



Guide & Workbook
for founders of social enterprises,
voluntary groups and small
charities in the UK

by Rachel Ireland

Part 1: Starting a Not-For-Profit
Part 2: Applying for Grants
Part 3: Growing & Sustaining
Your Organisation

www.thirdsectorsuccess.co.uk



Part 1:

Starting a Not-For-Profit

What is a Not-For-Profit?

There is a lot of confusion about what a not-for-profit organisation is and does, which can be confusing if you're trying to research how to start one.

By definition, a **not-for-profit organisation is a business that aims to do something other than make a profit for its owners.**

It is independent, meaning it is not owned by the government or any statutory services.

A traditional business that is for-profit seeks to make a profit for its directors, members or shareholders.

However, one of the most common misperceptions I hear is that if you run a not-for-profit organisation you can't make a profit.

That's not actually what not-for-profit means. It doesn't mean you can't or shouldn't make a profit, instead **it's a way of doing business that dictates what you do with your profit.**



Ultimately, a not-for-profit organisation is a business. A charity is a business. A social enterprise is a business. And the first rule of business is to bring in more income than you spend.

So let's be clear. If you are starting or running a not-for-profit organisation you are supposed to make a profit, but you have committed to using that profit to sustain and build on the impactful work you do.

The next thing to note is that the term 'not-for-profit' is not a legal business structure in itself, so in setting one up, there are a three core questions to consider in order to choose a legal structure for your not-for-profit organisation.

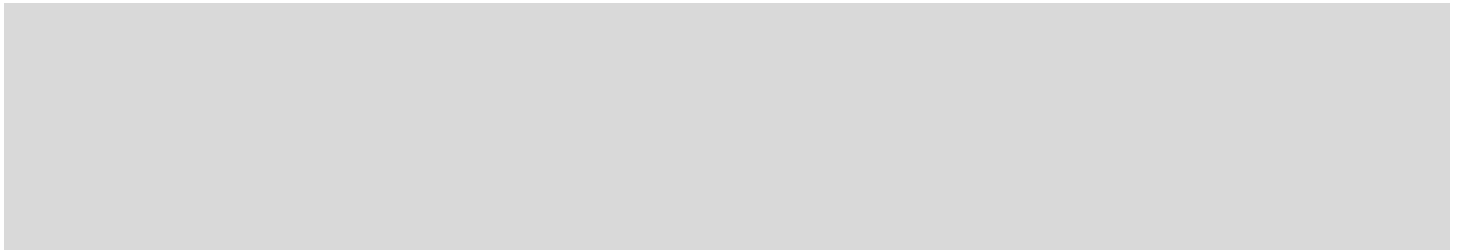
Add your notes here:

A large, empty grey rectangular area intended for taking notes.



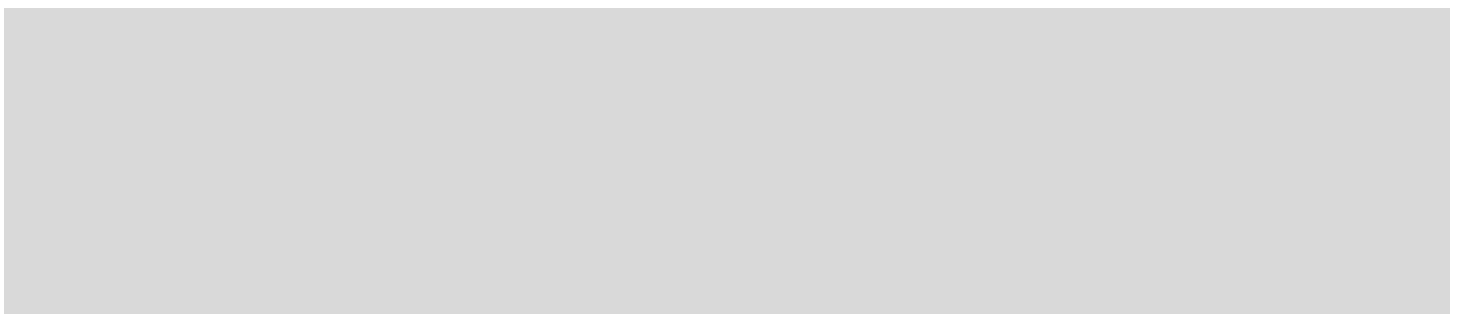
- **How will your organisation be funded?**

The two main ways of generating income for a not-for-profit are grants/donations and sales (which can be either products or services). If you're sure you want to focus on one or the other, that makes deciding on a legal structure much easier. If you want the flexibility to do both, there are options for that too.



- **Will your organisation have voting members?**

Members are involved in the running of the organisation, and they vote on how this is done. They might only vote on who gets elected as a director, trustee or onto the management committee, or they might have more of a say in what it delivers and in the day-to-day running of the organisation. A group of members could be made up of people who benefit from your organisation, known as service users, people who have founded or invested in starting up the organisation, they could be customers or anyone else with a vested interest. It's important to understand however, that if you have members, you are accountable to them, and that they can vote to change the people who are in control. Your decision as to whether you want and/or need members will also inform the type of legal structure that is right for you.



- **Will you be incorporated or unincorporated?**

The main difference between an incorporated and an unincorporated organisation is how it is seen as a legal entity.

An unincorporated organisation is seen in legal terms as a collection of individuals, meaning that the people who set up the group are themselves the group. Therefore, all financial obligations including debts are the responsibility of that group of individuals.

An incorporated organisation is seen by law as a separate entity from the individuals that set it up. It exists in its own right. It is formally registered (incorporated) as an organisation, meaning that it can buy property, employ staff and enter into contracts. As such, those debts, claims or other financial obligations belong to the organisation, rather than to the individuals running it, giving its trustees, directors or committee members some protection from the risk.

But of course that doesn't mean that they are not still responsible for the professional management of the organisation.

When deciding whether incorporated or unincorporated is the right choice for you, it's worth noting that, as you might imagine, incorporated organisations are much more closely regulated, expected to adhere to rules and policy, take longer to set up, involve more paperwork and usually require additional expertise from the likes of accountants and solicitors in order to satisfy the governance requirements of running a not-for-profit organisation as its own legal entity.

Remember that you can start out with a very simple structure to just get going, then formalise it as you grow.



Third
Sector
Success

start-up | fundraising | strategy

Your notes

A large, empty grey rectangular area intended for taking notes.

7 legal structures of not-for-profit organisations

1. Unincorporated Association

For community groups run by volunteers, doing something to benefit either themselves or their local community, with no plans to employ staff or lease premises, an Unincorporated Association is the simplest option and often the best place to start.

The volunteers who set up and run the group become the voting members. If it's a charitable group, once its annual income exceeds £5,000 per year, you will need to register it with the Charity Commission.

You don't have to register the group, but you do need a simple constitution to set out the objectives of the group.

Therefore, as the name suggests, this is an unincorporated type of not-for-profit.

2. Charitable Trust

A charitable trust is a type of charity run by a small group of people known as trustees. The trustees are appointed rather than elected, so it does not have voting members.

A charitable trust is not incorporated, so it cannot enter into contracts or own property in its own right.

To set up a trust you will need to write a trust deed, declaring the group's objective is legally charitable, and again must be registered with the Charity Commission if and when annual income exceeds £5,000.

3. Charitable Incorporated Organisation (CIO)

A Charitable Incorporated Organisation, known as a CIO is a type of charity which is incorporated. It is quite a new legal structure – it was only introduced in 2013.

There are two types of CIO:

- The Association Model is a membership organisation with voting members.
- The Foundation Model is run by a small group of appointed trustees, and therefore does not have voting members.

CIOs must be registered with and report to the Charity Commission, regardless of their income.

And they must use a model constitution approved by the Charity Commission.

Company limited by guarantee

A company limited by guarantee is a type of company which does not distribute income to shareholders. This means it can be not-for-profit, if all surplus income is reinvested back into the organisation.

A company limited by guarantee is incorporated and has voting members. It is controlled by a group of directors, who can be paid or unpaid.

• They are registered with and regulated by Companies House. To establish a company, you must adopt a governing document called a Memorandum and Articles of Association and submit it to Companies House.

There are two main types of Company Limited by Guarantee that you can register:

4. Charitable company

A company can be a charity if it meets the legal requirements required by charity law. This must be clear from the governing document, so if you wish to set up a charitable company you should use the model Memorandum and Articles of Association approved by the Charity Commission.

In order to be considered charitable, the directors of a company are usually unpaid. Charities may pay their directors in exceptional circumstances, but organisations wishing to pay their directors as a matter of course are likely to find a Community Interest Company, Community Benefit Society or Cooperative Society structure more suitable.

Establishing a charitable company involves registering with the Charity Commission as well as Companies House, and then submitting your annual report and accounts to both organisations annually.

5. Community Interest Company (CIC)

A non-charitable company can still be a not-for-profit organisation, often referred to as social enterprises. If your organisation is not charitable, you can guarantee your not-for-profit status by becoming a Community Interest Company (CIC). CICs commit their assets and profits permanently to the community by means of an “asset lock”, ensuring that assets are used for the benefit of the community. CICs can have paid directors.

To register a new CIC, you have to apply to Companies House to register a company, and include with your application form CIC36, which you will use to describe how your company will benefit the community.

Applications are assessed by the CIC Regulator.

6. Community Benefit Society

A Community Benefit Society is owned by its members. They hold shares and vote within this democratic structure.

The society must exist primarily for the benefit of the wider community, and members may not receive preferential treatment. Profits must be used for the benefit of the community (although interest on shares can be paid to members, up to a maximum rate).

If it wants to have not-for-profit status, a Community Benefit Society must apply for a Statutory Asset Lock, similar to a CIC.

It can register as 'charitable' with the Financial Conduct Authority if it has: aims that are exclusively charitable; and a Statutory Asset Lock specifying that any assets would be transferred to another charity if the organisation wound up.

A Community Benefit Society is a useful structure if your community wishes to take control of an asset, such as a building. You can fund your organisation by selling "Community Shares" and run the service to benefit the wider community.

A Community Benefit Society is incorporated and can have paid directors.



7. Cooperative Society

A Cooperative Society is a similar structure to a Community Benefit Society, but its main purpose is to provide services to its members rather than the wider community. Cooperative Societies must be based on the co-operative values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In general, membership to a Cooperative Society is open to people who use the services provided by the society, or work for the society, and profits may be distributed to members providing this is not the primary purpose of the organisation.

A Cooperative Society cannot be charitable because its beneficiaries are its own members, rather than the public.

A Cooperative Society is incorporated, has voting members and can have paid directors.

Make some notes here about which legal structure feels like the right fit for your group:



	Voting members?	Charitable?	Incorporated/ Unincorporated?
Unincorporated Association	Voting members	Can be charitable but does not have to be	Unincorporated
Charitable Trust	No voting members	Always charitable	Unincorporated
Charitable Incorporated Organisation (CIO)	Association model has voting members. Foundation model does not have voting members.	Always charitable	Incorporated
Company limited by guarantee			
- Charitable company	Voting members	Charitable	Incorporated
- Community Interest Company (CIC)	Voting members	Not charitable	Incorporated
Community Benefit Society	Voting members	Can be charitable but does not have to be	Incorporated
Cooperative Society	Voting members	Not charitable	Incorporated



What is a Charity & How Do I Start One?

Just as the term 'not-for-profit' is not a legal structure in itself, neither is the term 'charity'.

If you want to start a charity in the UK, you need to consider two key things:

1. Whether your organisation will be charitable according to the government guidelines.
2. Which legal structure your 'charity' will take.

Will your organisation be charitable?

Here, we are asking whether your organisation meets the government definition of having a 'charitable purpose', for which there are two legal requirements. It must:

1. fall within the descriptions of purposes in the Charities Act. These 13 descriptions are listed on the following page.
2. be for the public benefit – this means it's purpose must be beneficial to the public in general, or a sufficient section of the public.



Under the Charities Act, in order to have a 'charitable purpose' an organisation's objectives must fall under these headings:

- the prevention or relief of poverty
- the advancement of education
- the advancement of religion
- the advancement of health or the saving of lives
- the advancement of citizenship or community development
- the advancement of the arts, culture, heritage or science
- the advancement of amateur sport
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity
- the advancement of environmental protection or improvement
- the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- the advancement of animal welfare
- the promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services
- any other purposes currently recognised as charitable or which can be recognised as charitable by analogy to, or within the spirit of, purposes falling within (a) to (l) or any other purpose recognised as charitable under the law of England and Wales

A charity can adopt one of several legal structures.

It could be a Registered Charity – there are 4 types of charity in England & Wales.

1. A charitable incorporated organisation (CIO)
2. A charitable company limited by guarantee
3. An unincorporated association
4. A charitable trust

Or it could be a Community Benefit Society.

How to start up:

Almost all charities should register with the Charity Commission if their income is higher than £5,000 per year. Charitable Incorporated Organisations should register even if their income is less than this.

An action you could take now is to consider whether the organisation you are planning on setting up meets the government definition of a 'charitable purpose' and if so, which one of the legal structures would best suit your needs.

What is a Social Enterprise & How Do I Start One?

The term 'social enterprise' has become widely known and used increasingly over the last 15 years or so since the introduction of a new type of company, a Community Interest Company, was founded in the UK in 2005.

Now, the terms 'social enterprise' and 'community interest company' are often used interchangeably, but they're not actually the same thing.

Let's start with social enterprise.

To stress, a social enterprise is not a legal structure. Instead, I like to think of it as a way of doing business.

·A social enterprise is a business that has a clear social or environmental aim – in other words it is set up to prioritise the social good it can do.

A social enterprise generates some, and in some cases, most of its income through sales, rather than grants, as many charitable organisations do.

A social enterprise reinvests its profit back into the community it was set up to serve.

Now because 'Social enterprise' isn't a recognised legal term, but rather an approach to doing business, many different types of organisations can class themselves as a social enterprise, including limited companies, sole traders and charities.

But, if you are thinking about starting a social enterprise, then the most common legal structure that is used is the Community Interest Company model, also referred to as a CIC, or cic.

The CIC is a hybrid business model, giving the best of both the ‘charitable’ and the ‘business’ approaches, offering a really flexible way to deliver on your mission or social aim.

You have the flexibility to bring in income through both sales (for examples products or services) and through applying for grants.

It’s also important to understand:

- It’s still classed as a business and so you will be responsible for paying corporation tax and, once over the threshold, charging VAT on your goods and services
- Whilst an increasing number of funders will give grants to CICs, the list of options is much shorter than for registered charities.
- You will need 3 non-related directors in order to qualify for this funding.
- Whilst you can be an employee or paid director of a CIC, and therefore be paid for the work you do in running it, you can’t sell a CIC like you can other types of private companies. You will include in your governing documents, an ‘asset lock’ which means that if and when you dissolve your CIC – when you close it down, you can only transfer your assets, including everything you’ve bought with company money and any money in your company accounts, to another organisation with a similar social aim. So yes, you can make a living working for your own CIC, but you won’t get that big payday private business owners get when they sell up and retire.

If you've decided the CIC model is the right one for your social enterprise idea and you want to get started right away, this is what you need to do:

- Choose a name for your CIC and check that or a similar name is not already in use by using the search facility at: <https://find-and-update.company-information.service.gov.uk/>
- Decide on who your directors are going to be. You can register a CIC with just yourself as a director, and add others later, but if you plan on applying for any grants you will need 3 unrelated directors, so it could be more efficient to sort this out from the beginning.
- Register your CIC with Companies House. You can do this online. It costs £27.

To do this you will need to include:

- A completed CIC36 form - <https://www.gov.uk/government/publications/form-cic36-application-to-form-a-community-interest-company>
- Your Articles of Association – you can use this template from the CIC regulator: <https://www.gov.uk/government/publications/community-interest-companies-constitutions> - note that in order to qualify as 'not-for-profit' you need to select 'Company Limited by Guarantee' not 'Company Limited by Shares'.

Part 2:

Applying For Grants

Researching & Identifying funders

Online funding databases are a great place to start when looking for potential funders.

Here are a few places to start:

- My Funding Central - <https://www.myfundingcentral.co.uk/>
- Grants Online - <https://www.grantsonline.org.uk/>
- Get Grants - <https://www.getgrants.org.uk/funding-finder/>
- Funds Online - <https://fundsonline.org.uk/search/>
- Charity Excellence Framework - <https://www.charityexcellence.co.uk/Home/FundingFindersResources>

Other helpful resources include:

National Council of Voluntary Organisations - <https://www.ncvo.org.uk/>

NCVO Knowhow - <https://knowhow.ncvo.org.uk/>

The Directory for Social Change (DSC) run courses and publish books such as the 'Directory of Grant Making Trusts' - <https://www.dsc.org.uk/>

You can also search for your local 'voluntary service council' or voluntary sector support organisation'.

Each area has a Community Foundation, which distributes small grants on behalf of small local charities and philanthropists. Find yours here - <https://www.ukcommunityfoundations.org>



The Application Process

Let's say you have identified a funder you want to apply to. What might you need to know about that funder and about applying to them?

- Do they ask for a completed application form, online form or written proposal?
- How much can you apply for and what is the average grant?
- Is there a deadline?
- Do they ask for match funding?
- How do you submit? Online, by email, by post?
- Any other requirements?

ACTIVITY: Your Potential Funders

Using the links above, research suitable funders for your organisation or group.

Aim to shortlist 5 potential funders that you can apply to now, meaning that

- a) they are currently open or accepting applications
- b) you are eligible to apply and meet the funder's requirements



Name of funder	What they fund	Grant size (range or average)	How to apply & any deadlines

Assessing Suitability

To determine whether a potential funder is a good match for your cause, consider the following:

- Do the funder's aims and objectives match yours?
- Do they cover the geographical area you deliver in?
- Do they accept unsolicited applications or letters of introduction?
- Have they funded similar projects or groups to yours? (if their previous grant recipients are not listed on their website, you can find them by downloading the latest annual report from the Charity Commission. Towards the back of the document you will see a list of who their previous grants have been paid to)
- Is your organisation eligible to apply? Check the criteria.
- How long does it take from submitting an application to finding out if you've been successful (if nothing is stated use six months as an average figure). Does this fit with the timescales of your planned delivery?

Increasing Success

- Start out by focusing on local, regional or specialist funders as much as possible; those that prioritise smaller, frontline services delivering work that they know there is a need for in their community.
- There is a lot more competition for the bigger national funders. That's not to say you shouldn't consider applying to them, but do so when you have the time to develop a new and detailed approach and an innovative solution, rather than for sustaining what you already do.
- Get really clear on what you are looking for funding for. Now more than ever it's crucial to know exactly what your priorities are in terms of the income need of your organisation. Is it running costs, to expand on a popular and much-needed service, or is it to develop or adapt something new for a clearly identified need?



ACTIVITY: What Are Your Top 3?

Have a maximum of a top 3 products or services that, if you got funded, would make the biggest impact to both your organisation and the people you serve, then research based on that, rather than to consider any potential funding, simply because it's open.

These could be:

- Staff costs
- Running costs & overheads
- Equipment & resources
- Room hire for activities
- IT & marketing
- A particular project, programme or service
- A larger piece of equipment or renovation project

I will make it my priority to research and apply for funding to pay for:

1.

2.

3.

How To Handle Rejection

Getting a 'no' from funders is just part of being a fundraiser, or someone running a not-for-profit group. It's frustrating, it doesn't feel good, and it can be disheartening. However, it's not personal. There are thousands of passionate people and great organisations delivering really important work out there. Funders have a limited resource, just like the rest of us.

Here are three things you can do to move forward positively:

1. Ask for feedback from the funder, attend their webinars or Q&A sessions, follow them on social media, and if you're still confused as to why your application was rejected, contact them and ask (secret: the people who work for Trusts & Foundations are human - most of them are actually really nice and helpful, so don't be afraid to pick up the phone)
2. Re-use the content for another funder, or save what you've written as 'standard answers' for future applications. That way, you won't feel like the work you've put into it has gone to waste.
3. Check when you can re-apply, but make sure to address all of the points of feedback as to why you weren't successful the first time. If you didn't, or can't get any feedback, still make changes to your application rather than submitting exactly the same again.



ACTIVITY: Get Feedback

If you have already submitted an application and not been successful, look back on the feedback you got (or ask for some if you didn't).

If you haven't yet started submitting bids, save this section until you've had some feedback.

The feedback on my unsuccessful application was:

I can use this feedback to my advantage by:

Developing A Strong Proposal

Writing Draft Answers

Funders can be split into two categories: those that have application forms for you to fill out, and those that don't. You will have your own preference as to which you find the easiest, but for the purpose of this guide we'll assume that we're starting with a blank sheet of paper, and that we need to set out our case for support and make sure we include all the necessary information.

This can be a useful exercise to do anyway as a way of developing your project; having this written before you're faced with a looming deadline can be an excellent resource to have to hand, and if the funder does have an application form that you need to fill out, the questions are very likely to fall under these same categories anyway.

Your organisation's aims & objectives

What type of organisation is it and what was it set up to do?

Can you give a short overview of the project or service you are applying for funding for? (it can be helpful to practice defining this in 100 words)



Defining your project

Can you talk about your project in more detail? Be clear and concise but write based on the funder not knowing anything about your organisation.

How is your project or service delivered and where?



Evidence of need

Why is your project needed?

(this can be a combination of your own knowledge of your community or the people you're serving plus data and stats to back that up. Useful sites for data

include: ONS: <https://www.ons.gov.uk/>

and Public Health England: <https://www.gov.uk/guidance/phe-data-and-analysis-tools>)

Who has developed the project – staff, volunteers, service users?

What is the gap this project will fill and why does this gap exist?



Beneficiaries

Who will benefit? How, in what way?

(You might want to refer to the target age group, gender, presenting issues, or to a specific need such as homelessness, unemployment, disadvantaged children, single parents, ex-offenders etc.)

How many people need this type of support (either in your community or UK-wide) and how many will the project actually support?



Outcomes, outputs and impact

In this section we are looking at what your organisation or project will achieve.

Here are some helpful definitions:

- **Outputs:** are always numbers. These are the tangible results of your project that you can measure. It might be the number of activities or sessions, the improvement in attendance at school or the number of participants securing a job.
- **Outcomes:** are the difference made. Do people feel more confident, happier, less anxious? These are the answers you might get on a participant feedback form.
- **Impact:** what is the long-term effects of your project on beneficiaries, the community, the organisation. How will the project affect real change?

What are the project's expected outputs?

What are the project's expected outcomes?

What is the project's expected impact?

How will you measure your outputs, outcomes and impact?



Timescales

When will your project start? (Remember to give enough time to hear back from the funder and for the grant to be paid into your account)

When will your project end?

What will happen if the project doesn't take place?



Budget

Start to work out the costs you would like to apply for. It can be helpful to add up the total cost of running your group or project for one year, then using this as a basis for your funding applications.

<p>Start with the following headings:</p> <ul style="list-style-type: none">• Staff costs/Sessional workers/project staff• Recruitment costs• Equipment• Cost of activities• Room hire• Travel	<ul style="list-style-type: none">• IT• Marketing• Volunteer costs• Management fee• Overheads, i.e. rent, utilities• HR• Evaluation
--	---

Are you applying for the total project costs or a % contribution?

Can you allocate any match funding? (from another funder, money raised through events or donations, or Gift In Kind match funding which can be any element of the delivery that you are getting for free, i.e. volunteer time, use of a room)

How will you raise additional funds?

Will the project run without the funding from this application?

What are your future plans for funding the project/long term sustainability?



Put your best case forward

You've covered all the facts – what could make your proposal even more compelling?

Although you can't always add extra documents to your application, having these to hand can prove helpful, especially if the funder asks for more information.

A beneficiary **case study** - can you tell the story of someone you've helped?

Do you have any **quotes** from users or participants of your service?

Do you work with another organisation that you could write you a **statement of support**?

Photos of your work in action?



Supporting documents

Which supporting documents are you required to send with your application?

Over time you will acquire these documents. It can be a good idea to research and develop them when you have more time and are not up against a deadline.

- Annual report and accounts
- Management accounts
- Safeguarding Policy
- Data Protection/GDPR statement
- Vulnerable Adults
- Constitution/Articles of Memorandum
- Insurance certificates
- Names and experience of trustees
- Risk Assessment for project

Add your own notes here about the documents you have and those you need to create first.



Part 3:

Growing & Sustaining Your Organisation

Setting Fundraising Targets

There are three key questions to consider as you start raising income for your organisation or group:

- Where will your funding come from?
- How much funding do you need?
- When do you need your funding?

In this section we will look at these areas in detail and give you some tools to start building your Fundraising Strategy.

Where will your funding come from?

This guide focuses on applying for grants through charitable trusts and foundations, as this is most often where those fundraising for their new social enterprise, voluntary group or charity will naturally begin.

However, it should be seen as the first step, and, depending on the structure of your organisation, you may also want to consider the following options for securing income for your not-for-profit.

Potential sources of income

Trusts & Foundations (covered in this guide)

Corporate foundations

Major donors, high net worth individuals & philanthropists

Public sector/commissioned services (e.g. local authority/NHS)

Fundraising events

Individual/team fundraising challenges

Crowdfunding

Corporate sponsorship

Public donations

Gift aid

Legacies

Sales

ACTIVITY: Your Income Streams

It's important to consider what is suitable for you, what you have the skills and resources to work on, and where you are most likely to be successful.

Don't try to tackle all the different approaches to fundraising at once. Instead, choose three areas from the list above to start researching and investing time in. Note down why you have chosen these options.

1.

2.

3.

How much funding do you need?

In Part 2 we looked at how much you might need to run your group or organisation for a year. If you haven't yet worked that out, you can go back and do that now.

It can also be useful to calculate three different figures for your running costs.

Figure 1: What is the **absolute minimum** you would need to keep your organisation or group running for one year?

This might mean recruiting volunteers instead of paid staff, utilising free venues, or asking participants to make a small donation towards their place on a project.

Figure 2: What is the **optimum amount** you would need to run your organisation effectively and efficiently? This might be the amount you'd need for a core team, equipment, marketing, and anything else that would enable you to run in line with your initial plans.

Figure 3: What is the **target figure** needed to run at maximum capacity? If you were to help everyone who needed your project or service, be fully staffed and equipped to run a professional organisation, how much would that cost?

When do you need your funding?

Although it may feel like you need an influx of money to get your group or organisation up and running, there is a lot of value in pacing your fundraising efforts.

Keep in mind:

- Most funding is restricted by **a) allocation** - meaning it can only be spent on the exact list of items or costs that you have specified in your application, and **b) time** - meaning it has to be spent within a specified time frame (from 6 months, 1 year to 3 years).
- This restricted nature of grant funding means that as soon as you hear you have been successful with an application, you have to be ready to get out and deliver on your promise. If you have a small team to start with, be careful not to overcommit on how much you can realistically deliver and manage at any one time.
- By carefully planning out your funding applications throughout the year, based on your capacity to deliver, and, in time, your success rate, the aim is to have funded projects running in succession, rather than all at once.

ACTIVITY: Ways I could break down my fundraising targets by:

Month and/or year

Project

Staff & running costs

Your Fundraising Strategy

A Fundraising Strategy is less of a static document and more of a movable balancing act. You will need to balance the different **types of income** with the **target amounts** with your **timescales**.

Your objective with creating a Fundraising Strategy is to:

- Ensure you are not relying on a single type of income (or even a single funder) to sustain your organisation or group
- Create ambitious but realistic financial goals that will motivate you and your team to reach them
- Be able to prove to potential funders that you have a long-term plan to keep your organisation running

As you continue your research, you will add detail to 'Types of income' including the names of funders that you are going to approach, the amount you are asking for, and the turnaround time for your application.

Type of income	% of total income	Target amount	Timescale
Trusts & Foundation	40%	£80,000	3 months
Corporate Foundations	30%	£60,000	6 months
Events	20%	£40,000	9 months
Sponsorship	10%	£20,000	12 months



You can use the table below to draft out your own Fundraising Strategy.

Type of income	Funder/company/ event	% of total income	Target amount	Timescale

Sustainability

As you begin to think even longer term, and plan for your organisation to stand the test of time, you may wish to develop a Sustainability Plan (funders love this too!)

Here are few things you may want to consider including:

- Organisation's Vision Statement - can you summarise the objectives of your organisation in an inspirational statement?
- Summary of core work - a clear outline of what you do and who you serve.
- Priority focus for Sustainability Plan - your reason for creating and sharing the plan - to survive a difficult financial period in the organisation, to plan to growth, to expand on staffing/delivery.
- Current/Previous Funding Sources - how has your organisation been funded to date, and how has that worked out?
- Project outcomes, outputs & impact to date - what have you achieved so far?
- Legacy - what do you see as being the legacy your work leaves behind?
- Time Frame - are you planning the near future - the next year, or more long-term - ten years or more?

The following page shows some of the main content you may want to include in a sustainability plan.

Typically, these would each be set out on a separate page showing objectives, timescales, action steps and who is responsible for each.

You may not need to include all of these headings - just choose the ones that feel relevant for where you are right now.

Strategic Direction: Your key objectives and goals for the future of the organisation

- Sustainability Objective: Staffing, Capacity, Delivery model, Focus

Funding Plan: Establishing a long-term financial base for your organisation or project

- Sustainability Objective: Reviewing & optimizing successful bids. Shortlisting potential funders for core delivery, and researching other income streams.

Partnerships & External Support: Connecting to policy-makers and stakeholders

- Sustainability Objective: Raise awareness. Develop new & existing partnerships.

Organisational Capacity: Having the internal support and resources needed to effectively deliver, manage & evaluate your service.

- Sustainability Objective: To recruit and retain key staff roles.

Risk Analysis & Mitigation: Identifying the likelihood and impact of potential risk to project/organisational sustainability and the actions you will take to minimise them.

- Sustainability Objective: Identify and mitigate key risks for the sustainability of the charity.

Marketing & Communication Plan: Effective communication with stakeholders and the public about your organisation or project

- Sustainability Objective: Develop & deliver an effective Marketing & Communication Plan.



Your 'Why'

Trying to raise money for a cause you believe in, or an organisation you've set up because you know it aligns with your purpose, can be hard.

Try to remember why you started your mission to help people, to make a change, and to do something important with your life.

This will be helpful to refer back to when the day-to-day realities of running an organisation and the responsibilities that come with that begin to feel heavy.

And finally, looking after yourself as you go out and do great work in the world, should be your number one priority above everything else.

I started this project/organisation/group/because...

I know I can make a positive difference in the world by...

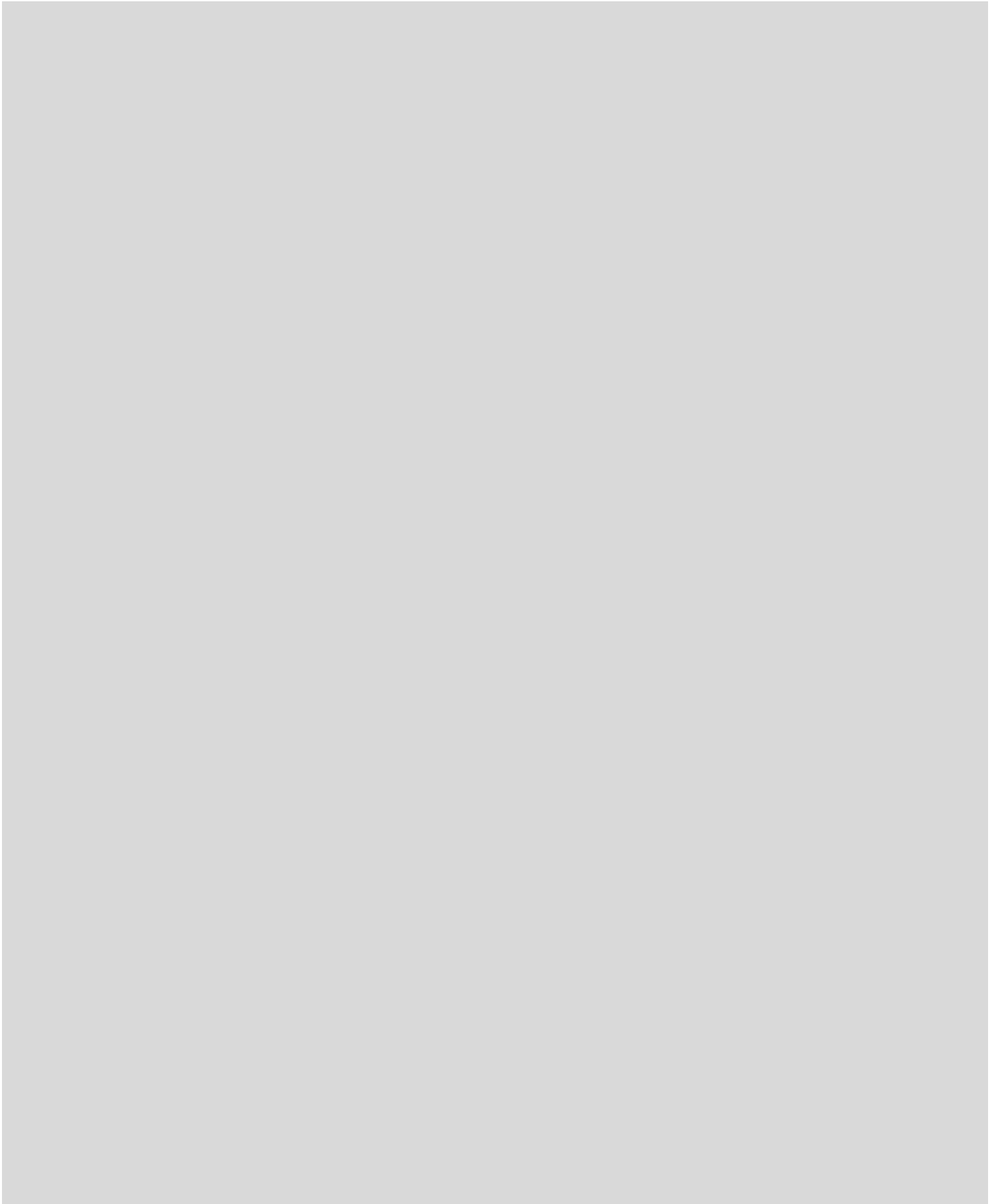
When things get difficult, I will remember that...



Third
Sector
Success

start-up | fundraising | strategy

Notes





[Click here to view the training videos](#)

**For 1-1 consultations, workshops
& mentoring go to:**

www.thirdsectorsuccess.co.uk