



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? Many dioceses have advisers to help with this, otherwise books like *The Healthy Churches' Handbook: A Process for Revitalizing Your Church* by Robert Warren (Church House Publishing, 2004) ISBN 0715140175, 9780715140178 can provide a good process.

The starting point of any such process will always be the context within which the church finds itself. This is not a navel-gazing exercise. Churches need to look beyond their doors to the community they purport to serve. The comment at the end of section 3 applies here as well. A third or more of most congregations live outside the parish, and even those who live within its boundaries are not necessarily going to be wholly representative of the population. Discovering afresh the make-up, needs, hopes and fears of the local community will inform the vision of the church and the priorities facing it.

While this can seem like a huge distraction, when you want to get started, it will pay dividends in your project in the long run. When a funding campaign is launched it will not take the local community by surprise, as they will feel they have already had a part in the project's conception.

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?

- Other churches and other local Faith Groups (e.g. mosques, synagogues, temples, etc):
 - Is the deanery and diocese (e.g. the Diocesan Advisory Committee [D.A.C.] and archdeacon) aware of what you are planning?
 - Are your local ecumenical partners (e.g. Methodists, Roman Catholics, Baptists, etc) aware of your plans and do they clash with any plans they may have? Or, alternatively, could your plans add value to what they are doing and vice versa
 - 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 (See FG6: A Simple Guide to Writing 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. In particular, funders need to know that your project stands a good chance of delivering what it promises, and that it will survive after the initial expenditure (sustainability). A business plan provides this reassurance by demonstrating that you are thinking and planning ahead.

6. Funding sources (See FG9: Funding Sources)

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). If these major funders cannot be identified, there is very little chance of success.

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
- Communication skills (to keep people informed and deal with the press)

A clear distinction needs to be made between approaching potential funders and organising events to raise funds. Ideally, these should be handled by different committees.

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?