



Funding strategy

This is a list of content for a funding strategy. It is by no means a one size fits all but hopefully will give a structure for your document and help ensure the plan contains sufficient information to produce an effective strategy.

Cover

Asides from making it look nice, it is useful to include the date the Strategy was produced, for what period of time and number of subsequent redrafts.

Executive summary

If your plan is particularly long a brief summary of the plan can be useful and for all organisations a short paragraph to give an overview of the strategy is useful if you want to share the information with supporters, funders and other external bodies.

Introduction

Explain why you are producing the strategy. Is it to maintain existing services? develop new initiatives or simply to help broaden your funding base. If you don't know why you are writing it perhaps you don't need one!!

Strategic Plan and business plan

Very briefly summarise the strategic plan to put the plan in context. Set out what the organisation is about and its key objectives in the coming 1-3 years. These are the activities that the strategy is seeking to fund. Also include longer term plans to develop the organisation which may form part of funding applications such as obtaining PQASSO quality mark...

Other documents will contain this information in depth, so refer on to these rather than repeat lots of information here. You can also include your mission statement in this section

Legal constraints

What are the legal constraints on fundraising that your organisation needs to be aware of /consider licences for collections, Gift Aid regulations, Data protection issues. Also consider best practice and codes of conduct that exist. How will your organisation abide by good practice; will you meet the Funding Standards Board Quality mark or example. Take a look at the Institute of Fundraising codes of practice for more information.

It may be you do not know what these are in which case this should form part of your action plan!

Current position

Explain your current financial situation; where is money coming from, what does it fund, when will it run out. This is often easiest and quickest to present is a table

Funding history

A bit of historical context is useful, identify where has your organisation got its money from in the past. Produce a list of past funders, (and where possible those who have turned you down). This is useful in helping identify funders you could go to again, some past funders you may have forgotten about.

Reflecting on past successes and failures will also help you identify what you have done well or not so well in applications. Are particular project more appealing?

External fundraising environment

Briefly explain the environment in which you are fundraising. What are national government priorities, state of the economy, What EU money is available, any trends in fundraising you are aware of; for instance are the Local Authority moving more towards tendering than grants?

Also consider your competition; what other organisations may be applying to the same funders.

Internal appraisal

Summarise your strengths and weaknesses. Also identify and demonstrate any key achievements. Identify your unique selling points and what makes you different/ better/ more deserving?

The previous two sections can always be combined to form a SWOT analysis. Be honest as you can when completing this,

What needs to be funded

In this section begin to identify the activities that you need to be funded. These should be the activities identified in your business plan, and identify the priorities. The more detail you can provide about these activities the better, when is money needed, for how long, and how much. Are these activities funded at present if so by who, and what evaluation, monitoring data have you gathered to show how valuable the work is?

What can be funded as a 'project' , or stand alone activities (which are more appealing to trusts and foundations). What do you see as core, or unsexy costs; such as rent, office costs

Also include here the activities you are delivering and have funding for. This is important as you may be able to use these activities as match funding for other new activities, showing added value to existing work.

When you have completed this section you should have a clear picture of the costs you have secured and the ones you need to meet. Again if you can present this in a table form it will make it easier to refer back to and see where you needs are.

Financial appraisal

Provide details of future funding priorities and financial targets to be achieved. Identify what sources of funding you use (Trusts, donations, contracts, legacies etc); how reliant are you on any single income source, are there income sources that are not used much?

In this section you can also undertake a cost-cutting exercise to identify any areas where you can

reduce expenditure. However care must be taken not to reduce costs so much that services become adversely affected. Cost-cutting exercises could range from replacing refreshments with cheaper varieties, to reduction in staff hours, relocating to cheaper premises.

As part of this analysis, you need to look carefully at your organisations budgets, how do you allocate costs?, what cost centres do you have? This is really important as it will allow the organisation to effectively allocate project costs to 'core' activity. This is part of the organisations Full Cost Recovery policy

Sources of funding

Once you know what needs funding you can identify how you will meet these costs. This will come from a combination of source; including trusts, donors, contracts, lottery, self generated. Identify the source of funding most appropriate to activities that you want to undertake. Identify what investment of time/resources you need to develop them, can it be done in house or do you need external support? How long will the source take to develop and what are the likely returns on investment?

For these identify why you want to develop them, what you are currently doing, where you would like to be with the funding stream and what you need to do to get you your ideal position. These may not be achievable within a year, but you need to set out what you want to achieve. include what resources you will need to achieve this; this may be staff time, outside help, materials, specific knowledge or information (for instance who do your trustees know who may be influential or have links to trusts/foundations/companies).

Action

Identify what activities need funding and from what source. Who will do the work and by when? What new sources of funding are to be developed, again who will do this and by when. Putting in a timescale is really important, without it, it will not get done.

Monitoring and evaluation

Finally identify how, how and when the plan will be monitored and evaluated.