VOLUNTARY NORFOLK

BID WRITING TRAINING

NRCC Dereham
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INTRODUCTION

Welcome!

My name is Isabel White and I will be sharing my experiences of successful grant fundraising with you on this course. For those of you who did not attend, I hope there is enough clear information here for you to be able to improve your own bid writing skills. If there is anything that is not clear, please email me at isabel@advice2go.co.uk

Back to today's workshop! I hope you have brought some information on your projects and funding needs, nothing too detailed, just a good idea of what you want to fundraise for.

This training session is divided into six key parts, with a break in between. To get the most out of the session it should be as interactive as possible, so I also hope you have come prepared to do some writing, some speaking and, most important of all, to have some fun. We are going to try to make it as real as possible, focussing on applications to real funders.

I thought we would start out with a little objective

To end the session as a more confident, more effective and a better bid writer!

So how are we going to get there?

If you are going to raise money through grants, the three fundamentals you need to address are:

- What do you want the money for?
- Who is going to give it to you?
- Where are you going to get it?

This training session is built around these three basic questions.

To try to cover such a lot of ground in only half a day inevitably means that the level of detail we can go into and the time we allocate to each stage of the process would not be as long as we would like. So in this manual you will find some background notes that I hope will fill in the gaps and act as reminders of some of the topics we covered in each session. By all means make additional notes but don't read these notes now – I need your full attention!

On the next page you will find the agenda – we will try to keep to it as much as possible but this is your day so make sure you ask any questions while you remember them and I will do my best to make sure you get an answer before we wrap the day up.

You will end up with three very practical tools to use on your funding applications.

Lets get started!

SECTION ONE – BASIC PRINCIPLES, MYTHS & LEGENDS

To begin with, we have seven fundamental principles underpinning what we do.

1. People give because they have been asked
It may sound trite but it is true, this is the biggest motivation for giving. I am often asked to review application letters to funders that have been unsuccessful. So often they go something like this…

> Dear Sir,
>
> We do good work.
>
> Yours faithfully,
>
> Worthy Cause

If you don't ask people for money they will not offer to give you any. The missing line should be:

"Please give us money…", but the British reserve gets in the way and the funders are let off the hook.

2. Seven rights do not a wrong make!
The most money you will get comes when you find the right person to ask the right person, for the right amount of money, for the right project, in the right way, in the right place and at the right time. Every right you get wrong is likely to diminish the amount you get. You might only be rescued by sheer luck (and who can always count on that?).

People respond to requests for money in different ways, according to their age, where they live, their family background – in short, a host of things can affect people's motivation to give. It is a good idea to spend time trying to understand your donor's motivation before you get round to asking for a donation or a grant.

3. Face-to-face is best
British reserve, shyness or a lack of conviction all conspire to prevent us from making the approach to our funder as directly as we should. Put simply, it is easier to let someone down gently by letter than it is to tell them face-to-face. So don't rely on letters alone and, most importantly, never send the same letter to each funder.

4. The resource issue
The most cost effective way of raising money is to ask a small number of people (or organisations) for a large amount of money. Most people do this the other way around, asking a large number of people for small amounts of money (think raffles, coffee mornings, fetes etc.) Worse still, a lot of the money given by this method is given anonymously. You don't know who gave it so you cannot easily ask them to give again.

5. Fundraising costs (money)!

Just as there is no such thing as a free lunch, fundraising often fails to realise its full potential because its true costs are not taken into account. Major appeals and campaigns for churches, hospitals and universities usually cost between 8 and 14% of their fundraising target. The more approaches that need to be made, the higher the cost, so the logic of asking small numbers of people to give large amounts makes very good sense here.

Make sure your project budget or target includes the costs of raising your money as well as relevant core costs. (Look up "full cost recovery" on the web for more help with calculating the full costs of your project)

We are still a long way from knowing yet who will give us the money, and for many smaller organisations their local supporters and some local charitable foundations are the most productive sources, certainly while they are starting up.

6. Why do today what you can put off 'til tomorrow?

We have all done it; the trouble is that too many funding applications arrive too late. How many of you reading this procrastinate, do anything rather than get down to the serious business of raising money? Better to take the medicine, confront it head on and get on with it. Late, short notice applications are much more likely to fail.

7. Ego and self awareness

Funders know when people are trying to save the world single handed. Typically this might look like unbridled success, with organisations taking on more and more work with seemingly no end in sight. It might also manifest as excuses for providing a service that others already provide equally well, but somehow yours is intangibly better or more relevant to "the client group". In the under resourced organisation, an inability to delegate may often ring alarm bells with funders. It is our inalienable right to set up our own charity rather than work with someone who already serves our agenda. People will keep doing it, but don't expect funders to fund it.

Laying a few myths to rest...

Maybe you are a beleaguered trust fundraiser who is constantly under siege from your boss who expects miracles, or maybe you are the boss who is thinking of hiring a trusts fundraiser or a bid writer and you do not know if they will be successful or not. What will success look like in these times of economic uncertainty? This is on the minds of every new client we get, so we thought it might be useful to share with you some of our experiences and lay to rest some of the myths surrounding grant making that have been perpetuated in the sector, over the past twenty years and more.

Whilst we have on many occasions achieved a better than one in three return in terms of applications made or amounts requested (one pound received for every three pounds requested), in reality the outcome is very complex, so perhaps it might be better to look at what factors can make or break success:

It is a "numbers game"

First of all, trust fundraising is most definitely not a "numbers game". You are no more likely to succeed if you submit a hundred and fifty bad applications than if you only submitted one. Indeed it is possible to get what you need by only submitting one application if it is good enough (all other things being equal). However, success may be denied you because of unforeseen circumstances, such as how many other applications the funder received and how good they were compared to yours. There are individuals and companies out there who promise you results, maybe on a 'no win no fee' basis, or who promise to secure a proportion of a target, achieved by mailing out hundreds (yes hundreds) of poorly targeted bids to funders on the basis that a percentage of them must come good. Statistically this may be true, but you have to ask if the damage that this approach does outweighs any benefit accrued in funds raised.

Quick wins

Sometimes called "low hanging fruit", there is no such thing as a "quick win". Behind every apparent "quick win" there is a relationship of trust and achievement that repays years of effort. Put simply, funders will give you money because they know and trust you and you will spend it wisely and well. For the new member of staff arriving on their first day, there is the notion that they arrive with legions of contacts who will give for no other reason than the fact that you personally asked them. The boss just wants his or her problems solved and you are seen as the solution to their problems. If you really did have contacts of that calibre, they would not be your contacts for long.

Public versus voluntary – it is not the same

Public sector bid writers work to a different agenda. If you are in the not for profit sector and your prospective boss, employee or consultant only has experience in the public sector, beware of the expectation that you can simply translate success in one area to success in another. Whilst the principles that underpin bid writing in the not for profit sector apply generally to all charities, there is a different approach in much of the public sector. Sometimes government and EU funding is allocated on a region by region basis, with the flagship projects earmarked for funding and funders soliciting applications from other organisations they would expect to see applying. The bid writers then have to make sure they follow the guidelines so there is no comeback later on. That is a world away from bid writing in the voluntary sector... For us there is no certainty of success, and whilst there might occasionally be a case where funders solicit applications for specific funding streams or initiatives, it is certainly not a given that the funds will flow. Beware the company or individual that promises you success on a 'no win no fee' basis. If it seems too good to be true, it probably is.

Track record

If you have a track record stretching back several years, you will be able to analyse in broad terms what your average score is as a percentage of applications submitted (your attrition rate). You will have a better idea of what works and what does not in terms of the bids you have submitted, both how strong your case is and how well written it might be. It is possible to secure a grant with a badly written bid if your case is strong enough, but we would not rely on it! Remember though, funders like to ring the changes from time to time, both in terms of who and what they like to support. They also like to achieve a balance of causes to support, so what might be a priority this year may not be so next year. If you have no track record with funders then you are effectively an unknown quantity and will have to work that much harder to present a winning case to them, as well as reassuring the funder you are worth their investment.

Finances
This is potentially everyone's problem...

Too much in reserve?
Too much money in the bank and the funder will think you are not as needy as another organisation that is not so fortunate as you. This is less of a problem these days, with so many charities running a deficit.

Too little in reserve?
Too little money in the bank and the funder will wonder if you will still be around in a few months time to spend their money effectively. This is becoming an ever more critical factor as general and core funding dries up.

Funding in decline
Funders can spot when income is in decline, when statutory funds have been cut; that is why they want to see your accounts. However, if you have a good plan to manage your way out of difficulty or you have genuinely rethought the way you work so that you can be leaner and more effective, that may just make all the difference.

Core versus project funding
I know, I have done it myself – tried to dress up yesterday's work as a new "added value" project. Many people confuse core funding with the very necessary project overheads and the staff costs that you need to find in order to pay someone to do the work. Get advice on full cost recovery, funders will be pleased you did!

Too much success with corporate or high net worth donors?
Some trusts are now using this as an excuse not to fund you.

Competition
There was a time when most organisations only worried about who else they might be competing with to deliver their services. Now, the funder not only expects you to be aware of the competition for funding in your sector or discipline, they also expect you to be partnering or collaborating with your competitors, sharing resources to deliver your services more cost effectively. Worse still, as the applicant, you are not just competing with other providers in your sector, you are competing with EVERYBODY! Most funders are multidisciplinary, so funders looking for projects that deliver greater leverage or impact may decide that another organisation can achieve greater outcomes, even if they are not working in the same sector or discipline as you.

'Unique' is one of the most overused words in the voluntary sector – sadly it is also often the most misquoted. Everyone thinks their work or their projects are unique; they rarely are. Even if there is no one doing what you do in your neighbourhood there is a very good chance that someone elsewhere is. We had a case recently where someone thought they were using brand new technology, which we had seen applied on another project eleven years earlier. In another case an organisation doing work they thought was unique was approximately 600 yards from another charity doing the same work and neither knew about the other.

Governance

Many organisations either have too few board members or too narrow a range of skills on the board (sometimes both). This can result in failure to manage properly and can leave the charity open to all sorts of problems caused by overwork or ineptitude, however well intentioned the people involved might be. Funders might turn you down for no other reason than you seem to be badly governed. Beware also the charity whose board only reflects the work of the trust - e.g. ten trustees of a medical charity who are all doctors. You do not need to replicate the skills and experience of your staff, volunteers and clients, but you do need people who know how to manage – perhaps with legal, personnel, fundraising or finance skills. Get some fresh blood on the board. Better still get some YOUNG blood on the board as well. There are not enough young people learning the ropes and becoming the governors and trustees of the future. Give them a chance. The entire board of the British Youth Council are aged under 26, and they seem to be very effective.

SECTION TWO - EXTERNAL FACTORS

Funders' expectations
You may be applying to any combination of charitable trusts, the National Lottery or to statutory grant makers for funding. There is increasing convergence between these funders' expectations of what makes a good funding bid.

What are the funders looking for?
Impact
You may be a small organisation but many small organisations punch well above their weight and are very influential. How many times have you seen the phrase – "how does your work influence policy or procedure?", or words to that effect? In all walks of life, but particularly in the public and voluntary sectors, individuals and organisations are constantly and needlessly duplicating resources or reinventing wheels, often because they have not been made aware of new ideas and good practice just down the road. In wanting their funding to work hard for them, funders want to share innovation and good practice as widely as possible. If as part of your bid you can achieve that aim for them, then so much the better.

Leverage
Every pound that funders invest must work hard in other ways too. Of course funders might say that you do not need to raise match funding in order to secure a grant. There is no doubt however that funders welcome their modest contribution achieving the desired outcome, and the more modest their commitment, the more money they have available to help other organisations on other projects. Of course you have to start somewhere, but the more you can demonstrate financial independence the better – don't forget to count all the in-kind support you might be receiving, which you would otherwise have to pay for.

Making a difference
Put simply, most funders state that they want their funding to *make a real difference* to an issue, a cause or the solution to a problem. The bigger the difference, the stronger your chances of success.

Innovation and creativity
The government will never be able to match taxes raised to societal needs and come out on top. However the government is well aware that inefficiencies, duplication of services and lack of cross-sectoral dialogue all result in services not being as effective as they might be, leading to wasted resources. The straitened economic times we live in demand even more cost cutting and the government of the day seems to have an almost insatiable appetite for new ideas and approaches to old problems in the name of efficiency. For example, the government believes that many of our problems could be solved by greater use of ICT (information & communications technology), particularly in education and health, and is prepared to throw billions at grandiose schemes to deliver these "efficiencies", often failing in the process. You can do your bit to help by ensuring that the latest technology is harnessed in every aspect of the creation and delivery of the services you provide – where appropriate of course!

User consultation and user leadership

Many of us have grown up in a very paternalistic "the state knows best" environment, which has often failed to keep up with changes in society and the needs of ordinary people to be heard. There have been so many examples of needless waste and duplication that funders now insist that services more closely match the needs of the communities they serve. They therefore insist that the community is consulted in a realistic and meaningful way about how any new projects and services are planned. Many individuals and organisations pay lip service to this but really robust consultation is about you going to the community and not expecting the community to come to you. Funders are looking for evidence that you have engaged with those members who are hardest to reach – variously described as socially excluded, the underclass, whatever. Expect to consult people in pubs, betting shops, takeaways and corner shops and try to find ways of engaging them that do not involve buttonholing people with clipboards in the street. Projects where there is no evidence of effective consultation are unlikely to be funded. The best projects emerge from members of the community articulating their own needs most effectively, becoming leaders or champions of their own projects.

Truth versus propaganda

I read the news feeds, the sector magazines, the interviews, 'Hello', 'Chat', 'Bella', 'TV Quick', 'Tractors Unlimited' (OK, maybe not that one). You name it, I read it. Trouble is they only tell me what they want me to hear. When it comes to funders, you have to ask yourself, "Am I going to take no for an answer? Can I get my message across in a way that will attract their attention? Are they testing me, seeing how easy it is to put me off applying?" Rules are there to be at least bent if not broken. Rules are reasons to fail you. If they want to fund you, who needs rules?

Being a nuisance

Will I be successful or will I just be a nuisance? How long have you got? My watchword is, treat funders with respect and courtesy, certainly as you would expect to be treated. They are people too. There is very fine line between being persistent and being a nuisance. You will only know you have crossed that line when you have crossed it, and by then it is possibly too late to make amends. (I have done this) All you can do is back off and move on.

'What if…' (our fallback plans)

What if you only get some of the money you need? This is often more difficult to cope with than not getting any money at all. What will your fallback plan be? Can the project operate on a smaller scale or be kept open for shorter hours etc. You will need to think through very carefully how much can realistically be achieved on a reduced budget and be ready to share this with funders if required. Remember it is not only about scaling back the programme it is also about what impact that might have on your expected outcomes.

It is not just about money

Though they do not realise it yet, the moment anyone has to rely on some external source to fund their project or their organisation, the dynamics will change forever. Yes, fundraising is about trying to raise money. However if that is its only focus you are missing two significant opportunities.

Fundraising inevitably becomes public at some stage, so why not embrace the opportunity to tell the world your story? That way, you raise awareness as well as money, and that makes raising more money that much easier. Your stock increases, your ability to influence increases, people and

organisations begin to seek you out and before you know it you are flavour of the month. Handle your new found fame wisely. It won't last. It never does.

Successful fundraising is also about creating and managing change. Your organisation will change; there is no doubt of that. What it becomes is within your gift. You have the opportunity to reassess why your organisation was set up and what it set out to achieve. You will be challenged as to how effective you REALLY are. You may be found wanting. If you embrace partnership and collaboration, you have the chance to influence change for the better. Your clients will benefit. There may come a time when your organisation is no longer the best agent of change for your clients. Embrace that, after all what is more important, your organisation's survival or the good work that you do?

Personalities

Lastly, there is a lot to be said for that good old fashioned, hard to measure, gut feeling – are you the kind of people we can do business with. If you never make contact with your funder, you will never give yourself the chance to find out!

SECTION THREE - BUILDING YOUR CASE

Remember our three fundamental questions in the introduction?

- What do you want the money for?
- Who is going to give it to you?
- Where are you going to get it?

The case is effectively the answer to the first of these three questions. We always advise our clients to produce a generic case that covers all their needs and use this as the basis of future fundraising applications – corporate individual or institutional. Having heard that one should not send identical applications to a range of funders, some of our clients confuse the generic case with the funding bid. They are quite separate. However, if you do not have a generic case then you risk what is known as "mission creep" where, as the phrase suggests, you modify your aims to meet the needs of the funder. This is dangerous as, without a generic case, there is a temptation to do this with every bid and very soon you end up with a dozen or more versions of what you do and no one agreeing on which is the right one. In addition, it adds hugely to the workload to have to reinvent yourselves on every bid you write.

First of all, we need to look at what makes one case stand out from another. This is crucial because assessors examine dozens of applications each day and some causes are more popular than others. We live in a competitive world and we need to develop a case that will jump off the page and stand head and shoulders above its competitors.

Be careful to avoid anything that might be described as "a triumph of style over substance" – funders are not looking for deathless prose or glossy photographs. Most funders are under-resourced and they do not have as much time to devote to assessing bids as they would like, so you have to get your message across in as short a space as possible.

You will be competing for funds with people who have got the application process down to a fine art – when everyone is world class it makes it that much harder to compete. Nevertheless there is still only one winner in a world-class contest and your job is to make sure that your application guarantees you that place in the final.

Before we get down to the specifics of your case, we must first look at some of the principal elements of a "winning bid". You need to write bids that are:

Cogent **–** Remember those précis exercises you did in school – what was the point of them? I wish I had known then that years later I might have to reduce a four page case for support to 250 words, in order to get paid – I might have paid more attention! And we have all seen those bids where, in order to conform to space standards, the writer has stripped out all the paragraphing, reduced the font to six point and got rid of all the margins. Take a leaf out the Sun newspaper (I don't agree with their politics); they can say in a six word headline what the Guardian or the Times might tell you over two pages. The old school approach is to write in the third person, in passive sentence structures, taking three times as long to put your point across (*e.g. The Charity exists to be receptive to the needs of its beneficiaries*). Write in the first person, use active sentences and Saxon language and be direct. You are responsible for the work you do, so use the first person when writing (I or

we). And while you are about it, stop repeating the name of your organisation in every other sentence. We only need to hear it once! There are many more tricks here; make sure the last edit is done by a good writer who can focus more on the structure of your argument, and less on the content.

Robust – I had a case recently where someone had written "If we secure this member of staff we will be able to double our capacity to deliver our services". 'Double' is shorthand for increase, but do we really mean double? Could we possibly mean treble or quadruple? These kinds of phrases are lazy – justify what you do and put some hard numbers or real percentages in, and back up your facts with reference points. Too many times I see applicants assume statements of fact that go by unjustified. Who has done their homework here: "Our project will cost £50,000", or "Our project will cost £37,943.22"? If the funder doesn't know you, they need to have confidence in your arguments.

Emotive – If we assume for a moment that five organisations are competing for funds for similar projects and that they all have a cogent and robust case, then the one that will stand out will be the emotive one, and that is why it is so important to get that passion across as well.
Where's the passion! Use Saxon language! "*We feed old people, we do not provide a range of nourishing options to sustain people in their advancing years*". And while you are about it, don't keep putting exclamation marks every sentence, like wot I did!

What needs to go into the case?
The best cases should leave no doubt in the funders mind that everything has been addressed. The exact ordering of information varies from one funder to another but, for the purposes of this workshop we should look at the elements in this order. This is designed to pre-empt any questions the funder might put to you. You need to get your case straight onto the action pile (as opposed to the rejection pile) so your needs should be clear right from the start. Many of the questions below will be familiar from applications you have either prepared or seen in the past.

The need
Why is your project needed? Who will benefit and how? How are they currently disadvantaged? What kind of difference would your work make?

About you
Why are you the right organisation to do this work? What are your long term vision and shorter term aims and objectives? What is your track record, past successes? What kind of a difference do you make? How influential are you? How effective and well managed are you?

About your project?
What do you want the money for? How will it address the need you have identified? Who will manage the project? What are their qualifications? What will success look like? How will you measure it? What lessons do you hope to learn from it? How will these be applied to future work? What will it cost? How long will it take to complete it? Where do you expect to secure funding? Who else have you applied to for funding? What is the outcome of these approaches to other funders? With particular regard to the last two questions, it always pays to be honest, mention your other approaches and say if you have not yet received any match funding.

In addition to these basic questions, you need to be ready to address some additional points which funders are particularly interested in:

Process versus outcomes
Most applicants still struggle with this one. Don't dwell too much on what you do or how you do it; make sure the funder knows what *difference* your work will make to those who benefit from it. If that is a small number, think about how your project can influence other providers of similar services, perhaps as a blueprint for a more effective solution to wider societal problems. Then think about how you will go about getting that message across to others.

Exit strategies
I often come across organisations that set out with the ideal of providing for a tightly defined need for a tightly defined client group. Of course people's needs are complex, and, swept along either by guilt or emotion, organisations indulge in what some describe as 'mission creep'. Before you know it they are trying to provide for all people in need from the cradle to the grave. Worse, these same organisations then expect the funder to pick up the tab for all of this indulgence. The funder is not there to prop you up. Part of knowing that their investment has been worthwhile is in knowing that the organisation they have funded has found or will find, as a result of their investment, a long term solution to the problems the organisation seeks to address. If you don't have an exit strategy yet, you should be thinking about finding one. Another organisation, perhaps the government, could be persuaded of the need to invest in finding a solution to the problem, if the benefits outweigh the need for their investment.

Evaluation
I wish I had a small brown coin for every time I come across an organisation that does brilliant, groundbreaking work and cannot prove it, because their monitoring systems, if they have any, are not robust enough. When these are evident, there is often only a short-term follow up period whereby success is monitored. Whilst I recognise that longitudinal studies are not always easy to conduct, you should be documenting every successful outcome as you go along, not only to prove that you are good at what you do, but also to note when other people think you are good too. If funders do not know you personally, they might measure you by the company you keep and what that company thinks of you.

Academic partners
Leading on from the last section, any evidence you can provide that your outcomes are being studied and commented upon as part of a rigorous academic study will further benefit your case. If you do not already have an academic partner evaluating the work you do, then think about finding one. As well as the academic study, these partners bring additional benefits in terms of telling your story far and wide, endorsing what you do and providing access to funding streams for which you alone might not be eligible.

Partnerships and collaboration
Problems with partnerships and collaboration are legion. That is why they do not work as well as the government would like them to – despite it being for so many, the holy grail of joint working. As a certain D Rumsfeld put it, there are knowns, known unknowns and unknown unknowns. Our problem is that most of the partnership potential, innovation and opportunity is in the third category. The most exciting partnership opportunities come when you work with someone in a different sector and discipline to your own. That is where we learn something really new and groundbreaking. So where are you going to find them? (We have a remedy for this. Spend at least one day a month outside your comfort zone. Take yourself off to a conference, exhibition or

networking event that is not in your discipline, or contact us to help you find some really interesting partnership opportunities you had not previously imagined).

Good applications need to be lots of other things too, but if you have got these right, you are on your way!

Building a case should be a collaborative exercise, even if one person does the initial draft. It serves a number of purposes beyond being a document to present to funders. Building a case can be a very cathartic experience and has been known to:

- Help clarify the focus and direction of an organisation
- Help clarify its priorities
- Throw out old myths and preconceptions
- Reposition the organisation entirely

Whatever you end up with, the case must encapsulate:

- A realistic vision of the future
- An *investment* opportunity in its widest sense - you want people to sign up to what you are setting out to achieve.

A good case should also:

- Be challenging
- Highlight one priority in a world of needs
- Put that priority in peoples' minds
- Be a two way street – be also about ways of engaging the audience in your project (especially important for corporate approaches)
- Be about **winners and solutions** not **victims and problems**
- Make you stand out, highlight what is different about you

Initial drafts of your case should be shared internally, certainly before you talk to your first donors or grantors. Even at this stage your case will be far from complete. You should then provide detailed information on the projects for which you are seeking funding. Once all the data you need has been gathered and ordered you can begin to think about cutting it down to make it a manageable read. There is no hard and fast rule about how long a case should be, but most funders expect no more than one to six sides of A4, with the average around four sides A4.

If you do not get universal support for your project within your own organisation, you may be caught out by a casual question from a prospective supporter (it can happen any place, any time, a casual conversation in a lift, at a reception...), and you can say good-bye to a donation - or worse! Universal means everybody - volunteers, staff, clients, partners... So you should share the later draft with anyone who might meet your donors too. They will thank you for involving them, which helps build good staff/volunteer (don't forget volunteers) relationships.

In the introduction we mentioned that you would have three very practical tools to use on your funding applications. The case document is the first of these.

SECTION FOUR – SETTING AND AGREEING THE BUDGET

How much do you need to raise?
By now we have covered some of the basic principles of fundraising and we are well on the way to completing our case document. Your funders will then want to know how much you need to raise. We are certain that after you read these notes your target will have increased!

Some charitable trusts build in exclusion clauses as a way of managing the number of applications they receive. What this means is that if you apply this year you are effectively disbarred from applying again for anything up to five years hence, even if your application was unsuccessful this time around. It is vital then that you argue your case as well as possible and make sure you apply for everything you need in one go, as you may not get a second chance with that funder for a long time. This also reassures the funders that you have thought of and planned for every eventuality. If you have an opportunity to apply for three year funding you should do so.

To help explain some of the issues concerning budget information in these notes, we have used an imaginary example of a museum/heritage site needing substantial development. This will involve a new building, interpretation, access, marketing, staffing and ancillary services costing upwards of a £1m. The promoters also have plans for future expansion.

Building confidence
Applicants hardly ever ask for enough. This applies to almost every project we have ever worked on. Some people become daunted by a large target figure. However it is a mistake to think that going for a smaller figure will be more appealing to funders. First of all they will wonder if you have covered every eventuality. Secondly, they will decide how much they will grant (if at all) and may offer you a reduced figure anyway. This may leave you with barely enough to complete any of your project plans and you have effectively closed the door on top-up funding later.

Funders are busy and under resourced organisations. The more work you can do in terms of demonstrating how effectively you have spent their money, the less they need to do. This often translates into regular funding (over three years or longer), simply because you have gained a reputation for spending their money wisely and yours is therefore one less application they need to police too closely.

It is better to put everything into your target figure at the beginning and then look for a greater variety of funders to meet that target. However, everyone seems to have a different interpretation of the term “everything”… Overheads and c ore costs need to be recouped as well, or your organisation will not have the staff or equipment in place to complete the project for which you are seeking funds.

In our workshop example, our fundraising target was set initially at £300,000; we find out later that the total budget for the project is actually £1m (it will be more, as you will see later). But, our client tells us, they already have £700,000 on the table from the lottery to pay for some of the capital costs so they have not counted that in.

In terms of building confidence with the funders, it is much better to say you have a target of £1m but have already secured 70% of it, than to say you have a target of £300,000 but have yet to raise

any of it at all. Few funders will give you 100% funding anyway, even when they advertise that they might consider this. Your target therefore should always be *the full cost of the project*. We will now look more closely at what is meant by full costs. You can get very technical about "full costs" and this is best covered in the ACEVO "Full Cost Recovery" publications. However, for the purposes of this exercise, we will keep it simple.

What goes in to your budget?

Income and expenditure

For the purposes of this exercise we are regarding income as all sources of funding that will develop, launch and sustain your project. Therefore, in terms of your funding needs you will need to know if there is any shortfall between income projections (trading income - box office/gate receipts etc.) as well as grants and donations, and your total expenditure. Put simply, both income and expenditure should be viewed holistically.

Sustainability

You may recall from our earlier note on fundraising principles that people get hung up on the *process* rather than the *outcomes and benefits*. This applies to setting budgets as well. In our imaginary model here, we have a capital cost – the new building, but we also have costs associated with what goes on inside it and who might be using it. Funders are looking for outcomes and evidence of sustainability. If you are confident that your project will be self-financing once the initial costs have been met then that is fine. However, this is rarely the case and once initial funds have been exhausted, usually in years four or five, you will need to fall back on top-up funding from elsewhere. By then you may have decided to expand your work programme. Most organisations have ongoing funding needs but forget to factor these in to their thinking on individual approaches to funders.

So, when costing your project, make sure you include everything you need under these headings:

Capital costs

You may not need money for buildings but you might need some for equipment – computers, minibuses etc. the full costs of maintenance and depreciation should be taken into account when costing these and adding the total to your fundraising target.

Revenue costs

This should include:

- Marketing
- Staffing
- Catering and retail/merchandising opportunities

What about office costs, transport, insurance, legal fees...

Core costs

How are you going to recoup the core costs of your organisation? For example recruitment and finance staff may have spent time working on this project, finding staff, setting budgets, reviewing returns etc. their cost should also be apportioned.

Inflation
You should always try to budget for three year's costs, so don't forget to include something for inflation. Most organisations will work with 3% - this fluctuates but should nevertheless be a realistic figure.

Fundraising costs
It costs money to raise money. What about your fundraising time and your expenses?

It's only a target!
You should now have a robust budget for your project, showing all the expenditure attributed to it and all sources of income - grant aid, investment and traded income that you already know about. The gap between the amount you need and the amount you have is the amount you need to raise.

However, the *total expenditure figure* is your fundraising target. It is probably much larger than the figure you first thought of! Don't panic – it is only a target. Large targets can be daunting but at least you will not get any nasty surprises later, because something vital has been overlooked. If you only get 50% of your first (smaller) target, you may not be able to do much with it. However 50% of a much bigger target goes a long way and you can already demonstrate that others have confidence in your project from the pledges or grants they might have made.

Will we reach the target?
Of course it is all very well adding and adding to our target, but how do we know if it is achievable or not? Typically, organisations large and small embark on their fundraising without a clear idea as to whether or not it is possible to achieve their target. It is often harder to spend half the target income than to not raise any money at all. No money means we all pack up and go home – some money means 'what shall we leave out'. It is much better to have at least some idea before we start that our target is achievable, and we can find this out using a table of gifts. This is a device commonly used by voluntary sector fundraisers and consultants to test out their income assumptions.

You will recall at the beginning of this note that we talked about confidence. As well as instilling confidence in our funders it is a good idea to instil a bit of it in ourselves – it will help to reassure us that we are doing the right thing – especially in the early days of our project when a lot of money has been spent on planning and preparation and very little money seems to be coming in.

There are many ways of tackling a table of gifts. There is no right or wrong way of doing this. If we assume from our model that our target is £1m, then in order to reach it we might need:

- One grant of £100k
- Two grants of £50k
- Four grants of £25k

And so on until we reach our £1m.

Remember, the shortest route to our target is to get large amounts of money from a small number of sources. Using our model, which is admittedly very simplistic, we would only need 30 grants or gifts to bring in half our target but would need over 800 to bring in the bottom 30% of our target.

Given that it is unrealistic to expect individuals to contribute more than a few pounds at coffee mornings and raffles, that means we would need thousands of donors or grant makers to help us reach our target. Think of how much organisation that would take and what it would cost us in extra resources.

Happily, with our project, we know that 70 % is already committed so our model now looks like this:

- One grant at £700k
- Two grants at £50k each
- Four grants at £25k each
- Eight grants at £12.5k each

That is just fifteen approaches to reach our target. We are feeling better already! Just wait until you see what we do with this when we look at research and see what impact this has on your planning processes.

Of course you cannot add any reality to this exercise until you know where you will get the money from.

Overleaf is an example of a comprehensive fundraising budget. This is a real example where our initial conversations with the client centred on their immediate need to raise about £100,000. They were shocked and surprised to find that they might need to spend about £1m over five years (twice their initial expectations) in order to maintain their services and grow the organisation. They are still raising money as it does not all come in, in one go. However, with the benefit of this approach they are asking for more with each application they prepare. Many of their applications fail but they can do so much more with the grants they receive because they know where their priorities now lie.

Now you have the second of the three tools we promised you in the introduction – a robust fundraising target and budget for your project.

SECTION FIVE - FINDING THOSE FUNDERS – BASIC RESEARCH

We should now be much clearer about how much money we want and what we want the money for. The final question we need to answer is *where we can get the money from*, so this section will look briefly at sources of information on funding and how we can interpret the information to help us decide if we have any chance of reaching our target.

Research Brief
Firstly, a quick note to remind you that information on funding bids also focuses on *outcomes* not *processes* so make sure you are looking at expected outcomes when potential grant sources are being described. Do you have a research brief? The brief is a tool to help you to find more sources of funding for your project.

Using your case document you need to re-appraise your answers to some basic questions…

1. What do you want the money for?
2. What difference will it make?
3. Who will benefit?
4. How old are they?
5. Where do they live?
6. How will they benefit?
7. How much do you want?
8. When do you want it by?

Once you have established your research brief, this should provide enough information to help you to begin to find the grants you need to make your project run.

SOURCES
Before you get to spending money on research there is much you can achieve these days by using the extensive free resources available to fundraisers everywhere:

Web based resources
Fundraisers will probably need to find information on grants from any of the following sources:

- Trusts and foundations
- Government (national and local)
- Other statutory bodies (Non Departmental Public Bodies or quangos as they used to be known)
- Europe
- The National Lottery

Internet searches are becoming more fruitful these days. Many funders now have their own websites but if they do not, one of the best places to start must be *funding information*, A Norfolk based organisation where you can receive up to date information every month on institutional funding. The rest of the information on the web can be broadly categorised as free or not-for-profit and fee based. A number of commercial organisations provide free information to catch potential subscribers – it is often worthwhile having a look at the information on offer but readers should be

aware that in some cases there is little substance beyond this – they want to sell you their other services.

The Directory of Social Change publishes grant information (trusts and statutory funders) and you can access both sources through their web based services, though the fees are quite substantial. In many cases however, your time would be better spent looking at the sites of the grant bodies themselves.

Local authorities, regional development agencies and government offices in each region also now have web-based access. Standards vary wildly from region to region but most will certainly give you an idea of their regional priorities, backed up by contact information so you are never too far away from someone who can put you in the picture.

Paper based resources

For those of you whose organisations do not run to having your own extensive libraries, your next port of call should be the local business library. Reference sections of local libraries have a mixed reputation. Some quite small branch libraries can carry very useful up-to-date reference material, whereas some larger ones may carry copies that are two to five years old. Unfortunately because a number of grant making trusts as well as government departments change their priorities from time to time, it is not always much use to work from an out of date directory. Major city business and reference libraries are usually a better bet though the same problem does from time to time occur here too.

Once in the reference area enthusiasts can get totally absorbed in all sorts of esoteric directories – Membership List of Working Men's Clubs, Directory of Directors, Kompass Registers, Who's Who, Asian Business Leaders…the list is truly endless (the author's own list of "useful" directories runs to over 230 directories that have some relevance to finding wealth and preparing funding bids). One of the most useful for you anoraks out there that get hooked on information for its own sake is the "Current British Directories" published by CBD Research – but even they haven't listed all of them!

Interpreting the information

In your pack you will find basic information on trust funders in spreadsheet form. In preparing these, we began with a simple research brief (see above) and prepared a short spreadsheet showing the most important considerations we need to make in deciding the priorities for making approaches to funders. Since time is precious we only want to approach those funders who offer the best chance of a quick return. These spreadsheets should be used in addition to any source material you have on funders' specific criteria and presumes that that has been taken into account when the searches were carried out.

Reading (between) the guidelines

There is no shortage of grant funding training courses that tell you to read the guidelines, but what lies behind these seemingly impossible criteria, the lack of encouragement to apply, the hoops and hurdles you need to jump? There is insufficient space here to forensically unpick all the criteria. However, you would do well to remember some basic truths:

- Funders are deliberately under-resourced. Every extra member of staff is a few more grants they cannot make
- Funders are people too, they expect to be treated with consideration and respect

- What you do is not unique –even if you think it is; they have seen it all before
- They want to invest in your success, they are not there just to prop you up
- Rules are there as reasons to fail you
- If they want to fund you, who needs rules

Private funds and closed programmes

Some funders have moved from reacting to applications they receive to soliciting organisations they wish to work with. This may have come about as a means of managing the ever increasing volume of applications with meagre resources, or perhaps when new blood takes over the reins and wants to make their mark on the charity or the issue. Some philanthropists, not merely content with giving money and walking away, want to work at the coalface and see at firsthand how their philanthropy can effect real change for the better. All these reasons and more have contributed to this shift in the dynamics of grant making. You may only be aware of this from reading on the funders' website about some closed or private programmes that you should not apply to. As with the phrase "*we do not accept unsolicited applications",* they may not accept one from you for one of their private programmes. However, if you genuinely believe you have something new and groundbreaking, something that can make a real difference, and you are sure they will not have heard about it, you should tell them. I leave you to work out what you do from there!

So now you have the final tool in your grant making toolbox, a prioritised list of funders to approach

SECTION SIX - PRACTICAL APPLICATION EXERCISES

1. EDITING THE CASE
(Cutting it down!)

Initial drafts of your case may have run to 5, 8 or 10 pages (longer than this and you are in trouble!) Most trusts ask for the information we provide to be kept to a bare minimum. There is a temptation to reduce the margins and font size of our case, and cut out paragraphing in order to condense down the arguments to fit the requirements of the funder. However the resultant dense text can be off-putting and may be counter productive. It is much better to see what we can achieve by editing the text down so we do not lose the content but can get our message across using fewer words.

The following paragraph appeared in a recent draft of a client's case. It contains 113 words.

One reason for this is that patients with kidney disease are very susceptible to heart and vascular disease for reasons that are still not well understood. Dialysis is invasive, time-consuming, expensive, and can be debilitating. The availability of transplantation is limited, it is not appropriate in many cases and even when successful it requires long-term suppression of the immune system. The delivery of care in these settings requires the coordinated input of health professionals from many disciplines. Effective and timely planning of service provision with commissioners is vital. There is much work to be done in all these areas and much we need to learn, if we are to improve the patient experience.

A quick rewrite, without losing any of the sense of the piece and relying on previous paragraphs to fill in the gaps, has reduced this to 81 words.

We still don't know why some patients are very susceptible to heart and vascular disease. Dialysis is invasive, time-consuming, expensive and often debilitating. Transplantation opportunities are limited, inappropriate in many cases and even when successful, requires long-term suppression of the immune system. Care delivery requires coordinated input of health professionals from many disciplines. Effective and timely service planning with commissioners is vital. There is much to do and learn in all these areas, if we are to improve the patient experience.

On this basis a four-page case could be cut to three pages without losing any of the meaning or content. See if you can shorten your case by at least 25%.

2. THE COVERING LETTER

The applications we send out will have a covering letter to go with the case statement and other enclosures requested by the funder. This has three key elements:

1. The first paragraph should highlight the relevance of the application to the funder's criteria
2. The last paragraph should be a request for funding and should be as direct as "Please give me money"
3. The paragraph(s) between should highlight the one key issue or component of our bid as emotively as possible.

Filling in application forms

We only need to learn two other key things when it comes to these:

1. Keep it short and relevant
2. Have you answered the question?

3. WHAT HAPPENS NEXT?

Remember, this whole process is about human communication. You want to develop a lasting dialogue with this funder. You want them to feel valued and respected and you want them to see you in your best light. Make sure you follow up promptly on any requests for information (monitoring and evaluation etc.). Keep the trust informed of your work (but do not become a nuisance!).

When it is appropriate, apply to them again. Make sure that your successes and your ambitions are evident in your second and subsequent applications. One very large charity I worked with were very proud of the fact that one of the major trust funders had funded them every year for six years, each year giving them the same amount (£2,000) to pay for the publication of their annual newsletter. Unbeknown to them they had created a cycle of dependency on this funder, which the funder eventually wanted to break. In short, their support was taken for granted and was going nowhere. A grant from a trust is an investment in your charitable business. The funder wants to see you grow and prosper. It makes their contribution more valuable, so make that growth and prosperity evident in your subsequent applications. Finally, remember your ultimate aim:

Our ultimate aim is to get the funders to come to us, by making sure they recognise the value in giving us long-term support, because they know their money will be spent effectively and we will save them time and effort in ensuring that the rigorous demands of their trustees in monitoring and evaluation of our projects will be met.

I hope you have enjoyed today's workshop and have found it (and these notes) useful in helping to make your bid writing more effective and productive. Good luck with your fundraising.

Isabel White
November 2011

About Isabel and advice2Go

Your workshop facilitator today was Isabel White. Here is a brief summary of her fundraising experience:

Isabel White MInstF

An NCVO Approved Consultant, Isabel founded her own fundraising consultancy business in 1996, after 26 years in the private and voluntary sectors. She operates a network of fundraisers and social entrepreneurs, with a huge breadth of experience, working in the public, private and voluntary sectors. She has worked with over 120 clients, on over 150 assignments and in that time has helped them to raise over £19m. Her own experience covers the arts, (dis)ability, education, the environment, health, heritage, housing, leisure, regeneration and social welfare projects and organisations, throughout England. She has also been a trustee/director of a number of not-for-profit organisations, and served two terms as a school governor, where she chaired the Friends Group and a charitable trust – a small grant giving charity attached to the school. Isabel has worked with young and old people, gay and lesbian people, people with disabilities and special needs, from minority communities, women's groups and marginalized communities. She is a regular speaker at voluntary sector conferences, and workshops, runs training programmes in the voluntary, community and public sectors and regularly contributes articles to leading third sector publications, most recently on future trends in government funding for a leading voluntary sector research organisation.

If you have any additional questions that you did not think of on the day, send Isabel an email at:

isabel@advice2Go.co.uk

APPENDIX ONE - 50 FREQUENTLY ASKED QUESTIONS FROM FUNDERS

About you

1. Who is your organisation?
2. What do you do?
3. What are your achievements to date?
4. What do you contribute to the local community?
5. How many people do you help locally?
6. How do you help your client group?
7. How are you funded?
8. Is what you do effective?
9. Who makes the decisions?
10. Are you part of X organisation? (Why is X not funding this?)
11. Do you have an equal opportunities policy?
12. What role do your clients play in the management of your organisation?
13. What are your reserves?

About your project

1. What is this project?
2. What preparation have you done to date?
3. Is it really needed?
4. How do you know what the need is?
5. Do others do this / provide this service?
6. How are you different to the competition?
7. Why are you the right people to do this work?
8. How does this fit in with your national strategy?
9. Do you have the right expertise?
10. What are the commercial opportunities of this project?
11. Does this fit in with government policy?
12. Is this project value for money?
13. Is what you're doing enough?
14. Are these realistic costs?
15. Could you do this with less money (answer NO)?
16. What would you do with less money?
17. What would happen if the project were not there?
18. What about core or administration costs?
19. How do beneficiaries contribute to this project?
20. Have they been consulted?
21. Can you cope with the expansion that this project will generate?
22. Who else is giving you money for this project?
23. How will you manage loss of income?
24. Where does earned income fit in?
25. Is this project revenue or capital?
26. How do you equate on-going costs to the set up costs?
27. How will you show the results/measure the success of this project?
28. How are you going to disseminate the results of this project?

29. Have you thought through the short-term implications of this project?
30. Is our donation replacing statutory funds?
31. What are you doing to create awareness or promote your project?

About the funder

1. What difference will our money make?
2. Where will our donation fit in?
3. How do you meet our guidelines?
4. Can we visit the project?
5. How will our support be recognised?
6. How are we going to get feedback on this project?

EARTHWORKS RESEARCH BRIEF

We will be searching for grants based on the following specification:

Statutory Grants

Search on:

Children's Trusts, Sure Start, DfES, LSCs, Arts Council, Forestry Commission Grants, DEFRA, Countryside Agency, Environment Agency

Trusts

Search on:

1st search

- Children and young people, from kindergarten to age 25
- Disadvantaged children
- Socially excluded children and young adults
- Children/adults with special needs

Combined with

- Education – pre-school, school trips, out of school activities
- Environment
- Truanting
- Young offenders

2nd search

- Building
- Environmentally friendly building methods
- Re use of ancient skills/techniques – e.g. timber framing
- Learning new building skills
- Eco friendly design and construction – (look at Carbon Trust, Energy Saving Trust, Landfill Tax Credits, Aggregates Levy

3rd search

- Permaculture
- Biodiversity
- Access and interpretation
- Eco tourism

APPENDIX THREE - THE TRUST DATA

In the examples that follow, we have edited out much of the irrelevant data. We will be looking at each entry in detail, using some detective work to try to make our applications as closely focussed as possible, covering:

Grant total:
How to use this to second-guess how much we should apply for

Beneficial area:
Any clues that give us an idea of where their geographic priorities lie

Giving criteria:
How to focus down on their priorities
Whether to ask for specific amounts or percentages

Exclusions:
Projects or organisations that are excluded
Re-applying within a short period

Application deadlines:
When to apply – how close to the deadline

Application processes:
How to bend the rules
What goes into the covering letter
How much supporting material to send
The importance of keeping it short and punchy

Following up:
Keeping them informed
Telling them how successful you are

Trustee information:
Nobbling trustees!