



Raising Money from Trusts and Foundations

Susan Brown – Trust Fundraiser

What are 'Trusts and Foundations'?

Trusts and foundations exist to donate money to charitable activity - the trick is to persuade them to support your work!

When we talk about 'trusts and foundations' we mean grant-making trusts and foundations – these are often also referred to simply as 'trusts' or 'charitable trusts'.

There are about 9,000 trusts and foundations in the UK. Each of these has been established to give money away in the form of grants to support charitable activity. Every year the UK's trusts and foundations make grants totalling around £3billion (or around 10% of UK voluntary sector funding).

Examples of trusts and foundations are:

- Comic Relief and Children in Need, which distribute the income from their fundraising events as grants
- Batten's Charitable Trust which makes grants on behalf of West Country solicitors Battens
- The Medlock Charitable Trust established by the Medlock family to support charitable activities in both Somerset and Lincolnshire.

Charitable trusts can offer a valuable source of income to charities and voluntary groups of all types and sizes:

- They can provide grants to help with a whole range of costs – for example capital costs (purchases of equipment etc), revenue costs (on-going running costs), new projects and emergency funding.
- They can provide support on a one-off basis or over a number of years.
- They offer grants ranging from under £100 to thousands of pounds.

Unlike many other forms of fundraising, you don't need an army of volunteers or much upfront expenditure to launch a trust fundraising drive – often all that is required is a well targeted letter of application. You simply need to spend a little time researching and developing well planned approaches.

Researching Trusts

Trusts and foundations make grants on the basis of a set of funding 'rules' – you need to find out what the rules are!

Each charitable trust has a 'Board of Trustees' which is appointed to govern the trust and decide on the grants made. Trustees use a set of 'rules' to assess applications for grants. Some of these 'rules' are fixed as they are laid down in the 'trust deed' (the legal document which establishes each trust), some 'rules' vary over time as they represent the current 'policy' of the Trustees.

The 'rules' a trust uses for its grant-making may cover:

- 'Charitable objects' – this is the type of work which will be funded, e.g. 'educational work' or 'conservation work'



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- 'Beneficial area' – this is the area where work will be funded, e.g. 'UK wide' or 'Somerset only'
- 'Beneficiaries' – this covers those who can benefit from grants. Some trusts will support individuals who apply for support, others will only support registered charities. Some organisations only want to support work benefitting particular groups e.g. older people or people with disabilities etc.
- Type of funding available – e.g. capital or revenue funding etc.
- Timescale for funding – e.g. one-off grants or multi-year funding.
- Size of grants – trusts can set 'rules' on the maximum or minimum size of the grants it will make.

To undertake effective trust fundraising your first task is to think about the funding you are looking for. In doing this it is important to remember that it can often take at least 6 months for a trust funding application to result in a grant and trusts generally will not fund work which has already taken place. This means there is no point in applying for grants towards work which you will be doing very soon.

Once you have a clear idea of the funding you are looking for, you need to undertake some research in order to create a list of 'target trusts' where there is a **close** match between the trust's funding 'rules' and your organisation, its work and its funding needs. (It is very important to remember that competition for Trust funding is fierce – applications without a clear match to a trust's funding 'rules' are a waste of time).

There are several sources of information for researching grant-making trusts and foundations which are available either on a free or charged basis.

Free sources of information:

- Somerset Library Service has a subscription to two popular trust fundraising databases (Funderfinder and Grantfinder) and can quickly provide information on potential target trusts free of charge. Simply call (01823 336370) or e-mail (enquiry@somerset.gov.uk) giving details of who your groups is, where you are based and the funding you are looking for.
- Local Councils for Voluntary Service have information on trust funders and will provide this to groups in their area.
- Funding Central (www.fundingcentral.org.uk) enables you to search for and research potential trust targets.
- You can research trusts by searching the Register of Charities on the Charity Commission's website www.charity-commission.gov.uk

Charged sources of information (NB – although detailed and comprehensive this can be expensive):

- The Directory of Social Change produces both printed reference information on trusts and runs a Trust Funding Website www.trustfunding.org.uk
- 'Grants Online' (www.grantsonline.org.uk)
- 'Funderfinder' (www.funderfinder.org.uk)

Once you have established an initial list of 'target trusts' using these various sources of information, do some additional research by using any phone number or e-mail address these



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trusts have published in order to get in contact and discuss the application you are planning. This can be a **great** opportunity to get the latest advice on applying from the 'horse's mouth' and to start developing a positive relationship with the Trust which may help you secure a grant.

As well as their funding 'rules', trust may have set requirements about how and when you should apply to them (for example they may only accept applications at particular times of the year and they may have an application form you need to complete). You must gather all this information as part of your research.

Preparing Applications

To succeed you need to present a clear 'case for support' telling trusts exactly what you want to do, why you want to do it and how much it will cost.

Every Trust application you send **MUST** be a tailored approach making use of all your research on each individual trust's funding 'rules' – general mail-shots and circulars are a waste of time. Unless the information gathered during your research indicates otherwise, as a general rule a trust funding application should consist of:

- A personalised letter of around 2 pages.
- A detailed budget for the work you want funding for.
- A copy of your most recent annual report and accounts.

Your letter should contain roughly 1 paragraph on each of the following:

- Introduction – briefly indicate what you want help with, relate this to the trust's funding 'rules' and refer to any previous support you may have had from the trust.
- Information on your organisation - what you do (include figures like how many people you work with each year etc), your history/track record/major achievements.
- Information on the work you want to fund - what need are you trying to address, how and why do you want to do this, what evidence do you have that the work is needed and that you are likely to succeed. Include as many facts, figures and examples here as you can.
- A grant request – indicate the total amount needed to undertake the work and any money you have already secured, try to request a specific grant to fund a specific part of the work (you will be guided here by your research into each trust's 'rules' on the size and type of grant it will give etc)
- Closing paragraph – introduce your enclosed Annual Report and Accounts with any explanation necessary, invite the trust to visit/contact you for more information, highlight that any grant offered will be important to you.

As already highlighted, trust fundraising is **very** competitive – to be successful you need to produce the strongest application you can. To increase your chances of success it is always a really good idea to ask someone else to read through your applications - ask them to point out any problems such as spelling/grammar/use of jargon etc and to be very honest as to whether you have made a **clear** and **convincing** 'case for support'. It is also a great idea to see if anyone you know has a link into the trusts you are applying to – for example does anyone know one of the Trustees? Using a personal contact to submit an application can really improve your chances of getting a grant!



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Budget Information

*Your budget information must show trusts that a grant from them would **really** help your work. Budgets must be accurate, believable and arithmetically correct!*

The quality and presentation of the budget information you include with your application is **very** important. You may not have experience of producing this type of information from your other fundraising work, so it is worth taking a closer look at what is needed:

- To give trusts confidence that your work is carefully planned and will be sustainable, it is essential to work out and present the **full** cost of the work you want to fund – for example there is no point in asking for funds to purchase a new minibus if you don't show how you will tax and insure it etc. (NB if you are fundraising for a large item of equipment or a building project trusts will generally expect you to have obtained 3 independent quotations and have based your budget information on these.)
- Because trusts are interested in the sustainability of work they support, they will be interested in and encouraged by other sources of income which is helping to support work – for example if you hire-out your minibus to third parties show the income you earn from this in your budget.
- Your research will have indicated the size of grant which each trust is likely to consider, to enable you to match this as often as possible, you need to fully breakdown the costs of the work you want help with – whilst not many of your trust target's may be likely to consider a grant of £7,800 to fund running your minibus for the next year, several of them may consider a making a grant of £400 to cover the cost of a service or £1,000 in order to pay the annual insurance premium. In particular it really encourages smaller trusts to make a donation if they can see that even their small grant will have a real impact.

A fully broken down budget means the £7,800 annual cost of running a minibus might be presented as follows (Nb the costs I have used in this example are made up – you obviously need to calculate your own accurate costings for each piece of work you seek grant aid for):

Diesel Costs @ £300 per month	£3,600
Annual Insurance Premium	£1,000
Annual Breakdown Cover	£ 350
Annual Road Tax	£ 200
Service Costs – 2 services @ £400 each	£ 800
Annual MOT Test	£ 57
Tyre Replacement – an average of 2 tyres need replacing each year @ £400 each	£ 800
Repairs – average costs of repairs each year	£ 500
Volunteer Driver Training – 2 drivers a year @ £65 each	£ 130
Cleaning Costs – monthly internal & external clean @ £18	£ 216
Sundries – e.g. oil/de-icer/screenwash/replacement bulbs etc	£ 150
TOTAL	£7,803

Helpful information on developing accurate budgets can be found at www.fit4funding.org.uk/help_and_advice/preparation/developing_budgets



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After your Application is Posted.....

Posting off your carefully researched and tailored application is only the beginning.....

As with all areas of fundraising, the key to success with grant making trusts and foundations is relationship building. The more personal contact you can get with trusts the better – however you obviously need to take a balanced approach here and avoid becoming a pest!

It is a great idea to give trusts a quick call a couple of weeks after you mail off your application in order to check whether it has been received and if any further information would be helpful. If Trusts request additional information from you this is a good sign and you need to respond quickly, providing **exactly** what they have requested.

If you get a grant.....

- send a warm, **prompt**, thank you providing any receipt or other paperwork which the trust indicates as necessary.
- Provide the trust with an update on the use you have made of their funding and your work in general after 12 months (or at any specific date the trust may stipulate). If you can show that you have used the grant well and made good progress this could be the ideal opportunity to ask about further funding!
- Keep 'in-touch' with the trust by sending a newsletter/a Christmas card/an invitation to a major event you may run (avoid bombarding funders though!)

One key point to remember is that if a grant is secured for a specific purpose – for example a grant to insure your minibus – by law the money **MUST** be used for that purpose unless the funder formally agrees to a change.

If you don't get a grant.....

- Get in touch with the trust by phone or e-mail and make a **friendly** request for advice on why the application was not funded. If you do this and **listen** to the advice it is amazing how often you will get funded next time round!
- Take another look at your research – if you are still convinced a trust is a good match for your funding needs then make a fresh application in 12 months (or whenever the trust's 'rules' indicate is acceptable). Sometimes you will simply have been rejected because there weren't enough funds to go around, meaning you may be luckier next time.

In order to run an effective programme of trust fundraising you will need to keep really detailed records of all your trust work – for example so that you don't apply to the same trust twice in short space of time and so that you remember to report back to grant-makers etc.

To get a programme of trust fundraising off to a really good start you could consider running a special trust 'event' – invite representatives from your key target trusts along to an interesting event where you can tell them about your work, start developing some personal contacts and pave the way for a formal application!



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Useful Sources of Information

In addition to the various sources of information mentioned above, you may find the following helpful in learning more about raising money from trusts and foundations:

- Association of Charitable Foundations – various information available at www.acf.org.uk
- NCVO – good information on seeking grant funding available at www.ncvo-vol.org.uk/advice-support/funding-finance/income-sources/grants
- Directory of Social Change – publishes a range of information on trust fundraising techniques including a 'QuickGuide' costing £5.00
www.dsc.org.uk/Publications/Fundraisingtechniques/@2837
- There is a selection of fundraising information available on the ViSTA website
www.vistaproject.org.uk

Also the Institute of Fundraising South West runs reasonably priced and relatively local fundraising courses often including courses on making grant applications:

<http://www.institute-of-fundraising.org.uk/groupsandnetworking/institutegroups/nationalregionalgroups/southwest>



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