



Your Guide to

Funding in the Voluntary and Community Sector



All our Online Resource Centre Guides
are available to download from our Online
Resource Centre: www.valonline.org.uk/orc

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Before You Start

- You should be a **formally constituted** group (templates available from our online resource centre www.valonline.org.uk/orc)
- You should have a bank account with two signatories (who should not be related to each other).
- You should be meeting regularly
- You need to be clear what you want to do and plan your activities a year or more in advance **this gives you time to raise money**
- You need to know **why** you are doing the work: what is the need for the project? **Who** it will benefit and **what** you expect to achieve with the work you plan to do
- You need some **evidence** to show why the project you want to do is needed
- You need to know **how** you will carry out the work – e.g. Who is responsible for buying the equipment? Who will arrange the training? How will you let people know what is happening?
- You need an **accurate budget** whether you are applying for capital costs (equipment and furniture) or revenue (salaries and running costs) you need to have precise quotes or costs of everything you are asking for and try avoid round figures!
- You need to think about how you will **measure** the success of your work – how will you report this back to your funders?
- You need to think about what **problems** might occur and how they might be overcome
- You need to be realistic. If you have not fundraised before it is much better to **start off small** and get some experience first. This helps you build up credibility
- You should **allow a minimum of six months** between applying and receiving the money



Putting Together an Argument for Getting Funding

Project plans

Applying for funding is just like applying for a job. There will be lots of competition and you will have to argue your case. How can you convince someone you have never met to give you their money? Below are some key points to consider in making your application:

Research the idea thoroughly

Time taken at this point will make completing an application form simple and straightforward. Whilst it is often tempting to just get on and fill out a form, a project which has been planned carefully and with consideration stands out very clearly from those that have been rushed.

Research can take weeks or even months but knowing that the project is what people want and the best possible way to deliver that will make sure that the project runs for a long time into the future.

Build a project on solid foundations

What do you want to do? Why? Who will benefit? How will they benefit? How do you know this is the best way of doing this? Is there any other similar project in the area?

Outcomes are the changes that will occur as a result of your actions. You may be able to identify many changes that your project will bring about but it is best to choose two or three that will be very clear and straightforward to evidence.

Identifying the outcomes of your project, how they will be achieved and what evidence you will need to prove this is vital in successful project planning.





Project Plan Guide

1. What are the aims of the project?

The changes or benefits that you are trying to achieve.

Examples:

- To improve the health of people living in this area
- To reduce the fear of crime within the neighbourhood
- To increase the opportunities for people to get involved in their community

2. What are the objectives?

The practical activities you carry out to bring about changes

Examples:

- To support individuals to access benefit entitlements
- To run drop in sessions for homeless people
- To set up support groups
- To provide training and support for individuals

3. What are the outcomes?

The changes, benefits or other effects that happen as a result of your activities. Outcomes measure your aims.

Examples:

Aim: Increase the skills of unemployed people
Outcomes: Increased skills and increased job options
Aim: Improve users language & computer skills
Outcomes: Improved English Language skills and computer skills

4. What are the outputs?

These are the activities that will take place.

Outputs measure your objectives.



“We will run a childrens homework club for 11-16 year olds in the Humberstone area of the city. The club will be available two times each week from 4pm – 6pm at the Humberstone Community Centre on Tuesdays and Thursdays.”

Examples:

- Objective: Run drop in sessions for homeless people
- Output: 3 drop in sessions per week
- Objective: Provide one-to-one advice sessions
- Output: 25 advice sessions provided

5. Who are the target group/ beneficiaries?

- Age
- Type: e.g ethnicity, disability
- Geographic location

6. What are the inputs?

Write a shopping list of all the items you will need and keep quotes / estimates as these can be sent with the application form.

What resources do you need in order to start the project? For example; staffing, equipment, budget, policies, procedures.

Writing a budget

You may need to hire a room, print newsletters, buy stationary, purchase equipment, insurance, everything has a cost.

The budget is a very important part of the application form and can mean the difference between being successful and not getting funded.

(More details on writing a budget on pages 15 & 16)

Policies

Think about any policies you may need to develop, which may include an equal opportunities policy, Health & Safety policy, Child protection policy, Vulnerable person policy.



7. How will you prove that you have achieved the outcomes?

Monitor your project:

Collect information to help you to find out more about the work of your project and to answer questions about whether your project has been successful.

(i) Decide what information you need to collect and then routinely and systematically collect this information.

(ii) Ensure that all the information you collect is accurately recorded

(iii) Answer the following questions:

- How well are you doing?
- Are you doing what you said you would do?
- What difference are you making?
- How often will you meet to review progress?
- How will you report to funders, management committee and beneficiaries?

(iv) Use the monitoring information to tell funders more about the project and what you did with their money.

Evaluate your project:

Identify your achievements, the reasons for both success and failure, and how you can learn and improve the project in the future. It is normally carried out at the end of the project.

(i) What has happened and why?

(ii) What is working and what is not working?

(iii) How could we do things differently?

Monitoring explains what is happening, evaluations attempt to explain why, and to learn and share important lessons.

8. How will you collect data/evidence?

There are different ways that you can get the information and data to prove that you have achieved your outcomes:



Examples

- Questionnaires
- Evaluation forms, self-assessment forms
- Observation
- Support staff observing changes in clients
- Interviews
- Focus groups, case reviews
- Case records
- Attendance registers, case notes

Please find overleaf a template of a project plan with spaces for you to start writing and planning.



Example Project Plan

Please find below the headings. For more in-depth information on planning, refer to our [‘Project Planning in the Voluntary & Community Sector’](#) guide.

1. What are the aims of the project?

2. What are the objectives?

3. What are the outcomes?

4. What are the outputs?



5. Who are the target group / beneficiaries?

6. What are the Inputs?

7. How will you know that you have achieved the outcomes? Monitoring & evaluating the project

8. How will you collect data/evidence?

Additional information

Who will run the project and what skills / experience do they have to run this project?



Selling Points of your Project¹

The following lists highlights some useful things to consider that will help you to sell your project to funders.

- **Your use of volunteers:** if people willingly give you some of their time this shows commitment and that it is a good cause. You may also give volunteers transferable skills and training opportunities.
- **The involvement of users in planning/ running the project:** show that you are not trying to impose your ideas, but that they come from the people who really know (the users).
- **Your ability to mobilise support in kind:** show that you can get practical support from people and are not simply cash minded.
- **Your ability to attract support from other sources:** in particular the statutory sector.
- **Your financial security and sustainability in the medium and long term:** show that you are a safe bet.
- **The proportion of funds you generate for yourselves:** self-help at every level is very attractive to funders.
- **The support you get in membership or donations from the local community:** support from the local community is a strong point.
- **Collaboration with other groups:** show how you avoid duplication and overlap. Even better you work in partnership with others.
- **Outcomes:** this is what will happen as a result of the work that you do. You will have to think about how you are going to measure the impact of your work before starting to apply for money.
- **Significance:** Could your project have wider reaching significance? Could it be seen as a pilot / or research which would either impact on work in other areas or pave the way to attracting more money for a larger project?

¹ This guide has been put together with resources from Newcastle CVS



Handy Tips When Applying for Funding²

- **DO** remember writing applications are 80% preparation: 20% writing
- **DO** research funders – check websites, look at funders' annual reports, etc.
- **DO** get a contact name & use it, **DO** spell names correctly and **DO** ensure you have their current address
- **DON'T** send a standard letter - funders may receive hundreds each week
- **DON'T** write a begging letter, **DO** avoid jargon and **DON'T** waffle
- **DO** get to the point in the first paragraph – Why? What for? How much?
- **DO** ask for a specific amount of money – what have they given in the past?
- **DO** use the appropriate funder for the amount of money required.
- **DO** ensure that your main contact can answer questions about your project confidently
- **DO** allow enough time between sending applications and the start of the project
- **DON'T** become money-led
- **DO** think about the project as a package – include salaries & running costs
- **DO** use facts and figures (don't generalise) – evidence of need
- **DO** keep it short and simple; but make sure you get all your points across
- **DO** make sure you answer the questions asked on application forms.
- **DO** get someone not connected to your group to look at your application critically before sending it in
- **DO** mention if you've previously applied (whether or not successful)
- **DO** show how service users are consulted/involved
- **DO** include a realistic budget – avoid round figures
- **DO** include a project plan, which should include ideas about what will happen at the end of the project – Will it still be needed? Will it have changed? What will happen when the funding ends? A good project plan also thinks ahead about any problems there might be and gives some thought to how they might be overcome



Guidelines on Completing Funding Application Forms

- Download the guidelines as well as the application form from the website if applying online
- Read through the all of the information that comes with the form before deciding whether to apply. It is important to check whether your organization is eligible and whether your planned activities fit the programme criteria
- Read through the whole application form before filling any part of it in and make sure you understand all of it—if you don't, ask for help!
- Answer the question they ask you—do not put in any information that is not relevant to the question!
- Fill in a photocopy of the form and have someone from outside your group comment on the draft copy first
- Use the amount of space allowed for each answer as a guide to how much detail is required—do not continue on extra paper unless asked to
- Use bullet points wherever possible and do not waffle
- Make sure the writing is legible—neat handwriting or at least point 10 in an easy to read font (e.g. ariel or comic sans)
- Make sure that you send in any extra information that they ask for—it can delay your application if the funder has to contact you to ask for it
- Take a copy of the form and keep a record of the date you send it
- Make sure that the main contact named on the form has access to a copy of the application form and is available during the day in case the funder wants to get in touch to clarify anything
- Respond promptly if you are asked for more information after sending the form in



Writing a Budget

What is a budget?

A budget is very much like a shopping list. It should include everything that you need so that you can run your project. Before making your budget; think about how long you require funding for – this will depend on how long it will take you to achieve your project's outcomes and how long the funding you are applying for is available for. It is very important that you use 'Full Cost Recovery'. Full Cost recovery means including the direct costs of projects and all your overheads. The 'Directs Costs' are costs incurred as a direct result of running a project or service. The 'Indirect Costs' (or Overheads) are costs incurred by an organisation in order to support the projects it runs. For further information on full cost recovery and a free template the NVCO website: <http://bit.ly/HEssxm>.

Step One:

Firstly write a list of all of the things that you may need to run your activity, for example:

- Equipment
- Stationary
- Room hire cost
- Postage
- Photocopying
- Telephone
- Internet
- Volunteer expenses
- Travel costs
- Staff costs
- Any necessary training
- Insurances

Step Two:

Estimate how much each of these items will cost your group over your chosen timescale.

Some items, such as insurances and equipment will have a one-off or annual cost. Some items, such as rent, utility bills, etc. will have a monthly cost. Therefore, estimate the cost of each item for one month and then multiply this by twelve. For some items, such as a room hire or volunteer expenses, it may be better to calculate for a week and multiply this by the appropriate number of weeks.



Step Three:

Write these items and their costs in a list and add up all of the figures to find your total.

An example budget

Item	Cost	Total Amount
Room Hire	£10 per hour x 4 hours per week x 40 weeks per year	£1600
Stationary	Various items see quote	£83
Insurance	£310 per year	£310
Telephone Costs	£15 per month	£180
Volunteer Travel Expenses	£2.50 per volunteer x 3 volunteers x 2 times per week x 40 weeks per year	£600
Volunteer Training	£150 x 3 volunteers	£450
Computer Equipment	PC / Printer / Scanner see quote	£699
Radio	See written quote	£45
	Total:	£3967

*Don't forget to add VAT and postage / transport costs where necessary

Handy Tips!

- Make the costs as realistic as possible and wherever possible do your homework and get quotes.
- Include everything that you could need on this budget. If you end up having to downscale that's alright but you can very rarely add things when you have already applied for money.
- When you have completed your budget take a break and then look at it again and try and imagine how this appears to someone who knows nothing about you or your project. Ask yourself: 'Do the amounts in this budget seem fair and accurate? Would you give another organisation this amount of money for this project? Can you justify each amount and explain how you arrived at your costings?'
- Remember that when you apply for money you are competing against lots of other charities and voluntary organisations. If you apply for money that you do not need, or overestimate the costs of individual items, the Funder may decide to give the funding to another organisation.



Sources of Funding

Voluntary Action LeicesterShire provides regular information on funders and funding programmes via our VAL newsletter and E-Briefings.

If you are an organisation based in Leicester or Leicestershire and wish to receive regular updates you can register with VAL on www.valonline.org.uk.

The **Leicestershire Funding Toolkit** is an excellent resource, that provides advice and guidance with everything you need to develop and find funding for your organisation. It is available online at www.fundingtoolkit.org.

You can also do a search for funding on <http://www.j4bcommunity.co.uk>. This website offers comprehensive information on government grants, trusts and lottery funding which is updated regularly.

More Online Resource Centre Guides

Voluntary Action LeicesterShire has produced a number of guides on all aspects of running a voluntary or community organisation. These guides can be downloaded from the Online Resource Centre at www.valonline.org.uk/orc.

Guides available include:

- Your Guide to Setting up Voluntary and Community Groups
- Your Guide to Funding in the Voluntary and Community Sector
- Your Guide to Business Planning
- Your Guide to Employing Staff
- Your Guide to Managing Community Group Accounts
- Your Guide to Project Planning in the Voluntary & Community Sector
- Your Guide to Voluntary and Community Sector Legal Structures
- Your Guide to Commissioning and Procurement
- Good Practice Guide to Involving Volunteers

This guide was written by the Group Support Team at Voluntary Action LeicesterShire



Notes



Notes



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