



## **Introductory Pack on Funding and Finance**

Guide to Fundraising





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# Contents

	Page
<b>About this guide</b>	<b>v</b>
<b>About the author</b>	<b>vi</b>
<b>Guide to symbols and abbreviations</b>	<b>vii</b>
<b>Introduction – What is fundraising?</b>	<b>ix</b>
<b>1 Preparing to fundraise</b>	<b>1</b>
Fundraising plans and the fundraising cycle	<b>2</b>
Tool – How to prepare and use a Case for Support	<b>3</b>
The fundraising budget	<b>4</b>
<b>2 Who should carry out fundraising?</b>	<b>7</b>
<b>3 Fundraising principles</b>	<b>11</b>
Choosing the right fundraising activity	<b>11</b>
General principles and legal requirements for fundraising	<b>11</b>
Data protection	<b>12</b>
<b>4 Fundraising from individuals</b>	<b>15</b>
How much should donors be asked for?	<b>15</b>
Tool – Fundraising from individuals jargon buster	<b>16</b>
Traditional fundraising methods with individuals	<b>16</b>
New technology fundraising	<b>17</b>
Competitions, raffles and lotteries	<b>18</b>
Committed giving	<b>20</b>
Tax-effective giving	<b>20</b>
Major donor fundraising	<b>21</b>
Legacy fundraising	<b>22</b>
Tool – Legacy fundraising jargon buster	<b>24</b>
<b>5 Fundraising from businesses and corporate organisations</b>	<b>25</b>
Payroll giving	<b>25</b>
Sponsorship	<b>26</b>
Cause-related marketing	<b>26</b>
<b>6 Fundraising from Trusts and Foundations</b>	<b>27</b>
<b>7 Fundraising from communities</b>	<b>29</b>
Event fundraising	<b>29</b>
Local schools and youth groups	<b>30</b>
Clubs and associations	<b>31</b>
<b>8 Where next?</b>	<b>33</b>
<b>Key words and phrases</b>	<b>34</b>
<b>Further support and resources</b>	<b>35</b>



## About this guide

This guide aims to give voluntary and community organisations a clear and comprehensive overview of fundraising. It spans from planning activities to engaging volunteers, staff and donors, and using different fundraising activities. The guide provides inspiration and advice on how organisations can make the most of their resources to run successful fundraising activities. It is a starting point for organisations that are new to fundraising, or are not quite sure what fundraising entails, and points organisations in the direction of further advice, support, training and information.

This is the third guide in the series that make up the Finance Hub *Introductory Pack on Funding and Finance*. Details of other guides are given below.

## About the Introductory Pack on Funding and Finance

The *Introductory Pack on Funding and Finance* was commissioned by the Finance Hub, one of the centres of expertise created as part of ChangeUp<sup>1</sup>. The guides provide voluntary and community organisations and social enterprises with practical information, support and guidance on funding and finance options, and the skills needed to access these options.

The guides have been designed with new and small to medium-sized organisations in mind. They aim to be accessible, clearly written and to explain any specialist terms used. They provide case studies highlighting real life experiences that offer good practice tips and the lessons learned by organisations that have 'been there and done that', including the first steps of some smaller organisations. The guides also contain tools and signposts to resources to assist organisations in their search for long-term financial sustainability.

The guides that make up the *Introductory Pack* are:

- 1** Sustainable Funding
- 2** Financial Management
- 3** Fundraising
- 4** Trading
- 5** Procurement and Contracting
- 6** Loans and Other Forms of Finance

Copies of the guides are available from NCVO and the Finance Hub. They can be downloaded from the Finance Hub website at [www.financehub.org.uk](http://www.financehub.org.uk) or NCVO's website at [ncvo-vol.org.uk/sfp](http://ncvo-vol.org.uk/sfp). Further details and information about the work of the Finance Hub and the support it provides is included in the Resources section at the end of this guide.

<sup>1</sup>ChangeUp is a programme of capacity building for the infrastructure of the voluntary and community sector.

## About the author

### The Institute of Fundraising

The Institute of Fundraising is the professional and membership body for fundraisers and fundraising organisations in the UK. It provides information and advice on fundraising and conferences on the latest developments in fundraising, including a three-day National Convention. Training opportunities range from one-day short courses to the Certificate in Fundraising Management, the professional qualification for fundraising. The Institute also hosts the Payroll Giving Centre, providing information on payroll giving, and runs a tax-effective giving initiative, providing training and one-to-one support on all aspects of tax-effective giving, with a telephone helpline and guide, 'Making Giving Go Further'. Committed to raising standards in fundraising, the Institute publishes the 'Codes of Fundraising Practice', which set out legal guidance and best practice on fundraising across a range of fundraising activities.

Further information is available at [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

## Introductory Pack authors, contributors and advisory group

The *Introductory Pack* has been developed by experts in voluntary and community sector funding and finance with input on design and presentation from practitioners including an advisory group of front-line funding advisors.

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Thanks are also due to all the organisations that appear as case studies and to the members of NCVO's Sustainable Funding Team for their input, advice and support.

# Guide to symbols and abbreviations

Each section uses the symbols shown below. These are designed to help readers navigate through the text and to highlight key points and signposts.



**Good practice tip/key points to remember**



**Tool (e.g. template or checklist)**



**Signposts to further support and information**

CVS = council for voluntary service  
VCO = voluntary and community organisation  
VCS = voluntary and community sector



## Introduction – What is fundraising?

The principle of fundraising is to raise money by asking for it. Fundraising is not itself a charitable activity but many voluntary and community organisations (VCOs) invest time, effort and resources in fundraising to make their charitable activities possible and to support their beneficiaries. There are many ways to raise funds and though there are some legal requirements and recommended best practice, these aside, fundraising is only limited by imagination!

VCOs should think about how fundraising activities can complement their charitable activities. Often, donors choose to give to an organisation to help solve a problem and benefit the organisation's beneficiaries and it is therefore important that fundraising activities and charitable activities operate in tandem.

One of the key skills of fundraising is communication. Telling donors about an organisation's work and thereby encouraging them to give is fundamental to fundraising; good communication skills will be integral to the success of all of the fundraising activities described in this guide. A good fundraiser should be able to show donors how their gift will enable the organisation to meet the needs of its beneficiaries.

Equally important is ensuring that anybody involved in fundraising has an excellent understanding of the cause and vice versa – service providers should also work to incorporate the needs of fundraisers and fundraising activities in their work. For many smaller VCOs, the lines between fundraiser and service provider will be blurred and in many cases will be one and the same person. In such organisations the individuals responsible for fundraising are in a unique position and have a real opportunity to ensure integration between fundraising and their organisation's objectives.



### **Summary – What is fundraising?**

- Fundraising is raising money by asking for it.
- Fundraising should complement an organisation's primary objectives.
- Communication is the primary function of the fundraiser.
- Everyone in the organisation is potentially both a fundraiser and service provider.
- Organisations are accountable to both donors and beneficiaries.



# 1 Preparing to fundraise

Before organisations start to fundraise, a plan and budget should be drawn up for the fundraising activity.

Preparatory work for fundraising starts by considering the following three questions:

- **What is the organisation's strategy and business plan?**  
Fundraising is unlikely to be successful if an organisation is not in good shape operationally, nor does it make sense to fundraise for fundraising's sake. A VCO should be clear about the key objectives or outcomes that it wants to achieve, and how fundraising will help to achieve those outcomes.
- **What is the VCO's experience of fundraising?**  
An organisation needs to consider its current funding situation, available resources and its past experience (if any) of fundraising. Initial questions should include: who might be potential donors – individuals, businesses or local communities? Could these be local, regional or national? Is there a known group or database of contacts that might yield potential donors? If previous fundraising activity has occurred, has this historically had its strengths in a particular area, such as Trusts or event fundraising? Does the organisation have any competitors or natural allies and if so, could a partnership between two VCOs work?
- **What will be the scope of the fundraising plan?**  
The detail and depth of a plan will depend on the specific activity. For instance, a three-year fundraising plan will look different to a timetable of activities associated with a single fundraising event. Plans should not prevent organisations from responding to opportunities and unexpected developments, so organisations should not be afraid to change a fundraising plan if necessary, but fundraising plans should always fit with an organisation's overall objectives.

In tandem with these questions, consideration also needs to be given to issues such as how much needs to be raised – is it funds for a major project (capital) or a regular income stream to support day-to-day activities (revenue)? Are there any ethical considerations to think about? Thinking about these kinds of issues should help to identify the areas where fundraising could prove most effective and highlight what needs to be put in place before beginning to raise funds.

Whatever the size or scope of an individual fundraising plan, organisations need to ensure ongoing integration of fundraising plans with wider organisational plans. Many organisations use a three-year rolling business plan to ensure that all activities fit with their objectives. In a three-year rolling plan, the first year plan will be detailed and set in stone, the second year plan will be reviewed and amended upon completion of the first year's activities, and the third year plan will set out general direction. An additional 'third year' is then added annually.

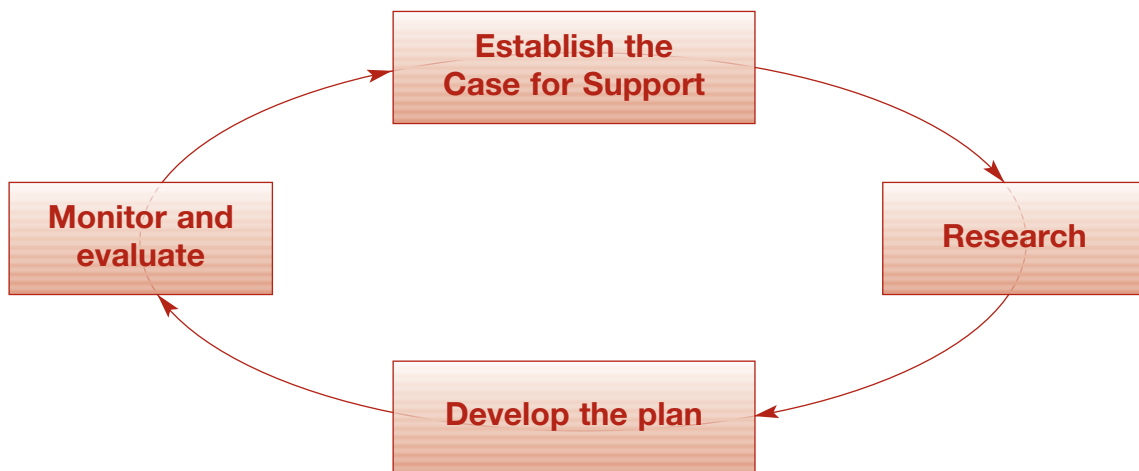
Fundraising objectives will usually relate to an organisation's financial targets for the next three to five years and these financial targets will develop from the organisation's overall business plan.

## Fundraising plans and the fundraising cycle

A fundraising plan helps to knit an organisation's different fundraising activities together and insure integration with wider organisational objectives.

A helpful way to plan fundraising activity is to use a planning tool called the 'fundraising cycle'. This helps to ensure an organisation's fundraising activities are maximised for the benefit of donors and beneficiaries. The cycle and each of the four stages are described below.

**Figure 1 – The fundraising cycle**



### *Stage one – The Case for Support*

The Case for Support is a statement that explains why a donor should give to the organisation. It should be clear, concise, and motivating and contain enough information so that a donor can make an informed decision to give. The Tool below explains how to prepare and use a case for support.

### *Stage two – Research*

Research helps to identify the individuals, companies, or Trusts that are most likely to respond to an appeal for funds based on the need outlined in the case for support. Research can also be used to ensure that donor needs are met by providing information to help the organisation choose the most appropriate fundraising approach. Research might involve searching through the VCO's database, testing out marketing materials on a small group, asking other organisations for advice or help, investigating possible Trusts that might have suitable grants, or researching local businesses on the internet.

### *Stage three – Planning*

The third step is to plan and co-ordinate the fundraising activities in detail, taking into account any relevant internal and external factors (e.g. available staff, other events taking place). Good planning ensures activities are adequately resourced, cost effective, organised efficiently, and can help to manage and reduce risk.

## Stage four – Monitoring and evaluation

Finally, the success of the fundraising activity must be monitored, both during and after the event. This will ensure the activity can be bigger and better next time (if it has been successful) or highlight what changes should be made when things have gone less well. The fundraising cycle then begins again, building on the relationships with current donors and developing strategies to interest new ones.



**Further information on planning is available in the *Introductory Pack Guide to Sustainable Funding*.**



### *Tool – How to prepare and use a Case for Support*

A Case for Support sets out why donors should give to a VCO and how they can contribute to its activities. A general case for support statement sets out all of the key information that needs to be communicated to a range of donors. This can then be adapted to meet the needs of specific donors or tailored to support different fundraising activity.

An effective case statement needs to be concise, coherent, urgent and motivating and will communicate:

- All about the organisation and its activities. The organisation's mission statement might help here.
- The level of the need and why it is important and urgent. Try to paint a picture or use facts and figures.
- The specific objectives of the appeal. Explain how the VCO intends to meet the needs of beneficiaries.
- The organisation's history or recent successes to illustrate why the VCO is the most suitable organisation to make a difference.
- What would happen if the appeal failed? Again, try to paint a picture.
- How much money is the appeal trying to raise and over what period of time?
- Stress the urgency of the need for funds and break total sums into smaller amounts.
- How will the donor make a difference? Show how a potential gift will translate into a tangible benefit.

### *Good practice tips*

- Focus on benefits, describing what the VCO does and include examples to illustrate.
- Use clear and simple language.
- Check any facts used are correct.
- Include information so donors understand what they need to do to make a difference.
- Share the Case for Support with the whole organisation and seek views.
- Make sure that the Case for Support is regularly reviewed and updated.

### *Using a Case for Support*

Once the Case for Support has been written, use it as a basis for preparing fundraising materials, adapting it to suit the intended audience and the method that will be used to communicate with donors.

## The fundraising budget

Once a fundraising plan is in place, the next step is to consider the budget needed to finance the planned activity. A fundraising budget might include:

- Staff time.
- Travel.
- Venue and equipment hire.
- Marketing and printing costs.
- Postage costs.
- Materials e.g. refreshments.
- Volunteers' expenses.

Depending on the complexity of the activity, an organisation might wish to use a cash-flow system so that it is easy to tell when money will come in and go out.



**Further information on writing budgets and cash-flows is available in the *Introductory Pack Guide to Financial Management*.**

It can also be useful to calculate the cost effectiveness of a fundraising activity and use the figure to help determine whether the activity should take place again or whether costs should be trimmed if the activity is conducted in future.

Cost effectiveness can be expressed as a ratio either as a percentage or multiplier e.g. 25% or 4:1. For example:

- for every £4 raised, £1 or 25% has been spent to raise it, or
- for every £1 spent on fundraising £4 has been generated as income.

### *Fundraising costs*

Fundraising costs can vary from activity to activity and do vary from organisation to organisation. Some organisations find it much easier to raise funds from the public than others, for example, because they have a bigger donor base or support a popular cause.

There is no requirement to stick to a set figure or percentage of funds raised to be spent on costs, nor are VCOs required to state such figures on fundraising materials. Anywhere between a few per cent to up to 30 or 40 per cent represents an acceptable fundraising cost. Remember to budget for fundraising on a 'full cost recovery' basis, including all costs such as staff costs when costing fundraising activities. More information on full cost recovery is included in the signpost section below. VCOs should refrain from stating or implying that they don't have any fundraising costs, as this is very rarely the case.

### *Keep fundraising costs low if possible*

Successful fundraising also involves finding ways to reduce the costs of the fundraising activity. Think creatively about how to fund the fundraising and this will help with meeting budgets (e.g. a local company donating a prize for a raffle).

## *Targets for fundraising*

Be careful when setting targets for fundraising as part of a fundraising plan. Not all fundraising activities yield results straightaway. For instance, major donors may have given their first gift years ago, after attending an event or receiving a newsletter. Nurturing this relationship may take a number of years and it may be hard to predict if and when another major gift will be received – a major donation received this year will contribute to this year's targets, not those of years ago. Remember that fundraisers also contribute to the wider work of an organisation, such as improving awareness of the organisation's work or, in the case of organisation-wide fundraising activities, team building.



### **Summary – Preparing to fundraise**

- An organisation needs to have a wider business plan in place from which a fundraising plan can develop.
- Income from fundraising activities will depend upon an organisation's cause, history, donor base and availability of resources.
- External factors such as consumer confidence can also have an impact.
- Each VCO will have its own targets unique to itself.
- If the organisation is new to fundraising, then if the fundraising activities break even in the first year, the fundraising activities are doing well.



## 2 Who should carry out fundraising?

The choice of individual or organisation to fundraise depends on the time and resources available, the activity to be undertaken, and the ultimate objectives of both the fundraising plan and the organisation's overall plan.

VCO Trustees have a responsibility to monitor fundraising policies and procedures. This includes ensuring adequate steps are taken to secure required funds although fundraising activity itself may be undertaken by a designated fundraiser.

Potentially anybody with the right skills can conduct fundraising activities. In some circumstances, a member of staff will be the right person, in other situations a volunteer or committee of volunteers. Other options include an outside agency, fundraising consultant or freelance fundraiser, or suppliers with specific skills such as printing and mailing, or creative design.

Good fundraisers usually possess some of the following skills:

- Belief in the cause.
- Communication skills.
- Planning and organisational skills.
- Finance and budgeting skills.
- Creativity and flair.
- People skills.

### An employee might be a suitable fundraiser if:

- The organisation requires an individual to carry out day-to-day fundraising activities within the organisation and to contribute to its wider work.

Employing a fundraiser is not at all different to employing any other member of staff. Employment law of course applies and the fundraiser will be paid a salary. Salary reviews and appraisals should be conducted regularly and appropriate management provided.

### ***Good practice with employee fundraisers***

- Have a contract of employment.
- Have yearly appraisals, salary reviews and a mix of hard and soft targets.
- Remember that employing a fundraiser for the first time is not a quick way to bring in income; establishing successful fundraising activities takes time.



### A volunteer might be a suitable fundraiser if:

- There are specific activities that could be carried out by willing volunteers.
- There are appropriate supervision structures or committees in place.
- Somebody has offered to volunteer for the organisation or the organisation is aware of someone with the right skills who might be willing to help out.

Volunteers can be a great asset to an organisation. Fundraising activities can be time heavy and if an organisation has a number of willing volunteers prepared to roll their sleeves up and help stuff envelopes, help out at events, process donations or even contribute to strategy, it can be a real boon. Some VCOs rely entirely on volunteers.



**Further information on using volunteers is available at [www.volunteeringengland.org.uk](http://www.volunteeringengland.org.uk). Adverts for volunteers can be placed in local newspapers and newsletters or try [www.timebank.org.uk](http://www.timebank.org.uk) and [www.do-it.org.uk](http://www.do-it.org.uk). Local Councils for Voluntary Service or volunteering offices should also be able to provide information and advice.**



### ***Good practice with volunteer fundraisers***

- Thank volunteers.
- Select activities suitable for the skills and abilities of volunteers.
- Remember that volunteers should not be seen as a substitute for paid staff.
- Reimburse expenses, with a receipt.
- Supervise, train and support volunteers adequately.

A consultant might be a suitable fundraiser if:

- Advice and guidance on fundraising strategy is required or specialist advice on a particular form of fundraising.
- A fresh and objective perspective or new ideas are needed.
- The organisation is new to fundraising.

A consultant can help an organisation to look again at their fundraising activities or help to get them started. A consultant is usually contracted for a short period of time, to deliver a set piece of work. The Institute of Fundraising has a searchable directory of fundraising consultants on its website.



### ***Good practice with consultant fundraisers***

- Remember that consultants are usually contracted for a certain period of time.
- Sometimes consultants are professional fundraisers too. This means that they will also solicit funds for an organisation, for example, by asking major donors or writing a grant application. If this is the case, they must have a contract with the organisation by law. A contract helps to clarify the terms of the consultant's activities and it is always recommended to have one in place.
- Brief the consultant and have regular review meetings.
- Don't use consultants to fill long-term skills gaps within the organisation.

### ***Paying consultants and professional fundraisers***

- It is best to agree set fees with consultants or professional fundraisers for specific pieces of work or payment for hours worked. It is possible to agree a fee for the whole of the work and pay on completion, but to help manage budgets, many consultants and professional fundraisers (and VCOs) prefer to stagger payments over the course of the project.
- It is not recommended to use commission only based payments, where payment is determined by calculating a percentage of the total money raised. Fundraisers believe that this is not ethical practice.

### ***Possible payment methods***

- Paying a fixed amount on completion of the project.
- Paying a fixed amount on delivery of pre-agreed targets or portions of work.
- Paying a percentage of income raised on exceeded targets, as well as another non-commission based form of payment.
- Set fee and payment of bonus on top, capped if necessary.
- Payment on basis of number of donors signed up. Though this is a form of commission, success relies upon engaging and communicating with donors and as such it does not carry the same ethical issues as commission only payment.

A professional fundraising organisation (PFO) or professional fundraiser might be suitable if:

- The organisation wants to outsource a particular fundraising activity to an outside agency so it does not have to implement the activity itself. Examples of such activities might be conducting face-to-face recruitment of donors or telephoning potential donors. The fundraising activity will still need to be managed by the organisation and, by law, VCOs are required to have a contract with the professional fundraising organisation.
- The organisation wants to use the services of an experienced fundraising professional to conduct a particular fundraising activity or for a set period of time or needs to get a fundraising activity off the ground quickly.

A professional fundraiser might be an organisation or an individual. The term 'professional fundraiser' is a legal term and applies to any individual or organisation that does not directly work for a VCO but does ask donors for gifts on their behalf. It can cause confusion – many fundraisers that work directly for VCOs also consider themselves to be 'professional' fundraisers!



### ***Good practice with professional fundraisers***

- Agree a contract with professional fundraisers. This is a legal requirement.
- Ensure the professional fundraiser is properly briefed.
- Remember to oversee the fundraising activities carried out by the professional fundraiser.

### **A supplier might be suitable if:**

- The organisation wants to do a large mailing or printing and doesn't have the skills or equipment internally.

It is not always possible for one organisation to do everything. Just as VCOs might use another business to supply them with paper or printers, suppliers can be anybody who, as part of their job, help to deliver a particular activity or service. They may provide something simple, like printing, or complex, like a call centre. They may be a fundraiser, as discussed above, or have other special skills or resources. Activities that suppliers commonly provide include:

- Printing.
- Advertising.
- Mailing letters.
- Venue provision, catering, entertainment.
- Providing lists of potential donors in a database.
- Supplying software including databases.



### ***Good practice with fundraising suppliers***

- Make sure suppliers are properly briefed.
- Put in place an order form, letter of agreement or contract as appropriate.
- Communicate with the supplier during the delivery of the activity.



For information on preparing contracts for fundraisers see the Institute of Fundraising's Code of Fundraising Practice, 'Best Practice for Fundraising Contracts' available on their website: [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).

## 3 Fundraising principles

### Choosing the right fundraising activity

There is no magic formula for raising funds, and one fundraising activity might prove very successful for one organisation but less so for another. When preparing a fundraising plan, try to have a diverse range of fundraising activities, some which will bring in money in the short-term, such as an event or competition, and others that are more long-term. Think also about available resources, including staff and volunteers, and remember that some activities take longer to plan than others. For instance, for a fundraising event, invitations or tickets will need to be sold, a venue hired and entertainment booked. Often fundraising activities contribute to the awareness of an organisation as well as raising money and this awareness may well reap dividends in the future.

Fundraisers will need to select the most appropriate communication method and should consider:

- How much will the activity cost? Remember to include staff time. Is the cost acceptable compared to the anticipated income from the appeal?
- Accessibility for attendees or recipients.
- The organisation's contacts and networks (for example, the networks of the organisation's Trustees).
- Target audience – who, how many?
- What has been done before?
- How does the organisation work with the press and media?
- When and where?
- Time available for planning.
- Staff and volunteer availability.

### General principles and legal requirements for fundraising

Fundraisers undertake many different fundraising activities to raise funds but there are some general principles and legal requirements that apply across all fundraising activities. Probably the most important principle is always to ensure that fundraising materials and literature are clear about the activities of the organisation and the purpose of the fundraising activity.

In particular, if organisations choose to fundraise for a particular project or cause, then any monies raised must be used for that specific project or cause and the income raised put into a restricted fund and used only for that project or cause. If more (or less) money is raised than is required for the particular project (for instance, if £100,000 is needed but £110,000 is received) make sure that fundraising materials state that funds will be used for general charitable purposes if targets are not met or exceeded. If an organisation is a registered charity, all fundraising materials should also state this and include the registration number.

There is no requirement to state the costs of fundraising on literature or during an event or fundraising activity but if another organisation is being paid to conduct the activity or a participant is taking part in an activity where the charity is covering some of the costs (for example, a trek overseas or a parachute jump) then fundraising literature should state the arrangements and fundraisers should ensure that they verbally tell donors of the arrangement if they meet face-to-face.



### **Good practice tip – Fundraising legislation**

- Due to the range of activities that fundraising includes, there is an array of law that can apply. The Charity Commission for England and Wales and OSCR (Office of the Scottish Charity Regulator) have the power to investigate the activities of VCOs and this includes fundraising activities.
- The Institute of Fundraising produces Codes of Fundraising Practice to help VCOs ensure that their fundraising activities are legal and carried out to the highest standards. The Codes of Fundraising Practice can be downloaded free from [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).
- A scheme for the self-regulation of fundraising was set up in 2006. Run by the Fundraising Standards Board (FSB), the scheme will require VCOs formally to sign up to the Institute's Codes of Fundraising Practice and puts in place a complaints system for donors. Donors will be able to refer any complaints on to the FSB if they feel the complaint is still not resolved and the FSB will investigate further. See also [www.fsboard.org.uk](http://www.fsboard.org.uk) for more information.

## Data protection

Organisations need to comply with data protection regulations. At first, data protection might seem daunting but if organisations make it clear to donors how they will use donor's contact details, problems should be avoided.

When an organisation communicates with donors and potential donors, be it via post, email or phone, it should provide donors with the opportunity to opt-out or choose not to hear from them again, either by a particular method or at all. This doesn't mean that VCOs should delete the donor's details entirely from record but that they should instead record the request of the donor so that their wishes can be complied with. To make the best use of donor information, try to keep donors' details in one central database that everybody in the organisation can access. VCOs should always ask permission from donors before sharing donor information with other organisations.

Individuals may register their details on a variety of preference services, which include the mailing preference service ([www.mpsonline.org.uk](http://www.mpsonline.org.uk)) and the telephone preference service ([www.tpsonline.org.uk](http://www.tpsonline.org.uk)). Preference services log that an individual does not want to receive communications that they have not requested. Organisations should check any lists of previously unsolicited individuals against these preference services if they are not sure whether the individual wishes to be contacted. If a VCO uses a list of names that they have bought from another organisation, then the list should be checked. Regular donors will not need to be checked because they have indicated that they are happy to be contacted by the VCO by donating, unless they have told the organisation otherwise.

VCOs are required to register with the Information Commissioner (the regulator and enforcer of data protection law) annually and are also required to include a statement about data processing on marketing materials.



## **Summary – Fundraising principles**

- There is no single formula for fundraising and all organisations are different.
- Make it clear what donors' money will be used for, especially if the money will be used for a particular fund or project.
- If an organisation is registered with the Charity Commission, or OSCR (Office of the Scottish Charity Regulator), always state that the charity is registered and put the registered charity number on fundraising materials.
- Comply with data protection regulation.
- Remember to ask donors how they would like to be communicated with and thank them!



## **Further support and resources**

More information on fundraising legislation and data protection, together with the Institute of Fundraising's Code of Fundraising Practice, is available for free at:  
[www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).

Information about the Fundraising Standards Board and the scheme for self-regulation of fundraising is available at [www.fsboard.org.uk](http://www.fsboard.org.uk).

Details regarding the Information Commissioner are available at [www.ico.gov.uk](http://www.ico.gov.uk).

Information about mail and telephone preference services is available at [mpsonline.org.uk](http://mpsonline.org.uk) and [www.tpsonline.org.uk](http://www.tpsonline.org.uk).



## 4 Fundraising from individuals

In 2005, the public donated over £8 billion to VCOs. People give in many different ways, from giving their spare change to a person collecting cash in the street to regular monthly donations. They also give for different reasons, from empathy with the cause or because a friend is taking part in an event. Most people have been asked to give to charity at some point in their lives and 60% of the population will have given to charity in the past month.<sup>2</sup>

Most donations in the UK come from individuals giving one-off cash donations, but a growing number – 10 million – of donors give regularly, via monthly direct debits or other methods. A database of donors who give regularly to the cause is perhaps preferable to lots of different fundraising activities resulting in one-off, probably smaller donations. However, in practice, VCOs use a mix of fundraising activities to attract and retain donors. Income from one-off donations is just as valuable as income from committed givers and a mix of fundraising activities helps to smooth out ebb and flow in donations.

Once an organisation has established a list of donors, whether they give regularly or have only given once before, it can be helpful to analyse their giving habits, to help identify whether any particular fundraising activity is working, or will work, especially well.

Equally important is to thank donors for their donations and to tell them about what their gift has enabled the organisation to do for its beneficiaries, which it wouldn't have been able to do otherwise. Many donors are interested in finding out how their donations are used and VCOs should make sure they are able to answer any questions from donors.

Think creatively and imaginatively about how to communicate with donors. Does the organisation have an individual who is a creative whizz or someone who is excellent at communicating the purpose of the organisation in writing? Is there a significant anniversary coming up, or could a fundraising appeal be linked to a seasonal event? Considering who the potential donors are, and how they might best be persuaded to donate, will help to inform the choice of fundraising approach.

### How much should donors be asked for?

It is impossible to tell exactly how much a donor might wish to give to a cause. It's a good idea to offer examples of possible donation amounts, particularly as donors are not always sure how much might be appropriate. Also remember that the habits of previous donors are a good indication. If someone has regularly given £5 for the last 12 months, consider asking for £8 or £10 next year. Amounts may also differ depending on the fundraising activity. For example, larger sums might be donated at a gala dinner than during a street collection.



#### ***Good practice when requesting donations***

- Using a 'shopping list' of donation amounts and products or services e.g. '£2 could help to feed an animal for a day'; '£10 could pay for veterinary medicines; £50 could pay a vet's fees'.
- Suggest a set amount.
- Break down a large amount into units.

<sup>2</sup> Figures compiled by NCVO and Charities Aid Foundation.



### *Tool – Fundraising from individuals jargon buster*

The term **'acquisition'** is often used when fundraisers talk about attracting new donors and **'retention'** refers to the process of ensuring that donors continue to give to an organisation.

**Attrition rate** is the number of donors who stop giving within a certain time period after they were first recruited (for example, one/two/three months or years). It can help to tell whether an initial activity to recruit donors worked and whether the subsequent activities to keep the donors engaged with the organisation worked.

**Lifetime value** is related to attrition and is the length of time that a typical donor gives for, multiplied by the average donation value. Again, it can help to indicate successful fundraising activities and help to estimate the likely return of a potential activity when planning new fundraising activities.

## Traditional fundraising methods with individuals

### *Direct mail*

Many VCOs keep in contact with their donors by using newsletters and mailshots. Newsletters are a great way of informing donors about the current activities of the organisation, directly showing them the impact of their donation and can be produced relatively cheaply using a computer and printer.

### *Telephone fundraising*

Calling donors and potential donors on the phone allows donors to have direct conversations with representatives of the VCO and lets fundraisers ask donors if they wish to upgrade their donation or whether they wish to Gift Aid their donation if they haven't already done so.

### *Press and media*

Could a local newsletter cover a fundraising event or write a story about the organisation? Another option is to ask a local radio or television station to run a feature on the work of the organisation, which could help to raise awareness of the organisation at much less cost than direct advertising. Local media coverage can reach a range of people in the community and is a relatively cheap way of generating donor interest.

### *Collections house-to-house and on the street*

Collecting money from passers-by or by knocking on doors is a traditional method of fundraising. Such collections also increase an organisation's profile within a community as well as raising one-off donations from people's loose change. An army of volunteers to collect the monies and to hand out stickers as a 'thank you' to donors can make this activity a cost effective way of fundraising, though it is not the method to raise large sums of money. Another option is to ask shops to place a sealed collecting tin (called a 'static collection box') on their counters, into

which customers can add their change from purchases. Ask permission from the shop manager first and once a month or so return to the shop to collect the tin. Another practice is to ask individuals to sign up to give a regular donation via direct debit during a street or house-to-house collection.



### ***Good practice with collections***

- Contact the local authority well in advance to obtain a permit or licence to collect.
- Equip volunteers with sealed and labelled collecting tins plus identification badges.
- Open and count the monies raised in the presence of at least two individuals.

## New technology fundraising

Keep an eye on the latest developments in technology and think about how they could be turned into a fundraising opportunity. Recent developments in technology have enabled the following fundraising activities, which are often attractive to new, younger donors:

### *Internet and email*

More and more people now have internet and email access. It is possible to produce a simple website using templates or a web designer could produce a bespoke site for about £10,000. If the organisation intends to collect donations through the website, the site needs to be secure and this will cost more. Sites such as [www.justgiving.com](http://www.justgiving.com) and [www.bmycharity.com](http://www.bmycharity.com) allow donors and VCOs to set up fundraising web pages, though they do charge a fee. All charities registered in England and Wales are also featured on [www.guidestar.org.uk](http://www.guidestar.org.uk) and VCOs are free to add more detail and information to their own individual entries on this website. In Scotland, SCVO provides a facility for setting up a website for individual VCOs for a fee; for details see [www.workwithus.org.uk](http://www.workwithus.org.uk).

### *SMS*

Donors text a message saying 'DONATE' to a telephone number, in response to an advert. The donor receives a thank you message back and the VCO receives a proportion of the cost of each text in return.

### *Viral email*

This involves designing and writing an attractive email, that people will wish to pass on to friends and family. It can be a good method of raising awareness of the work of a VCO, for relatively little cost, as it can reach a wide-ranging audience within a short space of time, hence the name 'viral'. Include a link to the organisation's website so that people can make donations.

### *Case study* *Wood Green Animal Shelter*

Dodger the dog was involved in a road traffic accident in 2005 and Wood Green Animal Shelter needed to raise the funds for his surgery. The operation was estimated at £3,000 and whilst the organisation spends over half a million pounds each year on veterinary fees, they did not have sufficient budget to allocate this amount to one dog! Wood Green had already mailed their supporters in August, sent a reminder appeal in mid-September, and were planning to launch a Christmas appeal.

Sharon Evans, Director of Fundraising and Communications explained 'because of ongoing supporter activity, we could not ask for further funds – and we needed it quick – it was an emergency. We therefore decided to set up a 'just giving' website to make it very easy to donate and allow well-wishers to send a message of encouragement. We then e-mailed all our suppliers and contacts, asking them to spread the word. We also gave a few radio interviews. Within two days we had secured the funds – all of it from new donors. Money continued to come in, office collections were still going on so we opened up the appeal to include Dodger's friends. Post operation, Dodger was on a live web cam (he was living in the fundraising office and going home with a team member). He appeared on national television, made local press and has made several guest appearances at our events'.

Following this activity, the Shelter's 'new donors' have continued to support the charity, including participating in community fundraising.

## Competitions, raffles and lotteries

A competition, raffle, or lottery can be a useful way to interest and acquire new donors or add spice to an event.

### *Competitions*

Organisations are really only limited by their creativity when devising a competition. To comply with the law, there must be sufficient skill involved so that the competition does not inadvertently become an illegal lottery but unfortunately there is no definition of what constitutes sufficient skill! Consider including a question about the activities of the organisation, which requires a little research, or a tiebreaker. A competition can be conducted via email, a newsletter or at an event and there are no regulations on the cost of entry. Make sure clear terms and conditions are included.

### *Raffles and lotteries*

A lottery is a game where prizes are distributed by chance, after individuals have bought tickets for entry into the game. A raffle or tombola are just other names for a lottery. There are three different types of charitable lotteries and VCOs must make sure that any lottery fits within one of the definitions, otherwise it will be illegal.

### *Small lottery*

A small lottery is a useful additional fundraising tool during an event and if the VCO is running events, then why not include a small lottery? Tickets do not have to be specially printed and there is no limit on individual ticket price but discounted offers, e.g. '2 for 1' should not be promoted. The value of donated prizes is limitless but no more than £250 should be spent on prizes if purchased and cash prizes should not be offered. Small lotteries must be run as part of another event or entertainment, for example, pub quiz, garden fete or dinner, and the sale and draw of tickets must take place during the event.

### *Private lottery*

A private lottery can be offered only to people who live or work on the same premises or belong to the same membership organisation. All proceeds must be split either between prizes or the membership organisation. Tickets can be printed but a sweepstake is also permissible.

### *Society lottery*

To sell tickets to the general public over a period of time, VCOs must run a society lottery. These lotteries are regulated by either the VCO's local authority or the Gambling Commission, depending on the size of the lottery. If sales of tickets will exceed £20,000 for a single lottery, or £250,000 in one calendar year, then the lottery should be registered with the Gambling Commission, otherwise contact the licensing office of the local authority. £2 is the maximum permitted price of the ticket and tickets should not be bought or sold by young people under 16. Society lotteries are a great way of reaching a large swathe of the public who might buy tickets.



**Further information on rules for society lotteries is available from the Gambling Commission at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk).**



#### ***Good practice with lotteries***

- Make sure that the lottery fits exactly with the rules for small, private or society lotteries. If not, consider running a competition instead.

## Committed giving

Committed giving is the name given when donors give regular amounts to an organisation. Stable, regular income is the ultimate goal of most VCOs as it allows them to plan for the future whilst continuing and developing day-to-day activities.

Often, committed giving arises via direct debits or standing orders but regular gifts by cash, cheque or a membership scheme are also examples of committed giving. Instead of asking for a one-off donation of, say, £5 or £10, ask donors for a regular sum each month. Include a direct debit form in your newsletter or ask donors over the phone if they would be willing to give regularly over the telephone. It is not difficult to set up a direct debit and a VCO's bank should be able to provide all of the paperwork.



### ***To encourage committed giving***

- Ask previous donors or those included on a database if they would consider setting up a direct debit or standing order to support the VCO.
- Thank donors and keep them up-to-date with the work of the VCO, perhaps via a regular newsletter.
- At a later date, ask the donors if they would be willing to increase their donation.
- Respect the wishes of donors who ask not to be contacted by the VCO again or wish to cancel their direct debit.
- Ask donors if they wish to Gift Aid their donation.

## Tax-effective giving

In 2000, the Government introduced a range of measures to encourage individuals and organisations to donate to VCOs through the provision of various tax reliefs. However, organisations are currently missing out on around £600 million that could be theirs, simply by making the most of tax-effective fundraising techniques.

### *Gift Aid*

If a donor is a UK taxpayer and if the donor agrees, a charity can claim back any tax paid on the donation from Her Majesty's Revenue and Customs (HMRC). This means a donation from an individual could be worth nearly 30% more!

The principle of Gift Aid is that tax that has been paid on the donation is given to the benefiting VCO, instead of HMRC. Both one-off and regular donations are eligible, and though there are a few rules to comply with, it is easy to ensure that a VCO is making the most of Gift Aid.

### *Payroll Giving*

If an employee gives to a VCO through their payroll, they automatically receive tax relief on the donation. For more information see section 5 on fundraising from businesses.

## *Leave a legacy*

If an individual leaves a legacy to a VCO, then the donation will be exempt from inheritance tax. Further information is provided below.

## *Gifts of land and shares*

If an individual donates land and/or shares to a VCO, then the donation will be exempt from capital gains tax and the individual will also receive an exemption from income tax.

## *Donating through self-assessment tax return*

Taxpayers who fill in self-assessment tax returns can choose to donate any tax rebate that may be owed to them to a VCO. Individuals select their chosen organisation from a list provided by HMRC, so organisations need to make sure that they are included in HMRC's list for this reason.



**Further information on tax-effective giving can be found at [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).**

### *Case study Action Water*

Action Water is a unique, innovative charity working on a shoestring in delivering aid right where it is needed; straight into the hearts of impoverished communities.

Neil Battersby, spokesperson for Action Water, says 'To tell the truth, I have surprised myself by totting up the total amount of Gift Aid we have generated over the past six years. Up until April 2006 we have claimed a total of £26,162!'

'What have we done with the money? We have refurbished and shipped water tanker trucks to Africa and drilled 50 bore wells in India. Many people think Gift Aid only applies to one-off donations, forgetting that we can claim back tax on regular gifts such as monthly orders. We've converted 37% of our donors to Gift Aid, and this has made a fundamental difference to the level of aid we can afford to supply'.

## **Major donor fundraising**

Fundraisers sometimes say that eighty per cent of funds raised come from twenty per cent of the population and this concept drives major donor fundraising. Focussing some fundraising resources on a few individuals who can make a significant gift rather than lots of donors who might make a smaller gift is a sensible part of fundraising strategy. Major donor fundraising involves identifying donors who might be capable of making a substantial gift and then developing a relationship with these potential donors, perhaps through meetings, events or letters, to develop a rapport before asking the individual for a large gift.

VCOs should think about what they would consider to be a major gift for their organisation. Above what threshold will a gift make a really substantial impact on the organisation? One organisation's definition of a major gift will be different to another. One way of involving major donors with an organisation is to set up a major donor volunteer committee, with the individuals involved contacting other potential donors to encourage them to give to the organisation.



### ***Good practice with major donors***

- Think about the implications of a major gift for the VCO and what might constitute a major gift for the organisation.
- Pick out the individuals who have donated relatively significant sums regularly from the database or files. Consider asking these individuals for a larger gift than your more regular supporters.
- Try to involve potential major donors in the organisation's work where possible.
- Remember that it can take time for a major gift to materialise.

## Legacy fundraising

Leaving a legacy to a favourite charity or cause is a popular way of giving. Latest figures show that £1.5 billion was given to the top 500 VCOs via legacy giving.<sup>3</sup> Any gifts left to VCOs in wills are exempt from inheritance tax. If the value of an estate exceeds a certain amount, then inheritance tax is charged at forty per cent on the excess. The current threshold for inheritance tax is £285,000, increasing to £300,000 in 2007/8.

Encouraging donors to leave a legacy can be done using any marketing method, such as a letter from a beneficiary or trustee, email or in person. It can be an uncomfortable topic for some fundraisers but remember that legacies are the biggest source of voluntary income and donors are usually receptive to the fundraising idea. Organisations should not write or amend wills themselves, but should suggest to donors that they include a legacy gift next time they revise their will.



### ***Good practice with legacy fundraising***

- Think about which donors have shown ongoing commitment to the organisation by giving money or time and might be interested in leaving a legacy. Think about what might be the best marketing method to reach them.
- Encourage donors to inform the organisation if they do leave a legacy, perhaps by using pledge cards.
- Thank any donors who leave a bequest and thank the family when a legacy is received.
- Make sure that donors take their own legal advice. A VCO should not take part in the will-writing process at all.

<sup>3</sup> Charity Trends 2005



## **Summary – Fundraising from individuals**

- There are many different ways of asking individuals to make a gift.
- The key thing is to ask and to keep on asking!
- Remember to use the case for support to underpin the fundraising appeal.



## **Signposts to further support**

See websites such as [www.justgiving.com](http://www.justgiving.com) and [www.bymycharity.co.uk](http://www.bymycharity.co.uk) about setting up fundraising web pages.

All charities registered in England and Wales are also featured on [www.guidestar.org.uk](http://www.guidestar.org.uk) and organisations are free to add more detail and information to their own individual entries.

For more information on lotteries and gambling law see the Gambling Commission website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

The Institute of Fundraising is running a tax-effective giving initiative, including a free comprehensive guide, training and one-to-one support, until 2008. Visit the website, [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk) or call 0845 458 4586 to find out more about how to make the most of tax-effective giving.

Further information about legacy fundraising is available at [www.rememberacharity.org.uk](http://www.rememberacharity.org.uk)



### *Tool – Legacy fundraising jargon buster*

**A Bequest or Legacy** is a gift in a will to a person or organisation. There are different types of bequests. The main ones are:

- **Residuary bequest** – A gift of the remainder of the estate after all other gifts have been made and debts cleared, either the total of the remainder or a percentage of it.
- **Pecuniary bequest** – A gift of a fixed sum of money. The value of a pecuniary gift will decrease over time, as the cost of living increases.
- **Specific bequest** – A particular named item left as a gift in a will. For example, a piece of jewellery, furniture, a painting etc.
- **Contingent bequest** – A gift that is dependent upon the occurrence of an event which may or may not happen. For example a gift to a charity which applies only if other beneficiaries named in a will die before the individual dies.
- **A Codicil** is any change or addition that is made to a will. However, nowadays it is considered best practice to effect changes by getting a new will drafted rather than by making a codicil to an existing will.

**An Estate** is the total sum of any possessions, property and money left at death after debts have been paid.

**An Executor** is the person(s) appointed by an individual to ensure the wishes in your will are carried out.

**A Pledge** is a promise or statement that an individual intends to include a legacy in their will or has already done so. It is not a binding contract.

**A Testator** is a person who has made a will.

## 5 Fundraising from businesses and corporate organisations

Businesses are increasingly keen to contribute to their local community and this often involves supporting VCOs. Corporate Social Responsibility (CSR), where businesses consider their social, environmental and other responsibilities, is now an important part of many businesses' activities, especially as it brings benefits such as boosting staff morale, improving brand awareness and helping to increase sales or profits. There are opportunities for VCOs to think about how they might work with any businesses that they have links with, for mutual benefit but do bear in mind that the private sector is the least generous donor to the voluntary sector, giving only 5% of the total voluntary income to the sector.<sup>4</sup>

### Payroll Giving

Payroll Giving raises over £84 million for UK charities each year. Employees can give to any UK charity straight from their gross salary (before tax is deducted), and receive immediate tax relief of up to £4 for every £10 donated. Payroll Giving donations are processed by Payroll Giving Agencies, who have special permission from HMRC to process donations made through the payroll.

Like committed giving, the beauty of Payroll Giving is that it provides charities with regular, reliable donations, allowing them to plan ahead and budget for the future. Once a donor has signed up, they often support the charity for several years to come, and may go on to offer support in other ways.

From an employee's perspective, Payroll Giving is an easy, tax-effective way to give, and it costs them less to give more. For employers, it is a great way to demonstrate commitment to the causes their employees care about. It can also aid retention and recruitment of staff, and enable them to generate a sustainable income stream for charities.

Organisations can set up a Payroll Giving scheme themselves if one doesn't already exist. The next step is to make contact with employers, so research organisations where there is already a relationship, however tenuous it might be. Could suppliers or major donors provide possible business contacts? Once contact has been made, seek permission to make a presentation to the staff and managers. Alternatively, organisations could consider joining forces with other VCOs to promote Payroll Giving jointly through a consortium or ask a professional fundraising organisation to visit employers on their behalf.

January 2006 saw the launch of the Payroll Giving Quality Mark, which recognises and rewards organisations (businesses and charities) for making Payroll Giving available to their staff. The Quality Mark comprises a certificate and logo, as well as Bronze, Silver and Gold Awards and is an extra incentive to persuade employers to set up a payroll giving scheme.

#### **Good practice with Payroll Giving**

- Ensure staff and volunteers understand Payroll Giving.
- Ask corporate supporters to introduce Payroll Giving in their workplaces.
- Thank every donor who gives through the payroll and stay in touch.



<sup>4</sup> UK Voluntary Sector Almanac (2004). NCVO. London.

## Sponsorship

Sponsorship involves a business providing money or gifts in-kind to support an organisation's fundraising appeal, awareness campaign or event. Is there a local business that might be interested in supporting a fundraising event? Could the business provide funding to cover costs or provide a room or support an activity? If their business is promoted during the event, a business may be willing to cover advertising costs, for instance, in exchange for their logo on the advertising materials.



### ***Good practice with sponsorship***

- Think about any potential businesses that might be willing to sponsor an event, newsletter, banner or other activity.
- Agree the scope of the sponsorship, in a simple agreement.
- Invite some employees along to the event and remember to thank them afterwards.
- Charge the business separately for the use of their logo and include VAT.
- Promote the partnership to the local media.

## Cause-related marketing

Another popular method of raising funds is for a business to give some of the profits of any product or service they are selling to a VCO. For example, a local restaurant could agree to donate 5% from every bill or a hairdresser could donate a pound from each haircut. Such arrangements are commonly called 'cause related marketing' or 'commercial participator agreements' and there are a few legal requirements which must be followed.



### ***Good practice with cause-related marketing***

- Ensure that the contract between the VCO and business sets out the terms and conditions of the agreement in full. A model contract can be downloaded from [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).
- Make sure that the amount or percentage that the VCO will be receiving from the sale of the product or service is stated clearly on the product and on any advertising or printed material.
- Promote the product.
- Consider the promotional activity's fit with the VCO's mission.
- Don't agree to a commercial participation activity with a business or product that conflicts with the VCO's cause or values. For example, it would not be sensible for a charity that worked with children to receive funds from the sale of alcohol.

## 6 Fundraising from Trusts and Foundations

Trusts and Foundations give grants to VCOs that have projects or activities that match their funding objectives. There are about 8,800 Trusts and Foundations in the UK, ranging from the Big Lottery Fund, which funds projects across the UK from National Lottery money, to regional funders such as the Lloyds TSB Foundations and Community Foundations, to county or smaller specific funders. Some funders will only give grants to VCOs that support specific groups (e.g. children or women) or that undertake specific activities.

Usually, a VCO applies to a Trust or Foundation by filling in an application form, detailing the project or activities that the VCO wishes to undertake. Funders consider applications against their funding criteria and will award funds to the organisations whose applications best match the funding criteria. A number of websites listing Trusts and Foundations are included in the Resources section at the end of this guide. Local CVS funding advisors can also help organisations, both in identifying potential grant-makers and with completing their application forms.



### ***Good practice for applying to Trusts and Foundations***

- Ensure that the application matches the criteria set out by the funder.
- Fill out the application form accurately, including full details of the project, any required information (e.g. annual reports and accounts) and cost the project correctly, not forgetting to include the appropriate proportion of overheads.
- Comply with any reporting criteria to the funder, if the application is successful.
- Check your local library, which will have lists of local funders.



## 7 Fundraising from communities

### Event Fundraising

Large or small, dinner or trek, events are a popular way of raising funds. In 2004, £351 million was raised through fundraising events by the top 500 charities.<sup>5</sup>

Events do require good planning and the input of committed staff or volunteers and resources. Think about the kind of events that the VCO could put on – would a sponsored run, garden fete or posh dinner and dance be most suitable? Does the organisation have some staff or volunteers that could help out?

### *Sponsored and challenge events*

The London Marathon is the biggest example of a sponsored event, raising millions for charities each year, but there are many other runs and events that take place all around the UK and participants are usually welcome to raise funds for charity in the process. Another popular way of raising funds involves individuals taking part in a trek or cycle ride overseas, the participants usually paying their own costs and asking friends and family for sponsorship as well. VCOs can also organise their own sponsored events, although those doing so need to consider their potential liability if anything goes wrong and make sure that a full risk assessment is conducted.



#### ***Good practice for sponsored events***

- Think about whether any donors might be interested in taking part in an activity where they could also be sponsored in aid of the VCO.
- If the VCO is organising a sponsored event, check that the event meets health and safety regulations and does not impact adversely on the local environment.

### *Dinners and entertainment*

Another idea is to put on a dinner and dance, organise a garden fete, cheese and wine party or other event. Individuals buy tickets to attend and other fundraising activities can be incorporated into the entertainment, such as a raffle or fundraising auction.

<sup>5</sup> Charity trends 2005.



### **Good practice for public events**

- Contact the local authority to check whether a licence is required.
- Ensure volunteers and staff attending the event are fully briefed.
- Ensure the venue complies with health and safety regulations and is accessible for all.
- See also the Institute of Fundraising's Code of Fundraising Practice on 'Event Fundraising' available on their website [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk).

### *Case Study Action Medical Research*

'Davina's Day Out' is an example of a community fundraising event using the techniques of celebrity support and corporate sponsorship to create a highly successful fundraiser on a local scale.

The walk, based on the Millennium Trail in Portsmouth, was fronted by TV star Davina McCall, and helped to raise money for the Action Medical Research Touching Tiny Lives campaign which aims to help sick and vulnerable babies. As a celebrity mum, Davina had the right image for the campaign, and drew in the crowds. Support from a local radio station raised awareness of the event, together with great publicity in local papers. The event raised over £55,000 in 2005, with over two thousand people turning out to walk five miles with their favourite star. The event will take place again in July 2006 and the charity expects that these numbers should double, thanks to corporate sponsorship from local company VT Shipbuilding.

### *Local schools and youth groups*

Local schools and youth groups can be a rich mine of committed and energetic volunteers. Many local schools and youth groups might be able to help by organising an event to support the VCO, the benefits including raising awareness of its activities, as well as possibly recruiting future supporters.



### **Good practice when working with young people**

- Seek permission of the head teacher first.
- Bear in mind the ages and capabilities of the young people when designing fundraising activities.
- Ensure that activities are safe and legal.

### *Case study Harvest Help*

Harvest Help is an overseas development charity working in Zambia, Malawi, Ghana and Togo. Every year, Harvest Help sends a free Harvest Festival resource pack to 2,500 churches to encourage donations. In 2005, this raised £60,000.

Publicity starts in April with a flyer mailed to church bodies asking them to market the campaign through church newsletters and clergy mailings. PR is also generated in church media, Harvest Help's newsletter and website.

Fundraising packs are mailed out at the end of May. Each year, the pack is endorsed by a significant church leader. In 2005 it was the Rt Revd Rowan Williams, the Archbishop of Canterbury. The formula for fundraising is flexible – Gift Aid envelopes and donation sheets are supplied but churches fundraise in different ways. Some do collections after the service, some hold fundraising lunches and others make a donation out of their general budgets.

## Clubs and associations

Local community groups such as Rotary Clubs are often willing to fundraise for local or national VCOs. Or an individual or group might contact the VCO expressing an interest in fundraising for the organisation or vice versa. Often these groups already have an idea of how they wish to raise funds and the organisation's role is to make sure that the group does not do anything to damage the reputation of the VCO.



### ***Good practice when working with clubs and associations***

- Do be clear about the level of support that the VCO can give to the group.
- Bear in mind that the VCO's liability for the event may depend upon the level of support given, e.g. if the event was held on the VCO's premises rather than that of the supporting club or association.
- Thank the group for their efforts.



## 8 Where next?

This Guide is intended to give VCOs some guidance to start fundraising. The Resources section contains signposts to other sources of information and support. In addition, fundraisers might wish to consider undertaking a course or joining the Institute of Fundraising to tap into the Institute's networks of fundraisers. Details of further training providers are also given in the Resources section.

Further Tools to support fundraising activity will be available in the *Finance Hub Toolkit for Funding Advisors* due for publication early in 2007. The *Toolkit* will complement the information contained in the *Introductory Pack* guides to provide a working support pack of resources to enable VCOs and their advisors to work together in thinking through funding options.

For organisations in need of support with fundraising a first point of call should be local agencies such as Councils for Voluntary Service (CVS). Advisors can assist groups by discussing ideas, assisting with developing plans or filling in funding applications. They will also be aware of local Trusts and Foundations and other regionally specific support. In addition, a number of useful resources, including support agencies, publications and websites, are included at the end of this guide.

Prior to meeting with an advisor, it may be useful for organisations to have read this guide and to have considered potential fundraising options. This will provide a starting point an advisor can build upon to ensure organisations get the most out of any advice session.

Remember if donors aren't asked to give, then they won't know they can give! Putting the practical tips in this guide into practice will help VCOs begin fundraising in an effective and financially beneficial way.

## Key words and phrases

**Acquisition** – term given to process of obtaining new donors.

**Beneficiary** – the group, individual, activity or object that benefits from the work of the VCO.

**Case for support** – statement setting out reasons why donors should donate to the VCO.

**Donor** – an individual, group or organisation that gives a gift (usually money but can be goods or services) to a VCO freely.

**Full cost recovery** – the principle of ensuring that all of the costs of an activity, including overheads, are included in contracts and funding applications.

**Fundraising cycle** – planning tool to help fundraisers plan activities.

**Fundraising ratio** – term given to calculations of cost effectiveness of fundraising activities.

**Fundraising plan** – an outline of activities to be undertaken for a specific fundraising activity, including a budget.

**Fundraising strategy** – outline of organisation's fundraising activities overall, based on organisation's business plan. Brings together individual fundraising plans.

**Restricted fund** – a fundraising appeal for a specific project or cause.

**Retention** – term given to ensuring current donors continue to give to the VCO.



## Further support and resources

### Fundraising specific advice and support

#### *Information about fundraising*

**Arts and Business** – provides information, resources and advice to help arts organisations develop. See [www.aandb.org.uk](http://www.aandb.org.uk)

**Fundraising Standards Board** – promotes excellence in fundraising and provides a robust and accessible complaints procedure for members of the public. See [www.fsboard.org.uk](http://www.fsboard.org.uk)

**Institute of Fundraising** – professional and membership body for fundraisers and fundraising organisations in the UK. It provides information and advice on fundraising. See [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

**Payroll Giving Centre** – online information about Payroll Giving aimed at businesses, charities and the general public. See [www.payrollgivingcentre.org.uk](http://www.payrollgivingcentre.org.uk)

**Remember a Charity** – information and online support to help members of the public leave legacies to charity. See [www.rememberacharity.org.uk](http://www.rememberacharity.org.uk)

**UK Fundraising** – news, information and resources for fundraisers. See [www.fundraising.co.uk](http://www.fundraising.co.uk)

#### *Fundraising training and conferences*

**Directory of Social Change** – offers range of training, conferences and publications. See [www.dsc.org.uk](http://www.dsc.org.uk)

**Open University** – provides fundraising conferences and training. See [www.open.ac.uk](http://www.open.ac.uk)

**Institute of Fundraising National Convention for fundraisers** – annual event for fundraisers. See [www.nationalconvention.org.uk](http://www.nationalconvention.org.uk)

#### *Volunteers for fundraising*

**GNation** – details of fundraising activities for young people. See [www.g-nation.co.uk](http://www.g-nation.co.uk)

**Community Service Volunteers** – UK's largest volunteering organisation. See [www.csv.org.uk](http://www.csv.org.uk)

**Timebank** – national charity inspiring and connecting people to share and give time [www.timebank.org.uk](http://www.timebank.org.uk)

**Do it** – database of volunteering opportunities. See [www.do-it.org.uk](http://www.do-it.org.uk)

## Funders

**Association of Charitable Foundations** – leading membership body for grant-makers in the UK. See [www.acf.org.uk](http://www.acf.org.uk)

**Community Foundation Network** – national network linking community foundations. These are charitable trusts that promote and support local voluntary and community activity. See [www.communityfoundations.org.uk](http://www.communityfoundations.org.uk)

**Government Funding** – online portal to grants from government departments for VCOs. See [www.governmentfunding.org.uk](http://www.governmentfunding.org.uk)

**Lottery Funding** – details of lottery grant programmes. See [www.lotteryfunding.org.uk](http://www.lotteryfunding.org.uk)

## Regulatory authorities for fundraising

**Gambling Commission** – regulator for gambling activity. See [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

**Public Fundraising Regulatory Association (PFRA)** – regulates the use of face-to-face fundraising by charities and professional fundraising organisations and works with local authorities to ensure that fundraising sites are used appropriately. See [www.pfra.org.uk](http://www.pfra.org.uk)

## Publications

Available from local library or for purchase from [www.dsc.org.uk](http://www.dsc.org.uk)

Adirondack S, and J. Sinclair Taylor (2001) *The Voluntary Sector Legal Handbook. Second edition*. Directory of Social Change. London.

Botting N, and M. Norton (2001) *The Complete Fundraising Handbook. Fourth edition*. Directory of Social Change. London.

Institute of Fundraising (2006) *Codes of Fundraising Practice*. Institute of Fundraising. London.

## General voluntary and community sector support

[www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)

[www.navca.org.uk](http://www.navca.org.uk)

[www.bteg.co.uk](http://www.bteg.co.uk)

[www.acre.org.uk](http://www.acre.org.uk)

[www.guidestar.org.uk](http://www.guidestar.org.uk)

[www.charityfacts.org](http://www.charityfacts.org)

[www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

NCVO (National Council for Voluntary Organisations)

NAVCA (National Association of Voluntary and Community Action)

Black Training and Enterprise Group

Action for Communities in Rural England

Guidestar

Charity Facts

Charity Commission

## ChangeUp Hubs of expertise

### *Finance Hub*

The Finance Hub is delivering to the Government's ChangeUp programme to create VCOs which are effective and independent because they are financially sustainable. Further details and resources available at [www.financehub.org.uk](http://www.financehub.org.uk)

### *Governance Hub*

The Governance Hub aims to improve the quality of governance of VCOs in England at national, regional and local level. It offers a wide range of services and resources to chairs, trustees and boards that are inspirational and useful to help them in effectively leading and developing their organisations. Further details and resources available at [www.governancehub.org.uk](http://www.governancehub.org.uk)

### *ICT Hub*

The ICT Hub aims to improve VCS information and communications technology infrastructure so that VCOs are enabled to achieve their missions more efficiently and effectively through the better use of ICT. It provides ICT guidance, good practice, advice and support accessible at a local level. Further details and resources available at [www.ictHub.org.uk](http://www.ictHub.org.uk)

### *Performance Hub*

The Performance Hub aims to bring together in one place the wealth of experience and expertise in performance improvement that already exists, and make this expertise far more accessible to VCOs. It also helps local, sub-regional, regional, and national infrastructure improve the quality and quantity of the support they can offer to VCOs and works with funders and policy-makers to improve the environment within which VCOs operate. Further details and resources available at [www.performancehub.org.uk](http://www.performancehub.org.uk)

### *Volunteering Hub*

The Volunteering Hub works to achieve a leaner, effectively marketed and high-quality volunteering infrastructure reaching, recruiting and placing a greater number and diversity of individuals coupled with improved volunteer management. Further details and resources available at [www.volunteering.org.uk/aboutus/volunteeringhub](http://www.volunteering.org.uk/aboutus/volunteeringhub)

### *Workforce Hub*

The UK Workforce Hub helps VCOs recruit, retain and develop the staff, volunteers and trustees they need. It works in four main areas: learning and skills, human resources and good employment practice, leadership and working and volunteering in the voluntary sector. Further details and resources available at [www.ukworkforcehub.org.uk](http://www.ukworkforcehub.org.uk)

## Additional support

### *Councils for voluntary service and other support agencies*

The NAVCA website can help with locating local CVS. Available at [www.navca.org.uk](http://www.navca.org.uk)

### *CIB/fit4funding*

fit4funding (The Charities Information Bureau) provides training, information and consultancy on every aspect of the funding process – from giving grants, accessing and managing funds, to giving funding advice. A Finance Hub commissioned programme of training designed for funding advisors and delivered by partners (fit4funding, SYFAB, CA Hants, FINE, Engage East Midlands and NAVCA) throughout the country will be launched in 2006. Further details available at [www.fit4funding.org.uk](http://www.fit4funding.org.uk)

### Collaborative working

NCVO's Collaborative Working Unit provides good practice information and advice to help VCOs make decisions about whether and how to work collaboratively.

See [www.ncvo-vol.org.uk/collaborativeworkingunit](http://www.ncvo-vol.org.uk/collaborativeworkingunit).

### Strategic planning and foresight

NCVO's Third Sector Foresight project helps VCOs to plan effectively for the future by providing information on trends affecting the sector and planning guidance to deal with these. The project's annual publication, *The Voluntary Sector Strategic Analysis*, is a useful tool for future planning and decision-making. For more information, visit [www.ncvo-vol.org.uk/3sf](http://www.ncvo-vol.org.uk/3sf).

### Sustainable funding

NCVO's Sustainable Funding Project works to encourage and enable VCOs to explore and exploit a range of funding and financing options. Further case studies illustrating how VCOs have pursued income diversification and other resources providing ideas, information and inspiration are available on the Sustainable Funding Project website [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp).

To register for the Sustainable Funding e-newsletter – delivered free via email each month – email [sfp@ncvo-vol.org.uk](mailto:sfp@ncvo-vol.org.uk) and ask to join the mailing list.



NCVO's Sustainable Funding Project encourages and enables voluntary and community organisations to explore and exploit a full range of funding and financing options to develop a sustainable funding mix.

The Sustainable Funding Project  
*funding in the round*  
Website: [www.ncvo-vol.org.uk/sfp](http://www.ncvo-vol.org.uk/sfp)  
Tel: 020 7520 2519  
Email: [sfp@ncvo-vol.org.uk](mailto:sfp@ncvo-vol.org.uk)

The Finance Hub is delivering to the Government's ChangeUp programme to create voluntary and community organisations which are effective and independent because they are financially sustainable.

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Websites: [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)  
[www.askncvo-vol.org.uk](http://www.askncvo-vol.org.uk)

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