



Funding Guides



FUNDING GUIDE 4 : Preparing a Funding Strategy

Before starting to make funding applications, it can be useful to do a quick 'health check' on your organisation. Considering these questions before making funding applications can save time, and increase your success rate when you come to seek funding.

A funding strategy is useful for identifying what your funding needs will be, and how those funds could be raised.

First Steps

1. Identify your aims:

First, take a step back. Has your church council identified the vision that God has given it for the next few years? Begin with that vision. In the light of it, review your aims. E.g. are you trying to renovate the hall because it is a bit shabby, or because a renovated hall is vital for the vision God has given your Church? The answers to these questions will not only identify your funding needs, but also enable you to achieve them. Potential funders are motivated to give by being fired by your vision.

2. Identify your objectives:

If your aims are what you are trying to do, your objectives are how you will achieve your aims. What are your objectives? What work do you need to carry out to meet your objectives?

Clarify exactly what you want to do over the next year or two years. This will help you to identify your funding needs.

3. Do your research and consultation

- In the congregation: Is the leadership united? Do regular church-goers know what is being planned and why it is needed (i.e. do they own the vision)? What potential for giving and fund-raising is there amongst the church membership?
- Interdenominational and faith-group networks:
 - Is the deanery and diocese (e.g. D.A.C and archdeacon) aware of what you are planning?
 - Are your local ecumenical partners aware of your plans and do they clash with any plans they may have?
 - Some funders are anxious about giving money to church projects in case it upsets other Faith groups in your locality. If you have a local mosque, synagogue, temple, etc it can be helpful if you are able to show that they support what you are planning to do.
- In your local community: Are those who live close to the church aware of what you are planning and why? If your project includes work in the community (e.g. a playgroup or lunch club) have you asked the community what they believe are their most pressing needs? Are there any similar projects to yours planned or running in the vicinity?
- Some of this research will inform your fundraising; some will ensure goodwill and avoid harmful negative publicity

NB. Good research involves going out and asking questions even if you think you know the answers. Bad research involves sitting round a table and trying to guess what people might say

4. Work out a budget (See FG5: How to Set a Budget):

There is a separate sheet in this series on how to set a budget. A realistic budget not only tells you how much you need to raise it also tells potential funders that you are well organised. Calculate (don't guess) what sort of money you need, if necessary employing professionals to work it out for you. Separate 'one off' costs (capital), e.g. for a building or piece of equipment from ongoing costs (revenue), e.g. for salaries? Build in a contingency (say, 15%) for unexpected costs. Do you need a large or small amount? Work out how much you can reasonably expect to raise from the church community (including reserves if you have them) through direct giving and fundraising and how much you will need to raise from outside sources.

Think about other ways of supporting your work. These could include such things as free services or gifts in kind. (You may be able to get free materials or help with photocopying or publicity). This will reduce the amount of funding you need to apply for. It can also be quantified (there is a useful tool on the Church Urban Fund website) to support applications for funding

5. Draw up a business plan

There is a separate sheet in this series on how to draw up a business plan. A good business plan is as important as a realistic budget, both to help you keep on track and to inform potential funders

6. Funding sources

Identify funds you already have, and consider whether you can make savings or generate additional revenue in any way?

Being clear on your needs and preparing a budget will help you to search for funding. There are many different sources of funding available, depending on the type of project. Bear in mind the rule of thumb that 80% of funding comes from 20% of your donors, and that often, at least 10% of your funding will come from one donor (individual, trust or fund). See FG9: Funding Sources.

7. Fundraising

Have you taken the Funding Health Check? See FG3.

Decide how your group is going to fundraise. You may want to form a small fundraising group. You will need people who have:

- Verbal skills (to speak to funders)
- Writing skills (to complete application forms)
- Organisational skills (to keep accurate records)
- Knowledge of preparing budgets

What Will the Funding Strategy Look Like?

A funding strategy might be 1-4 pages. How the finished product looks is entirely at the discretion of your committee but it needs to be clear and concise so the person assessing the funding application can easily understand your group's future plans.

A funding strategy could cover the following key issues:

- An explanation of the approach or methodology used to create the strategy
- Key dates and targets for acquiring funds clearly stated
- Show clearly who holds responsibility for ensuring targets are met
- How will the effectiveness of your strategy be measured and how does it link into your organisation's long term aims

Useful Tips

Remember

However you decide to organise yourselves, you need to co-ordinate your efforts and keep group members informed at regular meetings.

Keep records

You need to keep records of who's been asked for what, when and what their response was. These records will help you to decide which funder to approach in the future.

Say 'Thank you'

Both when you receive the gift and by inviting donors to an opening ceremony

Exchange information

Even though funding can be competitive, it can be really useful to make contact with other groups who've been successful in finding funding for their projects. Make sure your group is on the mailing list for any relevant newsletters, and look out for local funding briefings.

Finally

You need to be realistic about what your group can achieve. Are you ready to develop large projects or would you be better to develop your work gradually by breaking down your targets into smaller amounts?