

Faith And Society Files: How do we raise funds?

Helpful practical advice for churches seeking funding to enable them to undertake projects and activities.



How ... do we raise funds?

A Christian approach to fundraising should bear the following in mind. Approach fund-raising:

- » **Prayerfully**
Right Motive (watch money-grabbing!)
- » **Strategically**
Right Time (be aware of application and spending deadlines)
- » **Faithfully**
Right Focus (dependence on God not Trusts)
- » **Transparently**
Right Purpose (watch the bending of projects to suit money)
- » **Purposefully**
Right Vision (based on need – not 'funding led')

1 Sources of funds

These can be many and various:

- £ From group members through donations and subscriptions.
 - £ Grants or 'in kind' donations from organisations such as businesses, charitable trusts¹ and government bodies.
 - £ Church-based projects may sometimes be co-sponsored by agencies such as Spurgeon's Child Care.
 - £ Other churches who are interested in partnering the project.
 - £ From the public - through sponsored events, jumble sales, fêtes, socials etc.
 - £ The Baptist Union makes small grants of up to £3000 for new Mission Projects. Any mission project will be considered but priority will be given to creative evangelistic projects and initiatives that alleviate the causes and effects of poverty. Get in touch with your local association for details.
 - £ There are several sources of funding for building projects available through the Baptist Union. Contact the Baptist Union Corporation for details.
 - £ Don't forget you can claim back Gift Aid on any donations and subscriptions provided the giver has signed a Gift Aid declaration.
 - £ For large projects the European Regional Development Fund or the European Social Fund may be willing to be involved.
 - £ Entrepreneurial Activity from people or projects within the church may help to fund a separate project.
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- 1 Please note that the Baptist Union of Great Britain is opposed to the National Lottery and therefore does not recommend that church groups apply for funds from this source and is unable to offer advice on how to do so. However it is important to note that Lottery proceeds are often applied to a number of locally administered grant bodies such as community chests / children's fund etc.

2 Research

You will have done some research before planning your project or activity². It may be necessary to do some more before you apply for any grants; survey results from the community are helpful to show both yourselves and trusts that you are responding to a real need. Also write or talk to the following people:

- » Local authority officials, for example those in the social services, education and/or planning departments. It may also be useful to talk to one of the local probation officers, or the police, depending on what your project is.
- » Representatives of the local Chamber of Commerce.
- » The managing director of any companies with a significant presence in your area.
- » The staff of other voluntary organisations which either work in the same neighbourhood or do a similar kind of work.
- » Your local councillors and, where appropriate, MPs and MEPs.
- » It is a lot easier to work with local government agencies or Local Strategic Partnerships (LSP's) than to try and operate outside of them; this also gives you a link into government workings.
- » The Council for Voluntary Service in your area.
- » Last but not least, you should talk to local clergy or other church officers.

Finally, investigate the grant-making policies of particular trusts. You will discover the types of work they are interested in supporting, the areas of the country to which they give priority and the levels of grants they tend to offer. It is really not worth writing to a trust unless you are sure that your project meets all its criteria. Your local Council for Voluntary Service may have access to the funder finder computer package; you provide certain details about your project and the database suggests trusts to which you might write. This can save many hours of working through directories. However, do check the trust's details in a directory before you write.

When approaching trusts, it is helpful to get the manager of big trusts to come and visit before applying for funds. If they come on board the grant is liable to be larger and sustained if there is personal interest and knowledge of the project.

3 Produce a budget

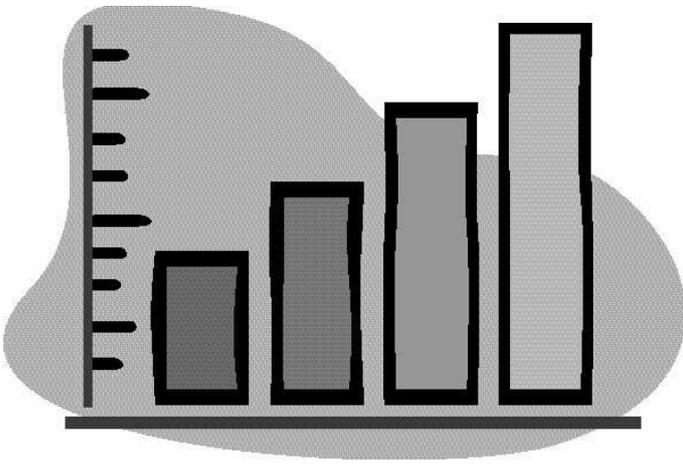
A budget is an important planning tool. It is a comprehensive list of all the items on which you expect to spend money during a particular period, usually a year.

Divide it into two sections:

- 1 **capital items**, for things that you will probably only pay for once, such as furniture, office equipment, the cost of refurbishing a building, telephone installation etc.
- 2 **revenue items**, for recurrent expenditure, such as rent, salaries, stationery, heating costs, telephone bill etc.

Avoid lots of £000's which tend to indicate that you are guessing at costs. Try and be as precise as possible with a few £1.42p's!! Indicate the source of your figures with references if possible, and bear in mind whether or not they include VAT as this may change the amount you need considerably.

² If you have not done any community research and are unsure how to go about it, a leaflet on this topic is available from the Faith and Society Team.



4 Written requests for funds

You should give careful thought to any fundraising letter that you send. People who administer grant funds are usually extremely busy and receive many applications for money. It is most important that your material is easy to read, well laid out and readily understood.

To Government bodies

It is sometimes possible to obtain grants for revenue expenditure from this source. If you discover that your application is to go before a council committee or LSP, you may want to ask your local councillor to speak to the committee members on your behalf. You might also consider sending a copy of your prospectus (see below) to all the members of the committee.

To Trusts

In normal circumstances your mailing should consist of two documents: a **prospectus** and a **covering letter**.

» **The prospectus** is a document that can be sent to a number of funders. It presents your project. In it you should set out as clearly and concisely as possible the need your group is trying to meet, including a summary of any research you have done on this, the difference your activities are going to make, and the abilities that your group brings to its task. A funder will want to know how many people will benefit from the project, their age, their standard of living, perhaps their ethnic identity. He or she will

also want to know how long the project will last and how it is to be managed. The prospectus will also contain the budget and ought to include photographs where possible.

» **The covering letter** is really to persuade the reader to look at the prospectus. It should usually be formal in tone but addressed by name to the officer responsible; in the case of trusts, this is normally the secretary. It should introduce the prospectus and state concisely the name, nature and purpose of the project. It should state why, on the basis of its published policies, this trust should be interested in the particular project. It should be specific about the part of the budget for which support is sought and make clear how the rest of the budget will be funded. Sometimes a phone enquiry will help to clarify whether or not it is worth applying – personal contact is always helpful.

Remember that few trusts are prepared to consider making grants for revenue purposes. Salaries in particular are notoriously difficult to fund. Furthermore, most trusts will only give to projects run by registered charities. Most churches fall into this category but other groups may have to apply to register with the Charity Commissioners and this can be a time-consuming process. It is also true that groups that have no legal structure are unlikely to get funds from trusts. At the very least you will need a committee with authority to open a bank account!



Keeping information

- » Make sure that you keep a record of every letter you send and the response that you received. If you get a positive response, write back as soon as possible giving the information requested ... or thanking the organisation for its cheque.
- » It is simply a fact of life that the great majority of applications will not be successful. Be prepared to learn from negative responses but do not allow them to make you despondent. Where your application is rejected, keep a note of the reason given. If a number of people say much the same thing you may need to reconsider your presentation or even your project strategy.
- » It is important to rejoice in crumbs at the beginning as most projects take time to gain credibility with trust funders. If the start is good and funders are impressed bread will follow crumbs! The letter strike rate is about 1 in 100, so patience and perseverance is vital.
- » Don't think that because you have a huge, costly, project that is bound to attract funders. Some only deal in thousands but they are skilled at spotting an over-ambitious project and prefer to see a staged approach to funding and project management. Start small while you think big.
- » Keep those who do support you informed. Send a copy of your annual report in which the support is gratefully acknowledged. Let them know of any particular successes you may have. Do your best to build a relationship; there may then be additional grants in future years. A formal report may be required on the use of any funds donated. You must be sure that the money has been spent on the purposes for which it was given and that you have the relevant receipts. Different trusts have different reporting requirements, so comply promptly with their wishes.



Resources:

www.dsc.org.uk

The Directory for Social Change. This has various resources to download or order; in particular it produces A Guide to the Major Trusts in three volumes, which gives advice on which trusts to apply to for what.

Tel: 020 7391 4800

www.ncvo-vol.org.uk

National Council for Voluntary Organisations has a variety of publications to be downloaded or ordered from their website.

Tel: 0800 2 798 798.

www.funderfinder.org.uk

In addition to being able to order computer packages to find the best trusts to apply to, this website also offers free software to assist you in both planning a budget and writing an application letter.

www.governmentfunding.org.uk

This site enables you to search for suitable trusts to apply to for funding for various types of project, and download application forms.

For youth activity funding:

Nicola Eastwood, *The Youth Funding Guide* (2nd Edition), Directory of Social change: 2002. This costs £16.95, but is very thorough and lists plenty of grants and trusts to write to along with a guide to writing your applications ... contact the Directory for Social Change to order a copy, or ask your library to get one in stock.

Useful Addresses:

The Charities Aid Foundation

25 Kings Hill Avenue
West Malling
ME19 4TA

Tel: 01732 520000

Email: enquiries@caf.charitynet.org

The Directory of Social Change

24 Stephenson Way
London
NW1 2DP

Tel: 020 7391 4800

Email: info@dsc.org.uk

The National Council for Voluntary Organisations

Regent's Wharf
8 All Saints Street
London N1 9RL

Tel: 020 7713 6161

Email: ncvo@ncvo-vol.org.uk