

Section 4 — What do you need the funding for?

1) Mission, strategy and sustainability

In this T-Kit we understand the term financial management in a very broad sense. While usually financial management would only involve budgeting, accounting and control of financial resources, we understand the term to cover the various aspects of being a successful fund-raiser:

- information about funding and funders
- development and quality control of projects
- budgeting, accounting and control
- reporting and “relationship fund-raising”.

The mission, strategy and sustainability of your project or organisation must be the starting point for your fund-raising efforts. We therefore place them at the beginning of this second part of the T-Kit.

When you think about your organisation and its projects, do you think first about what you want to achieve or about how to find the money?

We are assuming that you use the first approach and that you will have developed your idea and done some project planning before you grapple with the details of financial planning and raising the funds.

Money is one of the primary tools to help you achieve the “mission” of your organisation or project; the overall purpose of the activity you are planning then needs to be converted into a “strategic plan”, which outlines the steps involved in achieving that purpose. Money is one of the keys to the “sustainability” of a piece of work. Winning a continuous stream of income and making the most of it is essential to the longevity of your work.

However, having a strong sense of purpose and mission, plus a well-researched and structured strategic plan which includes provision for sustaining the project throughout its life, will make the job of raising funds much easier. It will impress funders and is essential to winning their financial support.

Mission – strategic plan – sustainability: key concepts for a successful fund-raiser

Mission = the broad purpose and direction of your organisation or project

Strategic plan = the bigger steps you need to achieve your purpose

Sustainability = the ability to keep your project going for the whole of its intended life

If you are not yet at the point where you have a clear plan about what you want to do and how you want to do it then we strongly recommend that you spend some time on it and consult other resources such as the T-Kits on organisational management and project management.

Financial
management



What kind of organisation are you?

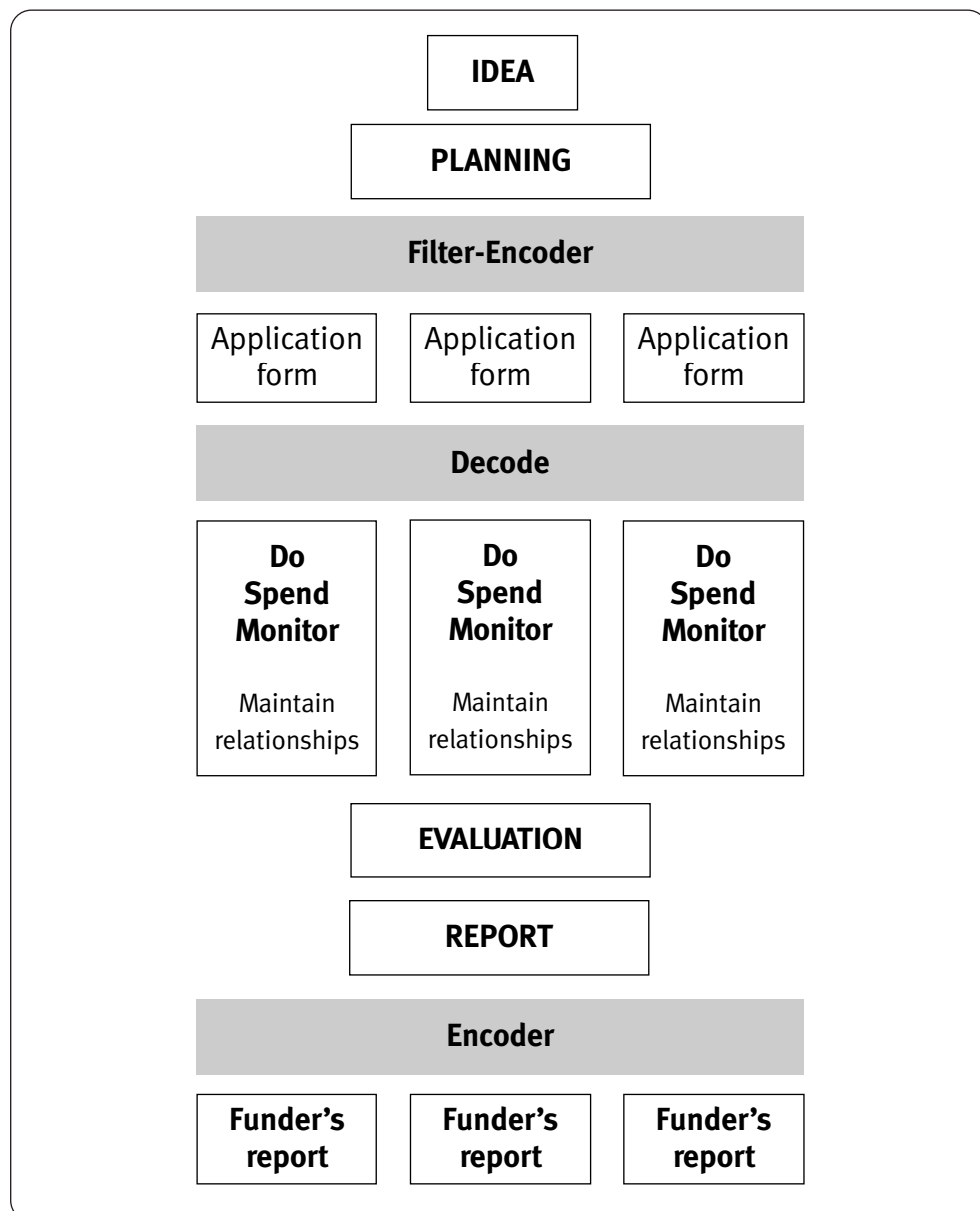
Understanding yourself is the first step in getting others to understand you – and this is an essential part of the relationship you have with your funders. As an organisation you need to be clear about your structures, ethos, mission, purpose and strategies.

Put yourself in the position of a funder. What would you want to know about an organisation you were planning to give money to?

- Who is involved and how did they get there?
- Who is accountable for the money and how do their colleagues keep them accountable?
- What reporting structures are there?
- Do any other bodies check on the quality of the activity or service they provide?
- How do I know they will use the money effectively and responsibly?

2) The Funding Encoder

The Funding Encoder



The diagram shows the various stages of a project, with emphasis on the funding process. It demonstrates in particular the points at which the person responsible for funding has the particular role of encoding, filtering and decoding messages about the project. The fund-raiser is in many ways a translator between the project's language and that of the funders. Of course, different funders often speak different languages, so the fund-raiser needs, in a sense, to be multilingual.

Having started with the project idea and completed the initial planning, the fund-raiser's job is to "encode" the information collected about the project into a language and format which the funder can use. The fund-raiser also filters out information that is not relevant or appropriate to the potential funder. This is dependent on the fund-raiser's understanding of the funder. Knowing the funder's language and agenda is crucial to successful applications, as is attention to the detailed information about submitting an application. If the funder only wants one side of A4 to describe the project, then a six-page colour pamphlet will not be well received.

Coyote's hint #8



Knowing the funder's language and agenda is crucial to successful applications, as is attention to the detailed information about submitting an application.

- What sources of information on funders are available to you?
- What are the obstacles to receiving information and how can you overcome them?
- How can we use the experience gained with funders in the past?

Having received a positive response from a funder, the fund-raiser has to decode the messages that come with it. What are the funder's requirements? What restrictions are there about how the money can be spent? What timescales have they imposed and how will these affect management of the project?

The money (or gifts in kind) of course allows the project to go ahead. As the diagram shows, this involves "doing", "spending", "monitoring" and "maintaining relationships". Then come evaluation (a very important phase in the eyes of many funders) and producing a report. The report will bring together much of the information needed for the individual reports to funders, but again this needs filtering and encoding – not in any way to manipulate the information or to misinform funders (on the contrary) but to ensure that funders have their own questions answered in the format they require. Again, funders often have many reports to read and so a standard format is a common requirement. It may be worth checking to see if they would like a copy of your full report in addition to their required minimum.

Who is involved?

The person with responsibility for fund-raising clearly needs to have an overview of the whole project and the freedom to feed ideas and suggestions into all aspects of it. This does not mean that he or she will be only person actually doing the fund-raising. As with public relations and marketing, everyone involved in the project has some contribution to make, even if it is only behaving well and not damaging the reputation of the organisation.

Gathering resources for a project should be seen as an integral part of being involved – in fact for some it may be their only involvement. Try to harness the creativity and energy of all the stakeholders so as to make the fund-raising effort a success. This in itself will be a sign to funders that yours is a quality project that makes the best use of the resources available to it.

