

So you need \$...

A funder's perspective on fundraising from trusts and foundations

Most community organisations hear 'no' or 'maybe' much more often than they hear 'yes' when looking for grants. This is because most funders receive funding applications that total many times the amount they have to give, and therefore provide no funding or partial funding much more often than they say 'yes' to an application.

Which can make fund-raising a frustrating, mystifying and sometimes disheartening business - how to change the world when there doesn't seem to be enough money to enable those changes? The following is some thoughts from a funder, however (Big Disclaimer) – funders aren't experts in fundraising, so take this with many grains of salt!

- 1. Know how funding systems work.** Grants and donations from non-government funders are a source of funds for community organisations, along with government contracts for services, donations from individuals, membership and other fees etc. Funders vary widely in what, where and how they fund, but overall they tend to fall into four categories:
 - Statutory Trusts: eg ASB Community Trust, Rotorua Energy Trust, Community Trust of Southland. These funders are set up by law, eg when trust banks were sold the proceeds were invested and the income made available to communities as grants. The Giving NZ 2006 report (see http://giving.org.nz/files/Giving2006_print_1.pdf) stated that 31% of funding from trusts and foundations came from these sources.
 - Gaming Trusts: eg Lion Foundation, NZ Community Trust, Pub Charity. These are also technically statutory trusts however their funds come from the proceeds of gaming machines (pokies). 36% of giving by non-government funders in 2006 was from gaming trusts.
 - Lotteries Grants Board distributes funds from the NZ Lotteries Commission earned through Lotto. In 2006 15% of funding came from this source.
 - Private trusts and foundations: eg Tindall Foundation, J R McKenzie Trust, Todd Foundation. These are generally set up by wealthy families who want to give back to their communities; they are usually smaller funders and in total made up 16% of philanthropic giving in 2006.
- 2. Make a list of likely candidates.** The best way of increasing your chances is to apply to funders whose practices and preferences match your organisation, but this is not always easy to work out. A good start is the Funding Information Service www.allaboutfunding.org.nz which has a searchable database of NZ funders. You can either subscribe to this service or access is available free from many libraries and other public outlets. Asking round is another good way of getting leads.

Once you have a list of potential funders, check the web site of each to try to narrow down whether they are a good fit for your organisation. It's also useful to phone a potential funder and ask their advice on whether to apply; while not all funders will provide phone advice, many will.

- 3. Write a clear concise application.** It is often helpful to assume that funders don't know much about your organisation or the social need your services meet; while this is not always true, it is a helpful approach for ensuring your application is clear and easy to read. For the same reason, ie to keep your proposal simple and clear, avoid jargon, abbreviations and consultant-speak wherever possible. And do try to get someone else in your organisation to review your application if you can. (Funders see huge variations in applications; some are very slick and glossy, others are not well written at all, and our challenge is to see past the quality of the proposal to the quality of the initiative for which funding is requested – but this isn't easy if the application is difficult to understand!)

Also, because funder trustees and staff are often faced with huge piles of reading, it can be helpful to put the most important information up-front, and to keep the length moderate.

- 4. Don't be modest but don't over sell.** It's great to be upfront and proud of who you are and the difference you are making, but a hard-sell, exaggerated application can be a bit off-putting.
- 5. Ensure your cost estimates are fair and reasonable.** Most funders look for budgets that seem sensible and realistic; again don't under-sell your needs, but don't inflate your costs either. Also, few fund-seekers include the "income" side of their budget. If you need an amount that exceeds what you can realistically expect from the funder to whom you are applying, it can help your credibility to list confirmed or possible other sources of funding that will enable your project to take place.
- 6. Try to have your proposal arrive well before the closing date.** Most funders get inundated with applications just before closing dates – as well as on the day and for some time afterwards. It's easier for your application to stand out from the crowd if it arrives early.
- 7. Ask for feedback:** Not all funders will provide feedback on why your application did or didn't receive funding, but it's usually worth a call to ask - and to hopefully get a steer on whether to apply again. Also, if your funding request was turned down, try not to take it personally. The reality is that there will have been many others turned down, and the difference between an application that receives 'yes' and one that receives 'no' may be quite small. Hold on to the fact that you are doing important and valuable work, even if the funder wasn't able to recognise this financially.
- 8. Aim for a partnership approach if possible.** If you receive funding, funders appreciate a thank you and generally require some degree of acknowledgement of the grant; this varies from funder to funder. More importantly, funders like being kept in the loop with how things develop, and will probably want some kind of reporting on how their funding is used. Keep reporting clear and concise; long reports aren't usually necessary – but do note what they ask for. Also, if things don't go as planned, let your

funder know, as it is always better to hear bad news first hand. And you never know – they might be able to help.

9. **Keep records.** In our experience, the person doing the fundraising for an organisation can change quite often. A simple system including copies of previous applications, notes of anything you've learned about a funder, and a calendar listing due dates for applications and reporting, will help not only you but also the people who will follow after you.

Overall, a funder's role is to enable the good work carried out by community organisations, and we're in it together. Good luck finding funds!

By Kate Frykberg, (Todd Foundation) and Iain Hines (J R McKenzie Trust), 2008