FUNDING FOR CHURCHES AND CHURCH-BASED PROJECTS.

There are many examples of churches in and around Middlesbrough that are involved in activities that benefit their local communities. In some circumstances the church is able to cover and contribute to the costs of these activities. However in most cases, churches in Middlesbrough that want to be more involved in their communities need to look for external sources of funding to cover costs for equipment, running activities, staff, building refurbishment etc.

Some local churches have gained experience in fundraising and excellent projects have developed as a result. However many churches report that they have little knowledge of the kind of funding that might be available to them and how to go about accessing it.

We hope this information pack will be a useful resource for churches and church-based projects that want to learn more about fund-raising. Many people may shy away from fundraising because it can seem like a daunting task. These information sheets should help you to get started and inform you about a range of issues:

- Preparation for fundraising
- The range of funding options available to you
- How to find the right sources of funding for your group
- Hints and tips on making a funding application
- Difficult issues for church groups

A thought to inspire you!

“Fundraising is proclaiming what you believe in, and proclaiming it in such a way that you offer other people an opportunity to participate in your vision. So it is precisely the opposite of begging. It is not saying ‘Please, we have a problem could you help us out?’ It is saying ‘We have a vision that is so exciting that we are giving you the opportunity of participating in that vision with the resources that God has given you.”

Quotation from Henri Nouwen.
PLANNING FOR FUNDRAISING

Fundraising can be hard work! It takes time and patience and is most fruitful when careful planning has taken place. Hurried last-minute applications are rarely successful; a well-thought out approach is essential for your fund-raising to bear fruit.

There are often considerable time delays involved in fund-raising. It is not unusual to wait 3-6 months after sending in your funding application until you hear if you have been successful. This means planning ahead is essential!

There are several first steps to follow before you start to raise funds:

1. ESTABLISH THE NEED

You may have a wonderful vision for a community project/activity, but unless it addresses an identified need it is very unlikely to attract funding. Take time to find out information about your community, the views of local people/your user group(s), what else is happening in the area etc. This can all build up a picture of the need you are trying to address. Grants are often targeted at areas of significant deprivation, you can find out about needs in your community from a variety of sources:

Middlesbrough council produce detailed statistics for each ward:  

Church Urban Fund has a poverty look-up tool for each Church of England Parish  
www.cuf.org.uk/povertyinengland

The Office for National Statistics – a wide range of statistics available  
www.neighbourhoodstatistics.gov.uk

2. ESTABLISH THE STRUCTURE AND POLICIES OF THE ORGANISATION THAT WILL DELIVER THE PROJECT

Funders will want to know that you have a viable organisation that can handle finances and deliver the project for which you are seeking funding. You will need a written constitution, a bank account with appropriate signatories, a committee to manage the project and people with relevant skills. (If you are applying for funding under the umbrella of your church, some if not all of these structures should already be in place.)

In addition, funders will want to ensure that you have certain policies and procedures in place to ensure the quality of the work done e.g. equal opportunities and health and safety policies. If you are working with children, you will need to have child protection policies and procedures. You may also be asked how you will monitor your work, so you need to think about how you will keep records e.g. numbers of people using your project and how they have benefited.
3. WRITE DOWN YOUR IDEAS AND PLANS

Having established a need, begin to think creatively about how you could do something to address this need. This is best done within a group, so ideas can be “brain-stormed” and different angles on the need explored. Be imaginative, “dream some dreams” and then pull out the ideas that are most important and put them in order of priority and timing. This will help you to identify what you will need to seek funding for.

Most funders are less willing to give you money for your day to day work – they like to fund new ideas, new projects and new equipment rather than ‘core’ running costs. Take time as a group to think through how you will meet this challenge, a well thought out approach is attractive to funders.

4. WORK OUT A FINANCIAL BUDGET

When you are applying for a grant it is important to be able to show exactly what you will spend the money on. When your group has agreed a project, you will need to take the following steps:

• List all the items that will need paying for, including ‘hidden’ costs such as insurance or the cost of recruiting a worker

• Price each item – don’t guess, make your prices as realistic and up to date as possible. If your budget covers more than one year remember to build in inflation

• Add up the figures to give a total budget, if it seems too high you could leave out some inessential items. You may want to break the budget down and ask funders to consider particular items

• Funders will be looking for ‘value for money’, which means you need to consider whether your project compares well with other organisations in terms of cost, efficiency and effectiveness – what difference will it make to your users?

A common mistake when preparing a budget is to under-cost items. Whilst funders will be looking for value for money, they will also expect to see a realistic assessment of the costs of running your project.
SOURCES OF FUNDING FOR CHURCHES AND CHURCH PROJECTS

There are essentially 5 sources of funding that you can consider for your project.

1. INDIVIDUAL/VOLUNTARY GIVING
This is a form of fundraising that is very familiar to churches. It can happen in a variety of ways from giving £5 to a collection to making a large bequest in a will. Individual giving also includes tax-effective forms of giving e.g. covenants, gift aid and payroll giving.

Don’t overlook this source of funding, it has real advantages. It usually has “no strings attached” and so can be allocated according to need and not funders priorities! It can be fun and attract considerable local interest to your project e.g. through sponsored events, community activities. Even if you cannot raise all the necessary finance in this way, it can demonstrate to funders that local people/groups are willing to support your project.

2. GRANT-MAKING TRUSTS
According to the Charities Aid Foundation, there are around 9,000 grant-making trusts in the UK, giving in total about £2.6 billion each year to charitable causes. Some give to individuals, others to charities and voluntary groups. Certain trusts have very clear guidelines about how their finances will be distributed; others are more flexible.

There are a number of Christian trusts that you may approach. Other trusts are usually willing to fund church-based projects that show a clear benefit to the local community and are not evangelistic in nature. With such a large range of grant-making trusts, it is vital to identify which are most likely to fund your work.

3. COMPANY GIVING
There are a variety of ways in which companies may offer support to a community project; these include cash donations, gifts of equipment, raffle prizes, sponsorship of an activity. Companies will give for a reason, usually to enhance the public’s perception of them as a company and/or their products.

In practice, companies will usually give where there is a link between your project and the company. This can be geographical - their premises being nearby, commercial - their products are related to your project, personnel – someone from your project works for the company.

Many companies and banks/building societies now have grant-making policies where groups can apply for a grant or get someone to nominate them, or they will give staff time to fundraising activities.

4. STATUTORY FUNDING
Statutory funding is basically public money distributed by the government, through a variety of routes, usually in the form of grants, but also now often under a contract. There are many pots of money and these are constantly
changing in line with changes in government policy. Budget cuts mean this type of funding is under pressure.

5. GRANTS FROM THE NATIONAL LOTTERY
Money from the sale of lottery tickets is distributed by several organisations to support “good causes”. The Lottery has a website at www.lotterygoodcauses.org.uk that gives information about where the money goes and allows you to search for the right source of funds for your project.

Churches differ in their views about the rights and wrongs of applying for lottery money. By including information in this pack it allows you to be aware of the funding available and make your decision about whether to apply. The two main grants programmes are shown below, lottery funding is also available for heritage, sports and arts projects.

1. AWARDS FOR ALL
Awards for All gives groups a quick and easy way to get small Lottery grants of between £300 and £10,000. Funding is available for projects which address the issues, needs and aspirations of local communities and people. Grants are available for a wide range of community projects aimed at developing skills, improving health, revitalising the local environment and enabling people to become more active citizens. www.biglotteryfund.org.uk/funding/Awards-For-All

2. REACHING COMMUNITIES
Reaching Communities has two strands:
• Revenue and small capital – funding from £10,000 to £500,000 for revenue projects and/or smaller capital projects up to £50,000.
• Buildings – funding of between £100,000 and £500,000 for large capital projects.

Every project funded must:
• Respond to need
• Involve the people who will benefit from the project in planning and running the project
• Achieve one or more of the following four outcomes.
  1. People have better chances in life, with better access to training and development to improve their life skills.
  2. Stronger communities, with more active citizens working together to tackle their problems.
  3. Improved rural and urban environments, which communities are better able to access and enjoy.
  4. Healthier and more active people and communities.
www.biglotteryfund.org.uk/global-content/programmes/england/reaching-communities-england
FINDING THE RIGHT SOURCES OF FUNDING FOR YOUR PROJECT

A key ingredient to successful fundraising is targeting your funding applications to the most appropriate sources of funding. Avoid the “scatter-gun” approach at all costs! Do not be tempted to send out multiple letters to as many funders as possible.

“Fundraising is about building a partnership between two organisations that share the same objectives.”

Remember to invest time in finding sources of funding that match the aims and objectives of your project.

Experience shows that a few well-targeted funding applications are likely to be much more effective in raising the necessary funds for your plans. The experience of a church project illustrates this fact very clearly. Their first attempt at fundraising involved sending out 30 letters, with the result of £1,000 in contributions to the project. The following year they sought advice and sent out only 3 or 4 letters to carefully chosen sources of funding. The result was the same, £1,000 of contributions!

WHICH FUNDERS?

The number and range of funding opportunities may seem overwhelming. It will take time to sift through the available information about relevant sources of funding, but it is time well invested.

FINE (Funding Information North East) publish a guide to grants for the North East of England. They provide useful funding information available on the website www.fine.org.uk

MVDA (Middlesbrough Voluntary Development Agency) publish a regular newsletter with the latest funding news. They will also carry out funding searches for groups using Grantfinder, which will search over 7,000 funding opportunities, and find those most relevant to your project www.mvda.info

Beware you will still need to sift through the list carefully to find those most relevant!

The government’s funding central website allows you to search for relevant sources of funding in an easy user friendly way www.fundingcentral.org.uk

DONOR RESEARCH

Before you write a funding application try to find out as much as possible about the donor you are approaching.

• Check that funding is for projects in this geographical area, some grants are very localised, others are for the North East, others anywhere in the UK.
• Check that funding is available for the field of work you are involved in, most funders list the type of work they will support.

• Most funders have a list of exclusions – items and projects they will not fund, check this carefully and abide by it, you will only waste your time by applying anyway

• Look at the range of grants available to ensure you are requesting an appropriate level of funding

• Check the deadline dates for applications and how long the process takes, there is no point in applying for a project in 2 months times, if you don’t get an answer for 6 months!

• If available, look at the lists of projects that have previously received grants from the funder, this can give you an indication about whether they are likely to fund your project

• Some funders invite you to contact a member of staff to discuss your funding proposal, take this opportunity to find out more. Others positively discourage such contact!

• Some funders strongly advise you to contact them before proceeding with an application, follow these directions, as it will help you with your application.

Remember, do your research well, and you are more likely to be successful.
HINTS AND TIPS ON MAKING A FUNDING APPLICATION

Most grant making trusts and foundations will accept a letter explaining what your organisation does, what you need and why. Some have application forms, so check the information details before you write.

The best kind of fundraising letter is short and simple, and ‘leads with the need’. You should be able to include all the relevant details within a maximum of 2 sides of A4.

A good trick is to imagine you are the person with the job of awarding grants. What would you want to know about a group if you had money to give away?

There are several key pieces of information you would want to know:

• **What is the need?**
  Describe the need for your project, how you have identified the need, who it is you are seeking to help.

• **Who is the group and what do they do?**
  Give a brief overview your organisation e.g. history, management structure, current activities, and the effectiveness of your work.

• **Why do they need funding?**
  Give details of the project/activities for which you are seeking funding. Demonstrate to the funders that you have a relevant and worthwhile approach to meeting the need you have identified.

• **What is the cost of the project?**
  Give details of the project costs with a budget showing the prices of items you wish to buy or estimates of work to be done. Include any details of funding already secured towards the project. You may want to request a specific amount e.g. to cover the cost of a piece of equipment or ask for a contribution towards the total cost of the project.

In addition many funders are now looking for information about how you will monitor and evaluate your project. Simple measures such as keeping a record of attendance, asking users for feedback on the service you provide will demonstrate you have a commitment to quality.

It is important to remember that funders are looking for genuine letters that show you understand the need and can do something positive about it.
POINTS TO REMEMBER

There are a number of points to remember when writing your application:

1. Details matter – try to find out the name and position of the correspondent for the trust/foundation, avoid dear sir/madam if at all possible. Also, ensure that you sign and date the letter!

2. Avoid using abbreviations – you should assume that the person reading the letter will not know your field of work well, give the names of organisations in full.

3. Be clear and specific – rather than saying, “the youth club is well-attended” give actual numbers.

4. Include your annual report and accounts – any organisation over a year old should have annual accounts.

5. Check the guidelines – some funders request specific pieces of information, ensure that you enclose them with your application.

6. Contact details – ensure the funder knows who to contact if further information is required.

7. Check the deadline – many funders give details of their meetings and dates by which applications need to be received, allow plenty of time to complete your application in time.

Finally it can be very useful to ask someone outside of your organisation to read your application before you send it off. They will be able to let you know if your message is getting across loud and clear!
DIFFICULT ISSUES FOR CHURCH GROUPS

There are a number of issues that churches may need to face in relation to raising funds for community projects. What follows is a brief discussion of the most common questions that are raised by churches. There is no intention to give clear-cut answers, merely to explore areas for discussion and debate.

You may find you need to discuss some of these issues within your church or project. In addition, it can be helpful to contact other church projects to find out how they have worked through some of the questions you may have.

PROMOTING AN IMAGE

All fundraising is to a certain extent a form of selling. To raise funds for your project you will be seeking to convince funders that you have a creative and effective proposal that is worth investing in. Communicating your vision effectively to funders is a key to fundraising, it is important to invest time in developing the message you want to present.

The danger in this is that you could become so pre-occupied with the audience you are trying to convince that you adapt your original vision and lose the focus of what your church project is about. To use some funding jargon – there is a danger in becoming “funder-led” i.e. adapting your project to fit the funder rather than adhering to your core aims and values.

This can be a particular issue for churches that may feel a pressure to adapt to fit the criteria of secular funders.

CLEAN MONEY?

Many Christians are concerned to know where the money they can apply for has its origins. The National Lottery has become a key issue for many churches and Christian groups who are opposed to any form of gambling. Some denominations have taken a particular stance over this issue, for other churches it is down to the local church or project to decide whether to apply to funds derived from the lottery.

Other sources of money are generated from the business world. It may be possible to investigate some sources of funding to establish whether they are generated from ethically sound sources. When it comes to some of the long established trusts this becomes more difficult, some were established in Victorian times and may derive from the fruits of mass labour in adverse working conditions.

In addition most trusts and foundations rely on significant revenue from a portfolio of stocks and shares. Christians may be concerned to know if these investments have ethical criteria rather than a drive for maximum profit.

Whilst much debate has focussed on the National Lottery, in fact the issue of “clean money” is much broader. Here are some points for thought and discussion, which may help you in your deliberations:

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A joint venture between the Diocese of York and Church Urban Fund
One approach may be:

- It is morally wrong not to bear in mind how the money was generated in the first place
- All sources of money we accept must be ethically pure
- Money raised through gambling is unacceptable

Another viewpoint may be:

- The use we put the money to is more important than where it came from
- If we don’t accept money from certain sources others will and may be not use it for such good purposes
- Many of the people we are seeking to work with play the National Lottery, so don’t they deserve to benefit from the profits?

THE PROMOTION OF RELIGION

This is a phrase you will encounter again and again in funding guidelines. Most sources of funding with the exception of certain Christian trusts will not give financial support to groups which “promote religion”.

At first sight this can seem to exclude all churches and Christian projects. In reality funders are willing to fund church projects that are seen to benefit the local community and do not have the promotion of religion as a primary aim.

This is an issue you may need to consider carefully. Churches vary tremendously in their approach to social action and evangelism. If your project is designed to be overtly evangelistic this will limit the funding options available to you. However if the activities you want to engage in provide the opportunity for spiritual support within the context of seeking to meet physical, mental, emotional and social needs the limitations are fewer.

It is worth taking time to discuss these issues at an early stage in your fundraising efforts to avoid tension and misunderstanding later on. Consider how you might want to communicate your approach to community projects to funders. Some Christian groups like to make clear the values on which their project is based. One approach may be to incorporate this in a mission statement e.g.

“motivated by Christian love…….”

“in the light of the gospel…….”

It can be very helpful to talk to other Christian projects with more experience of fundraising to learn from their experience of communicating the aims and values of a church-based project.