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If you are fundraising for a small amount of money to buy one item or run a one-off event such as a fun day, you may find our information sheet 'Fundraising from local businesses' more useful.



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Planning funding applications

This information sheet aims to support groups making fundraising applications. It can be read in conjunction with our information sheet **Writing funding applications**.

Before you start writing a funding application, it is important to plan the activities you need money for. Writing funding applications will be much easier, and you are more likely to be successful, if you have done some good planning with your group. This is for four main reasons:

- Funders want very specific information about what you want their money for, how it will be spent, and what this will help you to achieve.
- The person or people writing the application may not be the same people running the activities. By involving as many people as possible from your group in the planning stage, you can make sure you describe the activities accurately and have a clear idea about what you will need to ask for money for.
- Having a clear plan will help you to focus on what your group wants to do and how you want to do it, not what you think funders want to hear or want you to do.
- Different funders fund different things. Having a good idea about what you need funding for will help you apply to funders that are more likely to give you funding.

When you are planning your application, you need to think about the following things:

- What do we want to do?
- How much is it going to cost?
- Why is our work important?
- How will we know if we are doing a good job?
- What else will funders want to know about?

The rest of this sheet will take you through thinking about these questions. This will give you ideas when you come to write your application, and will help you find the best funders to apply to.

At the end of the sheet you will find a “jargon buster” glossary to help you understand some of the terms funders use.

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Our Reference Library has a wide selection of books on fundraising techniques and sources of funding.

What do we want to do?

Whether you are filling in an application form or writing an application letter, you will need to describe your plans clearly.

Discuss with your group exactly what you want to do.

For example:

Your group want to run an art group. You now need to decide:

- How often are you going to run it and how long will each session be?
- Who is going to run it?
- Who will it be for and how many people do you expect to attend?
- What will you do at the sessions?
- Will you charge people to attend or will it be free?
- Will you provide materials / refreshments / transport?
- Where will you run it?
- How will you tell people about it?

Many funders will only fund specific 'projects' rather than general running costs. If possible, think about whether you can package your plans as a specific project. This means a particular set of activities with a particular focus (rather than day-to-day expenses of your whole organisation).

For example:

An after-school club has four members of staff, but has lost some income so can now only afford to pay for three. It wants to keep all four, so needs funding for wages. For some time it has been trying to appeal to older children, as most children who attend are under 8 and there is not much locally available for the older ones.

Rather than just thinking of the worker's wages as part of the general running costs, they could frame this as a new project. The name of the project could be: "Engaging with older children".

In order to run the project the after-school club need to:

- *Employ a dedicated member of staff to plan activities for older children.*
- *Run training for all staff.*
- *Buy new equipment.*
- *Gain professional advice from other organisations.*

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They will need funding for one worker's wages and some additional funding to improve their activities for older children.

If you can't find a way to package your funding requirements into a set project, or would find this too constraining, you will need to look for funders that specifically fund running costs.

Similarly, many funders will only fund new activities, and won't fund things you have already been doing. If you need funding for something you have already been doing, think about whether you would like to expand or change it in some way.

For example:

A community football club needs funding to pay for pitch hire. They have been running for a year already and their original funding for pitch hire has now run out.

They have seven people coming along regularly, but really want more people so that they can form a full team and play in a league. They have asked local people, and some have said they don't come because they don't think they are good enough at football.

The club can decide to run a new 'project', focussed on gaining new members, increasing players' skills and confidence, and joining a league.

They will need to pay for a professional coach, publicity, transport and league entry fees. They will also need to continue to pay for pitch hire. Because they are making some changes and expanding their work, they can include the ongoing cost of pitch hire in their new funding application.

When you are thinking about expanding and changing your activities, be realistic. It's no good getting funding for something you actually don't have time to run. If you don't think you can change your activities, or don't want to, you will need to find a funder that funds existing activities and projects.

How much will it cost?

Funders will also want to know exactly what you want to spend their money on. Make a budget for your project or activities. Include:

- A list of everything you will have to pay for, and how much each item will cost.
- A list of any income you are already expecting (for example, from membership fees, donations, grants you've already received etc).

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*The Resource Centre has an information sheet called **Budgets**.*

The Resource Centre has cheap equipment hire and printing for community groups.

***knowhownonprofit.org** provides information about employment law and policies for voluntary organisations and social enterprises.*

*The Resource Centre has an information sheet on **Public liability insurance**. We also have links to public liability insurance providers on our website.*

Some examples of things you might include in your budget:

- Items and equipment to purchase
What will you need to run your project, and how much will it cost? Do you need to buy everything or could you hire it?
- Paying people
Is it a one-off activity you are paying them for, or a regular activity? How much will you need to pay them over a year? To work this out, you need to decide or find out how much you will pay them per hour, how many hours they will work per week, and how many weeks they will work per year.
- Venue hire costs
- Transport and travel costs
- Insurance
You will probably need public liability insurance and may need employers liability insurance. If you own lots of equipment or a building, you may need separate insurance for this.
- Volunteer expenses
Will you reimburse volunteers and committee members for their costs, such as travel expenses or phone bills? Work out how much you will need for this, based on how much volunteers need to spend on doing things for the group.
- Publicity
If you are going to make flyers and posters, try to work out a rough idea of how many, so that you can get a quote for the overall cost.
- Refreshments.

Budget tips:

- Be accurate.
Guessing can mean that you don't apply for enough money, or that your application does not look well thought-out. Get quotes for each item in your budget. Funders may come back and ask you what you have based your budget on, and you need to be able to show them that you have found out how much everything will really cost.
- Don't underestimate.
Trying to make the budget look less than you really need could lead to financial problems that affect the other activities your group is involved in, and funders will be concerned if they think you are not being realistic.
- Don't overestimate.
This can lead to your application being rejected. If it is accepted, and don't spend your whole grant, it will make you less likely to get

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more funding in future.

- Remember to include 'hidden' costs.
For example: insurance, travel, payroll, maintenance, repairs, lighting, heating, and so on.
- Prepare a budget for your whole organisation for a year.
It's useful to do this, even if you are only applying for funding for a few things or a specific project. It is particularly important if you are applying for funding for running costs. It is also useful to know how much you have available to spend on different things and so you don't end up with any sudden costs that you are not able to meet. It will also help you work out whether there is anything you need that you haven't already thought of.

Why is our work important?

Funders want to know that the money they give to groups and projects will make a difference to people's lives. They want to know what change will happen as a result of your activities. Many funders refer to this as the **outcomes** of your project.

Some ideas to get started:

- Ask your group
Ask people who are involved in your group what the group means to them, and what they get out of it, and why it is important in their lives.
- What are the needs?
If your organisation or project is for a particular community, such as people living in a certain neighbourhood or people of a particular nationality, think about what the needs are of your community. Are a lot of people in your area on low incomes, and need access to free community events? Do people of your nationality feel isolated and far from home, and need an opportunity to get together and spend time with each other?
- Collect evidence from other sources to back this up.
You can use statistical information to show the needs of the communities you are supporting. Contact your local authority, police and health authority, or look on their websites, to try to find information about deprivation, crime and health problems in your community. They may have this from the national census survey, or from their own local surveys.
- What is your group doing to meet these needs?
Why have you chosen to do certain activities? How will they benefit the people involved?

See the Jargon Busting section for a definition of **outcomes**

In Brighton & Hove, a lot of information is available at www.bhlis.org. You can also use the **Index of Multiple Deprivation**, which provides detailed information about different problems faced by different neighbourhoods.

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*See the Jargon Busting section for a definition of **monitoring and evaluation**.*

*We have information sheets on: **Monitoring and Evaluation, Reporting to a Funder and Designing and Using Questionnaires***

*We have information sheets on: **Constitutions and Bank Accounts**.*

How will we find out if we are doing a good job?

Once you have worked out what people need and how your organisation is trying to meet those needs, you need to decide how to find out whether you are succeeding at this. This is called **monitoring and evaluation**.

Funders will usually want to know in advance how you are going to do this.

Monitoring means collecting and recording information about what you do as you go along. Examples of this are counting the number of people that attend an activity, and asking them what they thought of it at the end of the session and writing down what they say.

Evaluation means reviewing how things are going or how they went, by looking at the information that you have collected and assessing how worthwhile the activity was.

Funders are interested not only in the numbers of people involved in activities, but also how useful it is for them. For example, you might organise an event for a small number of people, but everyone there gets a lot of support and information and finds it very helpful.

Decide in your group how you are going to record the number of people attending activities, plus any information that shows how people benefited. This could be done through a survey or by chatting to users at the end of the project or the end of each session.

What else will funders want to know about?

Most funders will want to see evidence that your group has:

- A committee
- A bank account
- A statement of your accounts for the last financial year (unless you are a new group)
- A governing document (e.g. constitution, trust deed, memos and articles)

Some funders will also ask for evidence of:

- Insurance
- A health and safety policy and/or risk assessment
- An equal opportunities policy
- A child protection or safeguarding policy if you work with children or vulnerable adults

*The Resource Centre also has information sheets on **Equal Opportunities Policy** and **Disclosure and Barring Service (DBS)**, and sample policies and links to sample risk assessments are available on the website.*

*Go to **Favourite Funders** on our website or in the Centre for a selection of funders that fund local, small to medium-sized local groups*

*Our **website** also has links to other useful fundraising websites.*

***Trustfunding.org** is a subscription website available for use in the **Resource Centre**. It is a searchable database of over 4,000 trusts .*

*See the **Jargon Busting** section for a definition of **beneficiaries**.*

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Choosing the right funders

There are different types of organisations that give grants to community and voluntary organisations. These include large charities, statutory organisations (such as local councils), private companies, and trusts.

It's really important to choose funders that support the kind of activity you are running. It's worth spending more time choosing the right funders, rather than wasting time writing applications to organisations that are unlikely to fund your group.

Check a funder's eligibility criteria and guidelines

When looking for funders, read their **eligibility criteria** or **application guidelines** very carefully. This is generally where they say what kind of thing they do and do not fund, and what their priorities are. This might include:

- what kinds of **activities** they want to fund (e.g. sports, arts etc)
- what kinds of **people** they want to fund things for (e.g. children, or people living in a certain local area), and
- what kinds of **benefits** they want the activities to have (e.g. improving people's health, or helping people learn new skills).

The more closely your project matches the priorities of a funder, the more likely you are to get funding from them.

Before applying to a funder, make sure you check the following:

- Do they fund projects in your area?
- Are they looking for projects with particular aims, outcomes or benefits? Do these match your aims, outcomes or benefits?
- Do they fund projects for particular groups of people (**beneficiaries**)? Do their beneficiaries match the people you are working with?
- Do they fund the kind of activity you want to run?

Remember, no matter how good your project is, funders will only give you money if what you are doing fits in with their own aims.

How much money will the funder give?

Different funders give different amounts of money, and some will only pay for certain things. It may make sense to apply to several different funders for different things you need to pay for. For each funder

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you are considering, find out:

- What size grants do they give?
Try to find real examples of grants they have given in the past - these are often available on funders' websites, or ring them up and ask. This will give you a better idea of how much they really give than looking at the maximum amount they allow you to apply for. Many funders rarely actually give their maximum sized grant, so it's better to be realistic than end up disappointed.
- What kinds of things can you spend their money on?
For example, if you need money to pay wages, do they provide this? If you want to buy equipment, do they pay for this?
- Will they fund a whole project, or do they ask you to get some of the money from other funders?
*This is called **match funding**. Some funders will only give you money if you can show you have also got money from elsewhere.*

*See the Jargon Busting section for a definition of **match funding**.*

What information do they want, how long will it take and when is their deadline?

You now need to check whether the funder will be able to give you a grant in time for when you need it, and that you have time to complete the application process. Check:

- When is their next deadline? How long do they take to make decisions?
- How complicated or long is their application process? Have a look at their application form if they have one.
- What kind of reporting or monitoring do they expect from organisations they fund? How much information will you need to give them about how the project is going once you have started?
- What else do you need to include in your application?
For example, will you need to send copies of your equal opportunities policy or child protection policy? Do you have these ready? Will you need to send accounts? Some funders have more paperwork requirements than others - check that you have everything you will need.

*Do you need your accounts independently examined?
If your group is based in Brighton and Hove, the **Money in Mind** project might be able to help.
Contact the Resource Centre for more information.*

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Jargon busting

There is a lot of jargon associated with the whole funding application process. Here is a glossary to help.

Match funding: funding from more than one source for the same project. Some funders will require this.

For example, they might say “We will give you half the cost of your project, but only if you can raise the other half from another funder”.

Capital costs: items or equipment you need to buy, build or repair. These might include items for your group to use, such as bicycles or computers, or repairing or renovating a building.

Revenue costs: things you need to pay for that are not physical objects or buildings. They include salary costs, refreshments, volunteer expenses, venue hire and publicity.

Beneficiaries: people who will benefit from your project.

Outcomes: the benefits that happen as a result of your work. They are the reasons for doing your project.

For example, if you are running a children’s cooking project, an outcome could be: “local children have a better understanding of healthy eating and nutrition”.

Outputs: what you actually do to achieve your outcomes.

So, in the example above, an output could be “running ten cookery classes for twenty local children”. When funders ask what your outputs will be, they are asking what you are actually, specifically, going to do.

Indicators: the things you will measure to find out whether you are achieving your outcomes and outputs.

For example, an indicator of whether you are achieving the output above might be “the number of children attending cookery sessions”. An indicator of whether you are achieving the outcome above might be “reponses to children’s quiz about healthy eating”.

Evidence: facts and proof that back up your claims.

When applying for funding, evidence will be needed that the people your project is for are facing particular needs or problems which your project will help overcome.

When reporting to a funder who has given you a grant, you may need to provide evidence that you have done what you said you would do. This could include survey responses, registers of attendance, photographs and receipts.

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Qualitative data: information about what people think/feel/experience etc, about your project.

Quantitative data: information that you gather through your monitoring about things you can count, such as the number of people attending.

Monitoring: the methods you use to find out how your project is going. They might include taking a register of participants or doing a survey of your members.

Evaluation: everything you do to consider how your project is going.

You can do it on an ongoing basis - for example, by having a discussion at a committee meeting about how things are going.

You can also do it at the end of the project, by looking back and thinking about what went well and what you would improve next time.

It is important to remember what you were aiming to do at the beginning of the project when you are doing an evaluation, so that you can check to see whether you are doing what you set out to do.

You can use information you gather as you are running your project, (**monitoring**), to help you to do your evaluation. This is why the two are often referred to together as **monitoring and evaluation**.

Together they mean gathering information about how your project is going, and then looking at it and assessing what is going well and what could be improved.