



# FACT SHEET 7

## Funding Overview

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This fact sheet provides a basic guidance on the whole process of fundraising from deciding what funds you need, to making the application. It is designed for groups that have not yet begun fundraising, and as a useful tool for more experienced fundraisers. Other Cumbria CVS fact sheets contain more detailed information on specific areas such as budgeting and can be accessed via the Cumbria CVS website.

Fundraising is a vital part of your organisation. It involves getting the resources - money, equipment, premises etc. - that your organisation needs to carry out its work. Fundraising should therefore be an organised, planned activity. There are a number of stages:

### **Appoint a fundraiser or fundraising group**

It is essential that a person, or group of people, see fundraising as their responsibility. Fundraising requires time and effort to be successful, so a person or team should commit themselves to it. Fundraising doesn't have to be full-time (most fundraisers have other tasks in the organisation) but it should be seen as an important and separate piece of work. This person or group should oversee all the following steps:

#### **1) Make sure you're ready to be funded**

All funders require a minimum level of organisation on your part, so that they can feel that their money will be properly spent and managed. They usually require that:

- You are a non-profit organisation with charitable or benevolent aims
- You have a set of rules or constitution, stating your aims and how you operate
- You have a bank account and keep financial records.

You should also be sure that you are ready to manage the amount of money you will request, and that you will successfully complete the work or project that the funding is for.

#### **2) Legal obligations**

Certain things you might want to fund - a worker, a building, a vehicle - give you legal obligations. You need to understand these rules, and take steps to comply with them.

### **3) Decide what you need funds for**

Decide whether you want to cover your organisations general running costs, or have a particular project, with costs of its own. Make a list of all the items that you could need to pay for.

Divide the list into two categories - capital and revenue.

**Capital** means items of equipment that you usually pay a fixed one-off amount for - a building, a computer, a vehicle, for example.

**Revenue** is on-going costs like wages, expenses, bills, core funding.

Decide when you need the money for, and how long it has to last. For a project, there will usually be a start and finish date, or at least an idea how long it will last. If you are looking for general running costs, you should include all your expenditure for 1 year, or 2 or 3 years. It is up to you how far ahead you can accurately plan, but 1 year is a usual minimum.

### **4) Make a budget**

Budgeting is simply putting amounts to all the things you'll need to spend money on. Budgets should not be guesswork - get as near as you can to the actual amounts you will have to pay. For example: get quotes for building work, get exact prices for equipment, ask how much rent people pay for similar offices to yours, find out how much people get paid for the kind of posts you want to fund. Don't forget to include in your budget realistic amounts for contingencies and reserves.

Funders will know if your budget is not accurate - your figures will be too rounded, or unrealistic.

### **5) Locate funders**

Once you have made a budget you can start to look for funders.

*See Fact Sheet 10: Sources of Funding.*

### **6) Make applications**

After finding appropriate funders, the next stage is to make a good application.

*See Fact Sheet 9: Making Applications*

### **7) Follow up**

You should think of fundraising as a long-term, ongoing process, not a one-off. How you treat your funders is therefore important. You might want to go back to funders in future, or may need to show new funders that you have a good track record of managing funds.

So once you have succeeded in getting your funds, there is a vital first step - say thank you! Many beneficiaries simply accept the money without acknowledging it. Funders are human beings too, and will respond well to gratitude for the help they have given. A phone call may suffice, a letter will be much appreciated, or you could invite them to come along and see the project they have funded in progress.

Make sure that you do all that the funder requests in terms of monitoring your work, reporting and accounting. You may need to fill in a form or forms to show how you have spent the money, or how the project or organisation is progressing.

If there are no particular forms to fill, it is a good idea to send a report to your funders. This will build a stronger relationship with them, which could lead to more support in future. This could be not just facts and figures but also photos of your work, to show how the money is being used bring your work to life.

**Remember:**

- The time from when you decide you need funds to when you get them paid into your account is likely to be a few months. As a guideline allow 6 months (it might be less, it could be more).
- A properly worked out budget is one of the most important elements of successful fundraising.

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A very useful websites which covers all aspects of funding and finance is The Finance Hub – ‘making sense of funding and finance in the Third Sector’  
Visit: [www.financehub.org.uk](http://www.financehub.org.uk)

**Further Support and Advice is available from Cumbria CVS Locality Offices:**

**Cumbria CVS - Barrow:** 72-74 Scott Street, Barrow-in-Furness, LA14 1QE.  
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**Cumbria CVS - West Cumbria:** Community Resource Centre, 12a Selby Terrace, Maryport, CA15 6NF  
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Visit:

**Cumbria CVS website**

[www.thirdsectorcumbria.org.uk/support\\_CumbriaCVS.html](http://www.thirdsectorcumbria.org.uk/support_CumbriaCVS.html)

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