deliver. You can read more about setting SMART objectives here ([insert link](#)).

Working out who might fund your project

In an ideal world, you should think about your project and decide what 'boxes it might tick' before you start seeking a potential funder. So you should think about why your project is important, who it will benefit and why. Try and think as broadly as possible – will your project have associated health benefits for example (visit the [Paths For All website](#) for more detailed information on walking to health), or will it create a wildlife corridor that might benefit biodiversity as well?

Once you've established the benefits of your project, you can then look for a potential funder who is keen to support projects that deliver those types of benefits. For example, if your project will have a lot of health benefits for the local community, you can look for a funder who supports health-related projects.

There are thousands of funding opportunities out there – including grant-making trusts and foundations, companies, Lottery distributors, European, Scottish Government and local authority funding programmes. You need to sift through a lot of information to find the funders which are most appropriate to your organisation or project.

There are lots of useful directories which provide information on funding opportunities – the [Funding Scotland website](#) is a good starting point. Nearly all Trusts, lottery distributors and government grant schemes now have their own websites as well, where you can search for useful information about funding priorities, application deadlines etc.

Fitting your project to a funder

In reality, the process of seeking funding doesn't always involve deciding on the benefits of your project and then finding a suitable funder. Often, when a funding opportunity becomes available you need to try and tailor your project to fit to that fund's criteria. So you might hear about a local organisation giving grants to projects that benefit biodiversity. Up until then, you may have thought of your project as primarily delivering health benefits, but you might end up 'selling' it as a biodiversity project in order to be able to access the available funding. Whilst that's not ideal, you do need to remain flexible and accept that you'll probably need to 'tailor' your project to fit the requirements of different potential funders. If you apply to several different funders you might find you end up emphasising the health benefits of your project to one funder, the social benefits to another and the environmental benefits to another funder, depending on their individual priorities. But bear in mind that the more funders you get to contribute to any one project, the more complicated it will be to manage.

The application process

Before applying for funding you should know what your project will involve and what benefits it might deliver. You should have found a funder who is keen to support those kinds of benefits, you match their criteria and so now all that's left is to ask for the money! Sadly, that's not always a simple process and you'll probably need to complete an application form, which may take a while to fill in. You can start the ball rolling by contacting the funder (or looking at their website) to find out:

- what is the application process?
- when is the next application deadline?
- what material do they want to support your application?

Once you know how each funder's application process works, you can spend some time looking at their application forms. Each form is likely to request slightly different information, but the most important thing is to keep emphasising why your project is delivering the types of benefit the funder has said they want to support.

Monitoring and feedback

If you are successful in getting funding, make sure you set up systems to measure the success of your project and ensure it is meeting both your objectives and your funders. This will help you keep your funders up-to-date with the implementation and progress of the project they are supporting. Make sure you acknowledge their support. You should also think about funders when you are planning any events associated with the project. Many grants officers would welcome the opportunity to see your project in action.

Fundraising from government grant schemes

The general principles outlined above should help you work out who to apply to and how to sell your project. Depending on which type of funder you are applying to, there are some specific points that you should take into account. This section outlines the things you should consider when applying to government grant schemes.

Government grant schemes – their range and resources

Government grant schemes can be from your local council or from the Scottish, UK or European governments or agencies. They may be large-scale schemes designed to support big projects, or they may be smaller schemes with a very local remit. The amount of funding they have available is likely to vary depending on the state of the public sector finances. Some government grant schemes are only open for a limited period of time or have specific application dates, so you should make sure you are using up to date information. You can find a list of potential grant schemes on the [Funding Scotland website](#).

Applying to a government grant scheme

Grant schemes from local or national government will always have an application form and a clear application process. You should make sure you complete the forms in full and submit them by the appropriate deadlines. Some larger schemes will have a dedicated grant officer(s) who will be able to give you advice and assistance with your application. Schemes are always designed to deliver government objectives, so you need to be very clear how your project will help achieve those objectives. Paths for All have produced two documents which may help you show how your project is delivering government objectives. They give a range of supporting evidence and policy links that can be used in support of your application, so have a look at:

- [Single Outcome Agreement Supporting Evidence for Walking and Path Networks to Deliver on National Indicators and Outcomes](#).
- [Walkipedia 2010](#)

The majority of government grant schemes will only give money to a constituted organisation. There's further information on forming a constituted group on the [PFA website](#), including links to websites that have example constitutions.

Timings

Be aware that financial year deadlines are usually very important to public sector organisations. So if you say you will spend £5,000 of their grant money before March 31st in a particular year, you will have to ensure you can spend that money within the timescale. Many government grant schemes can't transfer money into the next financial year, so if you haven't spent the money by March 31st, you are likely to lose it. This is an important point to bear in mind when you are putting an application together – don't over commit to delivering too much work in any one financial year, make your targets achievable.

The flip side of the financial year deadline is that public sector organisations can sometimes have an underspend in February and March. They may have committed a certain amount of money to paths projects and if they haven't spent it all by the end of the financial year, it will go back into a central budget. So if you have a project, specific task or item to purchase that you know you can deliver very quickly in February or March, you may find it easier to access public sector money at

that time of the year. But you must be able to follow through and deliver the project (and spend the money) before the end of the financial year. Again, don't over commit!

Fundraising from grant making trusts and foundations

Trusts and foundations are not-for-profit organisations which exist to distribute grants for charitable purposes. They can be set up by companies, organisations or individuals. Examples include the Esmee Fairburn Foundation and the Joseph Rowntree Charitable Trust.

Each trust and foundation are quite specific about the type of projects they want to support. They may fund projects nationally or have distinct geographical preferences and they will certainly have particular objectives in mind.

Trusts and foundations usually prefer to fund one-off capital projects, rather than the on-going running costs of a group. There are many hundreds of trusts out there and it's tempting to send a mail-merged letter to them all. However, this is unlikely to be successful and it's much better to spend the time making individual applications to organisations whose aims are well matched to what you're trying to achieve.

Most trusts and foundations now have websites which set out what information they want in an application, where you should send it and when you need to apply. They may also have a dedicated grants officer who will be happy to discuss your project. Again, it's really important to emphasise why your project delivers their charitable aims.

Fundraising from Companies

Another potential source of funding is from private companies. Asking companies for funding requires a different approach to trusts and government grant schemes and this section outlines some of the key points.

Companies and how they can help

Companies may help support your project in a variety of different ways:-

Gifts in kind – these are often easier for smaller companies to give, rather than cash. Gifts can include products, materials, labour, advice, access to training, access to office space, free photocopying/printing/ mailing, vehicles, and used equipment such as computers or office furniture. Never underestimate the value of “in-kind” contributions like the loan of a JCB and driver!

Cash donations - companies may provide a cash donation simply to improve their public relations image, to motivate their workforce, or because of a philanthropic outlook. Larger companies usually have a specific ‘community budget’.

Secondment - larger companies may have a member of staff that it is prepared to be seconded to your organisation to help you undertake a particular task.

Team building days – some companies organise team building events where their staff work on a specific project. If you can get a local company to carry out a community action day within your project, they may come and help with some construction work or undertake a clean-up day.

Contributions from companies can also be used as match funding, which may help you access other funding from trusts or government organisations.

Researching Companies

It's probably easiest to start by looking at your local businesses. Is there a quarry company which might supply aggregate, a timber merchant which could supply wood, or a hardware store that might donate tools or give a local discount? Make a list of your needs and assess the prospects for satisfying some of them through donations. For financial donations you may need to look further afield or for bigger companies. A quick search on the web should help you find some potential companies – particularly if you're located near a big city.

When you have selected your target companies, your next step is to establish the particular kinds of support that each company might provide – a donation from a 'community budget', a team work day to help with building work etc.

Contacting Companies

Companies don't usually have an application form, so you'll need to make direct contact and 'sell' your project. This can be quite daunting, particularly if sales aren't your strong point! If someone in your paths group has a contact within the company, see if they are able to help you. If not, you'll have to make a 'cold call' to the company. Usually it's best to telephone first and offer to send some general information about your project. You can then follow this up with a meeting to discuss your project if they are interested.

Once you've arranged a meeting you should think about what aspects of your project will be most appealing to the company. Can you show them how it would also give them a marketing opportunity, perhaps through the use of their logo on a path leaflet or interpretation board? Again you need to emphasise why your project will help them – through improving their company's reputation, getting them free marketing or giving their staff a training experience. You should also make sure you've got a reasonable knowledge of what the company does – you're asking them to show an interest in your work, so it's only polite that you do the same.

A company might request written details either instead of, or as a follow-up to, a face-to-face meeting. A follow-up letter or email after a meeting can go into detail at some length, but if it's taking the place of a face-to-face meeting your communication needs to be short and clear – ideally one side of A4. The company may request specific information, but as a minimum you should make sure you include:

- A summary of your project proposals – say **what**, **where**, and **when**.
- Information on who in the community will benefit from the project.
- Emphasise the potential benefits to the company.
- A summary of costs

Following up

If you're successful in getting funding or support from a company it's important that you follow it up with updates and information. Companies may be keen to get involved in any photo opportunities or press releases related to your project. Ask companies at the outset if they would like to be involved in promotional opportunities and if so ensure you provide enough time and notice for them to attend events. Otherwise they may not be too happy to see 'their' path featured in the local press without their staff, company name or logo in the shot!

Fundraising from Individuals

A final alternative to consider is to look for funding from individual people. This doesn't have to mean finding a wealthy neighbour – you can fundraise through events, sponsored activities and street collections as well. This section outlines a few specific pointers to think about so you don't end up mugging old ladies in the street!

Special events

Many organisations use special events as a means of generating funds for their cause. Events such as dinners, quiz nights, fashion shows and car boot sales are all traditional "charitable" events. The great advantage of this type of event is that it can raise the profile of your group at the same time as generating income. The big disadvantage is that events can be very labour-intensive, and can use up huge amounts of volunteer time. Challenges usually include selling enough tickets for the event and seeking raffle/tombola prizes. If you have a good group of volunteers who will take responsibility for the event, then significant sums can be raised.

Street collections

An enthusiastic band of volunteers along a high street can raise cash and enhance the profile of your project. Before undertaking a collection make sure you understand the laws that surround street collecting and get a licence from your local Council. If well managed, street collections can be a very useful source of funds. The disadvantage is donor apathy – there are so many other causes already collecting on every high street!

Raffles and lotteries

Raffles and lotteries are a useful source of income, if you have a ready market for selling the tickets. When planning your raffle or lottery, you have to register with your local council for a licence – this is valid for a year and can easily be renewed each year. If you expect to raise more than £20,000 from your raffle, then you also have to register with the Gambling Commission (previously called the Gaming Board). For more information on the rules and regulations, the Gambling Commission produce several helpful leaflets which are available on their website

Sponsored activities

Nowadays, almost any activity can be sponsored – walking the Great Glen; running marathons, and many others. Local sponsored events such as walks can be great fun, raise awareness and raise funds for your organisation. In many cases these events become part of the local programme of events in a community. The important thing is to make sure that you take volunteer time into account and that you remember to include indemnity insurance for anything going wrong.

Relevant legislation

There are various legal requirements which impact on fundraising, including –

Health and Safety legislation – if you're organising fundraising events you'll need to check you comply with all the relevant health and safety legislation

Insurance - you must also make sure that your group has public liability insurance and additional cover if required.

Data Protection Act 1998 – this governs how you can store information on individuals and how you can use that information to contact them.

Public Charitable Collection Permissions – if you're carrying out a door-to-door or street collection for your cause you should talk to your local authority to make sure you get the right permissions.

Lotteries and Raffles - if planning to run a raffle or lottery, you'll need to take specialist advice from the Gambling Commission

Additional Sources of Information

The Directory of Social Change: Publisher of 'The Guide to Scottish Trusts'; 'The Top 300 Grant-making Trusts'; 'The Companies Guide'; 'A Guide to Funding from Europe'; 'The Guide to funding Environmental Projects', 'The Guide to the National Lottery'.

Website: www.dsc.org.uk

The Gambling Commission

Publishes a useful leaflet 'Lotteries and the Law'.

Website: www.gamblingcommission.gov.uk

HM Revenue and Customs

Publish useful documents including 'Giving to charity by businesses' and 'Giving to charity by individuals'

Website: www.hmrc.gov.uk/

The Institute of Fundraising

The professional membership body for fundraisers throughout the UK. Provides codes of practice and information on various aspects of fundraising.

Website: www.institute-of-fundraising.org.uk

Scottish Council of Voluntary Organisations

Publishes 'The Scottish Grant-making Trusts Guide'.

Websites: www.scvo.org.uk

Charitable status: Some funders will only support registered charities. To become a charity in Scotland you need to register with the Office of the Scottish Charity Regulator. You can find further information on their website: <http://www.oscr.org.uk/>

If you are not recognised as a charity, it may be worthwhile finding a partner organisation with charitable status to work with you on projects. Funders want organisations to have charitable status so that they can be sure their money is going to a recognised body that complies with external controls.

Appendix 1: Outline of a Project

Summary

A brief paragraph that gives a clear and concise picture of the proposal. Ideally this shouldn't be more than 100 words.

Your Organisation

- Mission
- Aims
- Structure
- Track record

The Issue

- What is the issue?
- How has it arisen?
- Why and where is it occurring (or not, in the case of a gap)?
- Who is affected by it?

The Solution – Your Project

This is where you should show the objectives of the project and the specific, measurable outcomes you expect to achieve. Be wary of highlighting the consequences of the project failing to go ahead. The possibility of failure might worry the potential funder!

Measuring the Outcomes

How will you know if the project is successful? Show measurement methods which you have put in place. Show what action will be taken if objectives are not met. Indicate timescales.

Budget

- How much will it cost?
- When do you need the money?
- Who else is contributing?

Future Funding

- Is this a pilot project, a one-off piece of work, or an ongoing activity?
- How will you continue to fund the project?