



Funding Guides



FUNDING GUIDE 17 : Funding from Individuals

Analysis of most successful funding campaigns shows that a small number of individuals contributed a large proportion of the money raised outside of grant funding. Finding people who will be sufficiently motivated and inspired by your project to contribute a significant amount is an important part of your overall funding strategy. You will look for two kinds of donors - those willing to contribute significant one-off gifts, particularly early in the funding campaign, and those willing to contribute regularly to the project over its lifetime.

This guide will focus on gaining one-off gifts, and also on building up a base of regular giving, but before we reach these, a quick note on two other sources of funding from individuals :

Legacies

If the project is a long term one, you might also seek to build up potential legacies, although be careful of getting legacies restricted to a project which is by then complete.

Loans (either interest-free, or interest-bearing)

The PCC is permitted to take out loans from individuals, or from financial institutions, but it needs to be clear that it is able to pay off these loans when they become due. Great care should be taken with loans from individuals that the loan can be repaid on the due date, and there should be no suggestion from the church that the interest-free loan might be converted to a gift.

A. ONE OFF GIFTS

Whilst having good materials will be important, you will probably need to meet face to face with those who will make significant gifts. They may well be already known to you, which can make this both easier, and more daunting, at the same time. Good one-off gifts or pledges can be particularly important at the early stage of a campaign, as you need to demonstrate to grant funders the degree of support that the organisation has solicited.

There are two ways of making the initial approach.

Presentation and Dinner/Drinks

Holding a fundraising dinner or reception, together with a presentation of your campaign is a good way to get to those local to you, and particularly to those who may not see themselves as major donors.

- ① **Invite people to the event.** This should be a high quality event, and be motivating to prospective donors. It may be worth trying to get a bishop, local dignitary or some other person to host the event, or to speak briefly (providing they are on message!)
- ② **Make the presentation.** Outline your campaign, why the money is needed, and your strategy for raising the funds. It needs to be believable and motivating. In particular, you should stress the benefits of the campaign - what will be the benefits of the successfully funded project. Close by asking those present to consider whether they could support this. At this point you might offer two options - either for people to

simply make their donation there and then, or to establish a follow up slot when you can meet with them afterwards to answer personally any questions they may have.

- ③ **Thank and Follow Up.** Whatever the response, thank people for their time (and donation if appropriate.) It will take time to develop the relationship to the necessary level to secure major gifts, so be prepared to invest the necessary time. Ask for permission to come back and update them in the future. Anyone who has made some contribution is likely to want to know the success of the project that they have supported, but remember not to inundate them with materials and letters.

Meeting with them

For some prospective donors, it is better to meet with them on their territory, in a personal meeting. These people will be approached as prospective major-donors, and so there should be some reason or connection that you can reasonably approach them. The approach needs to be built up over time, but could evolve something like :

- ① **An initial letter.** Write to the prospect donor and let him or her know you would like to meet with them. This letter should come from the person inside your campaign who knows them best. Include brief bits of information about the campaign, but your aim is to whet their appetite, rather than to give them all the information they need. The letter does not ask for money; but rather lets the prospective donor know you want to meet to discuss money.

- ② **A follow up phone call.** After the letter is received, call the prospective donor to see if you can arrange to meet with them. If you can anticipate any objections or hesitations that may be put forward, you can prepare to counter them. You may need to suggest that providing them with information about the project is a sufficient reason to meet if they express a view that they would be unlikely to support the project.

- ③ **The meeting.** The meeting is just one stage along the process, but it is important. The prospective donor's willingness to give will depend upon a range of factors - their knowledge of the campaign, their general propensity to give, and the degree of relationship with the organisation. Above all, your main aim is to grow your relationship with the prospect. As well as providing information, you might want to ask some open questions of them. For example, "Why have you supported our work in the past? What's your image of the organization? What do you know about our campaign?" Above all, be gracious, be grateful, and stick to the point. You might find it helpful for two members of the campaign team to meet with one or two prospective donors.

You should ask specifically whether they would be willing to support the campaign. You will probably need to outline the general financial strategy, and outline the level of donation that you are hoping that you might receive, so that the prospect has a clear idea what is in your mind. Don't be afraid of silence, as the prospect considers your request.

You should make sure you are well briefed on Gift Aid, and how it works (see Funding Guide 19), so that you can ensure that the gift is given tax-efficiently, so that the charity and potentially the donor benefit. If the gift is large, it may be out of capital rather than income, so that Gift Aid is only applicable to a portion of the gift. You will need sensitivity in handling this, as you shouldn't expect the donor to share their personal financial details with you.

- ④ **Follow Up.**

After you receive a gift from a major donor, you will need to think how you maintain the relationship with the donor with updates at an appropriate frequency, invitations to important events, etc. You may well get further gifts in the future if they feel involved with

the project. It would be appropriate to invite all funders/supporters, or at least the larger ones, to an 'opening/launch ceremony' or something similar.

B REGULAR GIFTS

Having a regular income stream is particularly important for some projects - usually those with salaries or other regular costs. Finding donors willing to contribute a certain amount per month is a very useful way of being able to rely on a regular income. You may want to seek regular giving for a particular project separate to regular giving to the church - if, for instance, it is a separate charity, or a restricted fund. Alternatively, some projects can be run from the church's general fund, but the church will ask existing donors whether they would be willing to increase their existing giving to cover the new project. Some people do not have the finance to make a substantial one-off donation, but are prepared to give a smaller amount over a period of time (e.g. £50/month for 5 years). This can be useful if the fundraising is scheduled to take some time, or to secure loans if it is important to begin before all the funds are raised. It would be wise to check that regular giving is not put at risk, otherwise a successful project may jeopardise the main ministry of the church.

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These Funding Guides have been developed by a "Good Practice" group of the National Stewardship Committee of the Church of England and are intended to support your church's fundraising. They are available on-line at www.parishresources.org.uk/funding or at www.churchcare.co.uk/funding.php