

GETTING STARTED

SPELTHORNE COMMUNITY FUNDING FAIR – 3 JUNE 2016

Here are some notes on a few basic issues that all voluntary sector organisations need to consider before they start applying for funding. These are important, because no matter how good your project is, funders will be reluctant to resource it unless they are sure that the organisation delivering the project is robust, financially viable, well governed and sustainable, and that the project is important, fills a genuine need, can deliver meaningful outcomes, and offers value for money.

If these foundations are not in place or cannot be evidenced, funders will be reluctant to risk granting money to you for fear that the money will be wasted and the project may not be able to achieve its outcomes or fail to achieve these within budget.

Organisational Structure

The first thing any organisation considering starting a project must consider is its organisational structure. Some funders will only fund registered charities but some will fund other structures such as community groups, charitable social enterprises, CIOs (charitable incorporated organisations) and CICs (community interest groups), so it is not necessary to become a charity to gain funding for a voluntary project, but it can help. As a charity, you have gone through the procedures required for registration, and this is a good start in demonstrating your organisational structure and objects.

Charitable Objects/ Governing Document

The next important step is to clearly set out your organisation's charitable purpose. This is important because it explains to the people who run, fund, support or benefit from your charity what it does and who it helps. Your organisation can only do things that carry out its stated charitable purposes.

The charitable purpose is enshrined in your organisation's governing document or constitution which also contains the organisation's name, its powers, information about who runs it, and how it is run.

The issues of governance within this document are essential to demonstrate that your organisation has a proper structure and is run properly, usually by a Management Committee of some kind. In the case of a charity, the most important aspect of this is the role of Trustees and the way in which they manage the organisation.

Trustees/ Chief Officer

The role of Trustees is a topic in itself but, in my experience, can be the single most significant factor in the success or failure of a charity and its capacity to raise funds. Failure to have a strong,

structured and committed Board of Trustees or Management Committee, with appointed executive roles such as Chair and Treasurer can lead to failures in governance, finance and organisational operation. This is particularly the case where a charity does not employ paid staff.

If the charity does have paid staff, the second most important dynamic is the relationship between the Chair and the Board of Trustees and the Manager or Chief Officer. I have seen charities fail because of a breakdown in communication between the Board and the Chief Officer. In the case of funding, it is absolutely essential that the Board and Chief Officer are in complete agreement about the funding application in order to ensure that the project aims and activities fit within the organisation's objects, resource and financial capacities.

Bank Account

It is also a requirement for a charitable organisation to set up a bank account in its own name and not use an existing named personal bank account. Funders will normally require this to pay in grant installments.

Policies and Procedures

Funders will expect organisations applying for funding to have relevant policies and procedures in place, especially where these cover issues required by the project being funded. For example, safeguarding, health and safety, vulnerable adults, lone working, volunteers, child protection and so on. They may ask to see these.

Business Plan

An organisational business plan is also important so that funders are reassured that the project for which funding is sought fits in with the overall organisational plan and that the organisation has a longer term direction.

Finance Reports

The production of financial reports and annual accounts and future budgets is an essential requirement for funders. If you cannot produce these you are unlikely to get funding. These will reassure them i) that the charity has the financial resources to remain sustainable for the period of the funding, and ii) that the funding does not form the only, or sometimes the largest single percentage, of the charity's total turnover.

Funding Issues to consider

Once the organisation has these basic building blocks in place there are a number of other issues to consider relating to the particular project for which funding is sought, before making an application. It is not enough just to have a good idea.

- Does the project you are considering fit in with the aims and objects of your charity?
- Does it have the approval of the Chief Officer and the Board of Trustees?
- Does it serve a real need in the community?
- Can you evidence this need?
- Do you have a worked-up and costed project plan?
- Do you have the resources, experience and expertise to deliver the project plan?
- Is the budget realistic and complete? Can you deliver the project for the amount projected?
- Are there any other local organisations doing the same or a similar thing?
- Does it meet with the criteria and priorities of the funder or funders you are applying to? (if unsure, ring them up before applying)
- How do you know it will work? Have you done anything similar before?
- Have you considered matched or supplementary funding from another source?
- Are there any other organisations you could partner with to deliver the project more effectively or on a larger scale?
- Are you clear about the outputs and outcomes you want to achieve?
- How will you involve beneficiaries in the running and development of the project to ensure it meets their needs?
- How will you recruit, manage, support and encourage volunteers working on the project?
- Who will be responsible for delivering the project and reporting progress to the funder?
- What are your plans for making the project sustainable after the initial grant period?

Post Funding Tips

It is important that the project that has been funded is delivered well and that your organisation's reputation is enhanced by doing so. This will make it easier to attract replacement or alternative funding in the future.

A key feature in this is the relationship you maintain with the funder after the grant has been awarded. It may be necessary to make small adjustments to the original project plan and budget throughout the course of the project as lessons are learnt in practice. Some things may not be working, whilst others may need more resource. Most funders will be happy to talk these issues through on an ongoing basis as it is in both your interests to ensure success. The worst thing that can happen is that a project loses its way and the funder is only made aware of this when a monitoring report is due.

Help and support

You can get help with all the issues I have covered by contacting your local CVS who will be happy to offer advice and support, or by visiting the Charity Commission and NCVO web-sites.

<https://www.gov.uk/guidance/how-to-set-up-a-charity-cc21a>

<https://www.ncvo.org.uk/practical-support>

Alternately, I am also happy to provide consultancy support on a bespoke basis if that is required:

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