A guide to

funding

applications

For community and voluntary organisations

Warrington
VoluntaryAction

Engaging People
Empowering Communities

GETTING READY FOR FUNDING

Before you even think of applying for funding, make sure that your organisation is ready to receive it. Funders want to know that you are capable of managing their money, that your organisation is fit and healthy, and that you have all the necessary policies and procedures in place.

Small pots of money

If you are thinking of applying for small pots of funding here are some basic things that you will need to have in place:

- Your community group or organisation must consist of at least three people (preferably not related), a set of rules (constitution) and a bank account in the name of the group

- If you have been in existence for more than 12 months, then you will need to have a set of accounts for the previous year or a breakdown of the income and expenditure for the past 12 months

- If you are a brand new group, then you will have to have a cash flow forecast (a breakdown of how much you think your project will cost over the next 12 months)

- You will have to plan your project and think about what you want to do: Who is the project for? When will you deliver the project? Where will it be delivered and why is it needed? What evidence do you have to show that this project is needed?

- Most groups will need to have insurance, especially if you are working with members of the local community

- You will need to have all of the above in place (as a minimum) in order to apply for small pots of funding to get your project underway.

Larger pots of money

As your organisation grows and becomes more established, you will need to take a more comprehensive approach to your development to make sure that you are ready for funding. The following checklist will help you to consider some of these things.

Is your organisation fit and healthy?

The checklist offers some basic requirements that funders are looking for. As your organisation develops and grows, you might want to undertake a full review of your organisation or focus on particular topics as you go along.

Organisational checklist – basic requirements

Governance and committees

- Does your organisation have clear aims and objectives?

- Is the management committee elected at the AGM in a way that is representative of all members?

- Do members of your management committee regularly attend meetings?

- Do you have all the appropriate policies and procedures in place (including equal opportunities and health and safety)?

- Does your committee act on your policies and procedures – are they implemented well and reviewed regularly?

- Does your committee play an active role in strategic planning?

- Does your organisation have a clear decision-making process (including reporting from sub-groups)?

- Does your committee review its effectiveness annually?

Staff and volunteers

- Does your group have enough volunteers or staff to begin delivering services?

- Do you carry out appropriate checks, eg DBS (Disclosure and Barring Service) checks?

- Are you informed about the legal issues that come with staff and volunteers?

Managing your finances and income

- Do you generate any of your own income?

- Is your funding from a mix of sources?

- Do you keep accurate financial records (can you account for all your income and spending)?

Your place in the community

- Do you have a good working knowledge of the area that you work in?

- Do you signpost to other organisations in the area that deliver a similar service?

- Are you involved in any local networks?

- Do you have good links with statutory agencies (are they aware of your service)?

- Have you a clear idea of your target audience and who your services are aimed at?

- Do service users know about your service – do you have a range of marketing techniques that you use to get the word out (such as a publicity leaflet, a website, making use of social media, a presence at local events and networking sessions, press coverage)

Monitoring and Evaluation

- Do you have agreed priorities that you work towards?

- Do you regularly report on progress and record any important data (such as number of volunteers who attend your events, or number of outreach sessions provided)?

- Do you have a system to review your service where members, partners and service users can feedback in order to improve service delivery?

EVIDENCING THE NEED

Evidencing the need for any funding plays an important part of your funding application. You must be able to demonstrate why your project is needed in a clear way. Many funding applications are rejected due to a lack of evidence showing that a project is needed.

The evidence

Positive feedback or speaking to clients is not enough. Funders will assess your project based on your application and will look for accurate data, literature or records to back up your statements. In particular, your evidence might include:

- Statistics – population data and the breakdown of your local area in terms of ethnicity, age, religion, gender, unemployment, education, etc.

- Research – about your particular specialism. This might include things like parish plans, waiting lists, lack of local facilities or services in the area, petitions or campaigns, newspaper articles, or local authority information.

- Local, regional and national strategies and needs analyses – from your local authority or other organisations in your area.

Priorities

Many funding streams, particularly those from statutory agencies (such as local government and health services) only fund projects and activities that clearly match their agreed priorities. Even when you are not seeking funds from these agencies it is useful to be able to show how your proposal fits in with the priorities of statutory organisations in your area. A couple of things you might want to explore locally are:

- The Community Strategy – All local authorities have a duty to prepare a sustainable community strategy to improve quality of life for local communities through a clear set of long-term priorities for their borough. You can use these priorities to inform your work and show how your project will meet local needs. You will find the community strategy through your local council.

- The Joint Strategic Needs Assessment (JSNA) – Introduced by the Government in 2007, the Joint Strategic Needs Assessment is a tool for local agencies to understand the health and wellbeing needs in a local area and identify where inequalities exist. The JSNA results are used to inform local priorities and it is an important guide when planning and commissioning services.

- Duplication and gaps in service provision – Make sure that your project is unique and that it identifies a gap in your area. For instance, if teenage pregnancy rates are a problem in your area and you have found a successful model that has helped address this issue in another area, you could use the evidence in your application.

However, make sure that your idea isn't already being funded by other means and avoid duplicating existing projects. You can do this by researching other local projects in your area (existing or planned) and if there is something similar, find out if you can work with them to extend their services to your area of interest. For instance, a community bus which could extend its geographical coverage.

Your beneficiaries

Funders want to see how the users of your service have been involved in project development and how their views or feedback have helped to shape the project. You could show evidence of consultation and engagement with your beneficiaries through:

- Surveys, questionnaires or interviews

- Focus groups

- Informal discussions

- Consultation events

You could use specific feedback or quotes to back up your findings, such as the following example:

'Having three children in four years and no family close by, my volunteer offered a shoulder to cry on, unbiased advice and practical help... Without her to talk to, I may easily have cracked and if I had, the family would have fallen apart.'

Family member receiving support from Home-Start Bury

Evidencing user involvement will help make your project more effective and responsive, as well as showing funders how your project will meet the particular needs of the community.
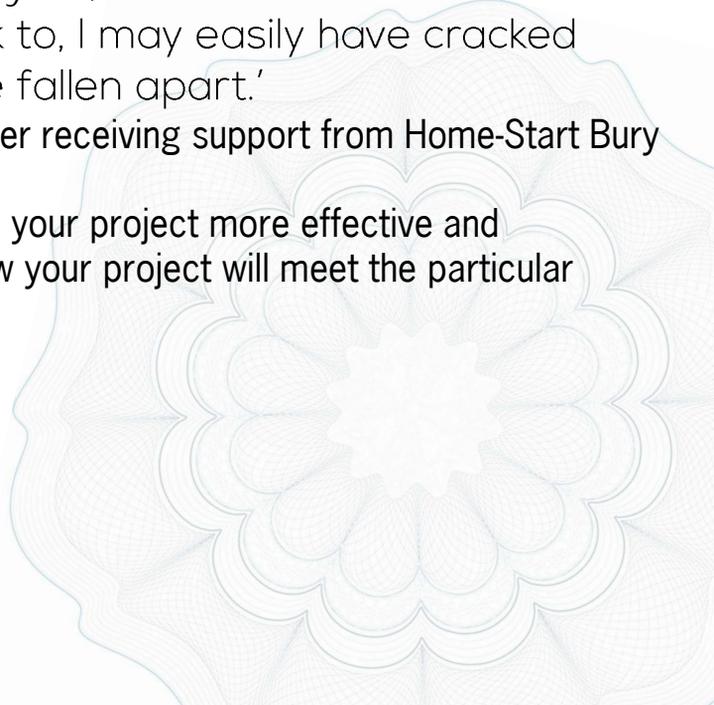
USING FUNDER'S GUIDELINES

Step 1: Check you are eligible

Many funding applications are immediately turned down because they are ineligible and do not meet a clear set of criteria. Make sure you check:

- The type of organisation they are willing to fund (unincorporated, registered charity, etc.).

- The use of the funds (do they cover the particulars of what you need, such as building repairs, equipment etc.?).

- Their list of exclusions (types of proposals that they will not consider).

- That you have a dissolution clause in your governing document (a statement outlining what would happen to the assets if the organisation were to close).

Step 2: Check their selected criteria

All funding bodies have specific interests that tend to focus on:

Particular groups (for instance if you are volunteer-led)

- Beneficiaries (the people they would like to help)

- Social or cultural aims (including access issues, tackling social exclusion or nurturing young talent), or

- A particular area (from local to national)

- Make sure you read and match their criteria in your application form, as this is what they will assess you against.

Step 3: Check the deadlines

- Some funders have deadlines for specific schemes and others have rolling deadlines throughout the year. Make sure you meet the deadlines that they set out in their guidelines and plan your application well ahead. You could also check with the funder to see if the same amount of money is available for each round of applications, in order to increase your chances.

- If there is no deadline to work towards, make sure you plan well ahead of your project. Many trusts meet quarterly, so it could take three or four months for a decision to be made, and most funders will not fund retrospectively. Remember to factor in timescales for any publicity material; should you be successful you will need to credit them in your marketing.

SUCCESSFUL FUNDING APPLICATIONS

Although every funder is different, this factsheet looks at some basic tips to strengthen your funding application and increase your chances of success.

Simple know-how

Before we look at the structure and content, here is a short list of dos and don'ts:

DO

- ✓ Read the guidance notes

- ✓ Use the same language as the funder (such as key phrases)

- ✓ Clearly outline the difference between the problem, the need, and the solution

- ✓ Justify your opinions with factual evidence

- ✓ Use your application form to meet the aims and objectives of the funder

- ✓ Begin your answers by feeding back the question

- ✓ Make sure that your committee is familiar with the terms and conditions of the funding that they are applying to

- ✓ Be careful when you talk about partnership working (is the relationship clearly defined and do you have clearly written roles and responsibilities?)

- ✓ Thank the funder for any successful offer that follows

DO NOT

- ✗ Ask funders to support your organisation – ask them to support the people you help or the work that you do

- ✗ Write an application as a means of working out what your group should be doing

- ✗ Assume that the assessor is familiar with your project (explain it for the average Joe Bloggs on the street)

- ✗ Use derogative or arrogant phrases such as 'less fortunate than ourselves' or 'worthy case'.

- ✗ Use jargon (for example 'roots up approach' or 'community hubs')

Structure and content

Having read the guidance notes and feeling confident that your project/organisation can meet the criteria set out by the funder in the given timescales, you can begin to think about writing your application. All funding organisations, trusts and foundations have their own application process, each varying markedly in scale and complexity. It is important that you do your research and show your funder that you understand their priorities and that you can deliver their aims and objectives.

Here is a basic list of what to include in your application:

1. Profile summary – Offer a simple introduction to your organisation by explaining who you are and what you do; include details of your legal status (registered charity, company limited by guarantee etc), where you operate and who your organisation helps

2. Project summary – A summary of your project and any activities involved

3. The need for the project – Describe why the project is needed and who will benefit

4. The outcomes – Describe all the changes and effects that will happen as a result of your work

5. Monitoring and evaluation – Describe how you will collect and record information and how this will be used to track progress. Also describe how you will review the project, looking at its overall value and effect (usually after it has been completed).

6. Project management – Describe how the project will be managed and name the people who will be responsible for it

7. Financial summary – A breakdown of the costs associated with running the project and why you need the money

8. Eligibility – outline how you meet the funder's eligibility criteria

Tips for your content

- Think of a punchy and positive title for your project that puts across what you do, eg 'Bangla beats' (A music project with Bangladeshi young people).

- Refer to your governing document when introducing your organisations aim's and objectives

- Build your credibility – Try to include any evidence that demonstrates your competence to run the project. What is your track record, what have been your major successes? For example:

Question: **'Explain how you know that people in your community need this project, what evidence have you collected?'**

<div align="right">Awards for All</div>

Answer: We know that people in our community need this project because there are 48 families with autistic children recorded in the area our project covers. 75% of these families said that they **were struggling to cope and felt isolated.'**

- Be specific about the problem – Make the problem concrete by explaining what it is simply, talking about the people (show that you are led by demand and are addressing a need) and using local research or statistics as evidence. Then ask the 'so what' question to outline any wider or long-term effects and to indicate the urgency and the case for immediate intervention. Show that the problem is solvable.

- Be specific about what you will do and how you will do it – Groups often struggle to explain what will take place if they receive the funding in an effective way. Focus on how you intend to make a difference and what activities you will carry out to meet your objectives

- Be specific about the outcomes – Funders will want to know what will change as a result of the funding ('what will the project outcomes be?), For example, if you received a grant for exercise classes for older people, think and write down what changes take place for the older people (such as improved fitness and wellbeing, people are more active, reduction in the number of falls)

- Be realistic about your costs – You may need to attach a detailed breakdown of your costs. Be realistic about your costings, make sure you include all expenses and keep a record of how you have worked these out – particular if they are estimations. For instance, with volunteer expenses – 10 volunteers per week, over 48 weeks per year, each claim an average of £3 for travel costs = £1,440)

- Do not forget inflation – If you are calculating your costs over a number of years, do not forget to include the costs of general price rises (through the inflation rate)

- Include time given by volunteers – When outlining your budget, any time given freely by volunteers is often used to provide 'match funding' and show funders that you can provide the necessary resources

- Tell them your plan – If you are not asking for the full amount or you have an ongoing project, you will need to explain how you plan to raise the balance or to source any future funding. Otherwise you may need to include a fully developed and well-structured exit strategy

- Use a mixture of hard and soft data to evaluate your data – Hard data includes statistics such as the number of people who found jobs following a computer training course. Soft data assesses people's views and experiences; such as how safe older people feel going out at night.

TOP TEN REASONS FOR REJECTION

Success rates for funding applications vary depending on the level of demand and the type of grant available. Charitable trusts and foundations can have a 25% to 60% success rate and this is not dissimilar for other funders, such as the Big Lottery Fund. Here are the top 10 reasons for why funders reject an application:

ONE - The applicant is not eligible – Funders often receive applications that they cannot fund, for example because the governing document says that an organisation works with older people, and the funding programme is specifically targeted at children and young people. Always check your legal form, charity status, geographical remit, or beneficiaries against the funder's criteria.

TWO - The applicant fails meet the criteria – Many applications fall outside the funder's own criteria. For instance, the BBC Children In Need Trust aims to benefit disadvantaged under 18s, but still receives many bids which do not show how the target group is disadvantaged.

THREE - Projects are poorly planned – A bid for a computer or a vehicle needs to show how it would be stored, insured and used. Have you thought through all the implications of taking on this new resource?

FOUR - Applications are not clear and concise – Have you explained what your project is in a way which others can understand?

FIVE - Lack of clear and demonstrable outcomes – This is a high priority for many funders; you must show that you are outcomes-orientated.

SIX - The budget – Having a robust financial management procedure can go a long way. You must make sure that your costs are realistic and represent value for money. Provide quotes for any costs and if any match funding must be secured before a grant is released. For major capital (such as a building), applicants will need to show how they plan to raise the funds for long-term running costs and maintenance.

SEVEN - Very few funders will make grants retrospectively – ie after the project has taken place. Bear in mind that they can take months to consider your application, so if you want to run a play scheme in the summer holidays, do not leave the applications until June, (even if you have money in the bank to 'lend' to the play scheme).

EIGHT - Applications are made without monitoring and evaluation processes in place – Groups need to show how they plan to measure the success of the project they are seeking funding for. How will progress be tracked and money managed?

NINE - The application is incomplete or illegible – Make sure you answer all questions and fill in the application form properly. Don't make funders hunt for the information and make sure that any supporting documents are also completed, accurate, up-to-date, and complement the application form.

TEN - The applicant misses the deadline.

The largest numbers of Big Lottery Fund applications are rejected simply because they do not adequately meet the aim of the fund applied for, the project has not adequately demonstrated the need, the application has not represented sufficient value for money and shows a lack of involvement from project beneficiaries.

In some cases, demand simply outstrips supply. Other reasons why grants are not offered include:

- The charity's core work is not sufficiently focused on its mission.

- Applications don't fall within funders' guidelines.

- Charities don't have up-to-date annual returns or accounts filed with the Charities Commission or other relevant regulatory bodies.

Remember

Everybody gets rejected at some stage. Use it as an opportunity to get feedback on how to improve (if this is something that funders are able to offer) for next time and make use of the appropriate support organisations that can help you.

GLOSSARY

Charitable trusts or foundations – organisations set up to do good work including giving money to worthy causes

Endowment – a capital sum of money given to a trust by a rich individual, family or company

Community Strategy – A set of clear, long-term priorities and how these will be addressed for your local area

Health checks – a tool to help you develop your group.

Local Enterprise Partnerships (LEP) – non-departmental public body established for the purpose of economic development in specific areas of England.

Statutory agencies (also known as public sector bodies) – local authorities, health authorities or government departments

Beneficiaries – the people that the project aims at supporting

Budget – breakdown of the costs of running your project

Exit strategy – a devised plan for what will happen to the project or activity after the grant ends

Full cost recovery – funding for all of the costs involved in running a project including a share of your overheads

Outcomes – the changes and effects that happen as a result of your work

Match funding – when you make a contribution to go with your grant application. For example, if your total project costs £50,000, you might supply £10,000 from your own or other sources

Retrospectively – Applying for a grant or funding after an activity has taken place

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