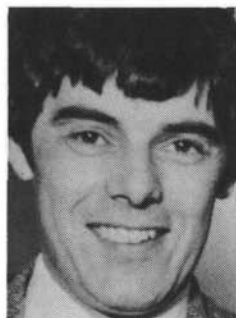


# CHARITABLE TRUSTS

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'Applying to Charitable Trusts – how to be successful' – extracted from 'A Guide to the Major Grant Making Trusts' courtesy of The Directory of Social Change.

In these notes I want to give some broad hints on how best to approach Trusts and what you can do to improve your chances of success. But before doing this, there are some general points which I believe are important:

- Trusts vary greatly and there is no single formula that will guarantee success.
- Common sense and perseverance are essential qualities in approaching Trusts.
- Believe in what you are doing. If you don't, why should anyone else?

Just as Trusts vary a lot, so do projects. Different projects and people will find different ways of selling themselves. So adapt any points I make to suit yourself and your organisation.

## **Preparation and planning**

The development of a successful organisation depends on good preparation and planning. This applies equally to successful fund-raising. If you spend time on proper planning, other aspects of fund-raising will follow logically.

Trusts are only one source of funds. There are many others such as industry, events, legacies etc. Thus you should have an overall strategy for raising funds for your organisation and fund-raising from Trusts should be seen as one element in that strategy.

A fund-raising strategy should be an integral part of the strategy for the development of your organisation as a whole. Planning this involves a series of logical steps.

- 1 Clarify the problem or the need that is to be met.
- 2 Define the aims and objectives of the project.
- 3 Decide on the methods to achieve the aims.
- 4 Draw up short-term and long-term plans.
- 5 Prepare a financial budget (cost and plans).
- 6 Identify possible sources of funds.

It is a good idea to involve your whole organisation in this process as far as possible.

A useful preliminary exercise is to write down succinctly:

- 1 The problem or the need your organisation is concerned with.
- 2 The goals of your organisation.
- 3 How your organisation is trying to achieve these goals.

If you cannot do this succinctly it probably means there is some confusion in your thinking. And if you yourself are confused about what you are doing, it will not be very easy to persuade others to support you.

Raising money, especially from Trusts, can be a slow process, so start your efforts in good time. Good planning will help to ensure you raise money when you need it. Do not make the mistake of waiting until you are in a crisis and then trying to raise money. This is all too common.

Decide what you are going to do and then raise money for that. Do not work the other way around. Too often I have found organisations doing projects because there is money available rather than doing the project they really want to do. This distorts the organisation's purpose and can lead to internal disagreements.

### **Defining your project**

It is important to have a good project to take to Trusts. You should be clear about the need you are meeting and be able to state this clearly. Do not assume that others will understand what the need is. Spell it out.

In my experience most Trusts prefer to support a specific project and they tend not to like contributing to on-going running costs or to topping up government grants. If you are a large organisation, it can pay to break your work into convenient projects so that Trusts have something to latch on to.

Many Trusts like projects which are new, imaginative and innovative. However, this is not always the case, especially with Trusts with a very specific remit which may support the same organisation over a long period.

Often Trusts like projects that will be monitored and which will produce reports. In this way others can benefit from the experience, or the success of the project might influence government policies. This process is an integral part of Trusts being interested in new and pioneering work.

In defining your project remember that the project is the product you are selling. However well this product is packaged, you are only likely to be successful if it is a good project.

### **Selecting your targets**

There are very many Trusts and it is important to recognise that they do not form a homogenous group. Some are large, some are small; some are public, some are private; some creative, some are conservative; some take risks, some play safe; some employ staff, some do not. Only a few of them are likely to be interested in your work. Thus it is important to research carefully into their policies, their size, and how they like to deal with applicants (where such information is available). This is vital if you are not going to waste a lot of time/money/paper in making pointless applications.

Your researches will lead you to discard most Trusts. Of those remaining there will be two main categories. The first will comprise a few large Trusts with clear policies. The second will be a larger list of those that are worth a try but not worth spending too much time on. Your type of approach is likely to vary with each category.

Critical information to find out before approaching Trusts includes the following: their policies and priorities (where these are stated); size of their grants; who they have supported in your geographic area and are of interest; if they are accessible and who to contact; when they make decisions; if you know their staff or Trustees.

Finding out the above information will enable you to identify that aspect of your work which might appeal to each Trust. You should then try and tailor your application as far as

possible to meet the requirements of each Trust. However, do not distort what you are actually planning to do.

For those Trusts that are just 'worth a try' it will not be worth while spending too much time on your application to them. Here you will have to resort to what is in effect a circular mailing. But you will improve your chances very substantially if you personalise the letters at least by 'topping and tailing' the letter: that is, addressing each individually, having a personal salutation rather than a 'Dear Sir' and signing each letter personally.

### **Building your credibility**

As well as convincing a Trust that your project is worth while and a priority, you must also convince them that your organisation is well equipped to carry it out.

The process of establishing credibility involves publicising the work of your organisation and its track record. If you have a positive public image it is more likely that your organisation will have been heard of and that you will receive sympathetic consideration.

One of the first questions Trustees will ask is: 'Do I know of this group or the people involved?'. If they have not themselves heard of a project they may ask an adviser in the same area of the country as the project for their comments. Thus it is important to ensure, as far as you can, that Trusts and their advisers have a favourable impression of your work.

For new and small organisations, particularly those operating in very run-down areas or undertaking some unappealing area of work, it is often difficult to establish credibility. One way to tackle this problem is to provide evidence of support, or references from reputable establishment figures such as the local clergy or the director of the local council for voluntary services, which say how important your efforts are.

Most Trusts will want evidence that your organisation has been properly set up with a constitution and that it is a charity. In addition, it is a good idea to supply a list of those who are on the management committee and the range and expertise of its members.

Written documents also provide evidence of the merits of your organisation. Thus it is worth taking some trouble over producing your annual report and accounts, as well as any other reports you produce. Also, make a point of collecting favourable comments about your organisation and its work; these can then be produced or quoted from when you are trying to build your credibility.

## Working out your budget

Trusts want to know what you need and for how long you need it. Too often, groups fail to spell this out. This is often a symptom of poor planning. So prepare a budget and remember that the preparation of this is an integral part of your planning process. In preparing your budget remember the following points:

- Allow for all your costs. If you forget a particular item, you will not have the money to pay for it.
- Break your costs down into capital costs (equipment, premises, vehicles) and running costs like rent, telephone and salaries.
- Estimate your costs realistically. Do research where necessary.
- For long-term projects estimate your needs over time. Budget for how much you will need, not just in the first year, but also in subsequent years. This will enable you to establish long-term plans for getting support for the project.
- Make allowances for inflation. Remember that you will be applying for next year's costs and you should not use current costs but allow for the rate of inflation. For future years you will need to make an estimate of how inflation will continue and it is best to state your assumptions.
- Allow for a reasonable proportion of the overheads of the organisation when costing a project (such as a rent, rates, phone, heat, stationery) except where you are applying for a specific item of equipment. Most Trusts will accept this and be happy to contribute what seems a reasonable amount.

Quite often people under-cost their projects. If you apply for too little you will have a continuing fund-raising problem. However, do not inflate your costs; you must put realistic figures into your budget.

Don't forget to look at all possible sources of finance and then decide what proportion of a particular item or which items are appropriate for each particular Trust. Different Trusts can then be approached for different items.

Make sure that you ask each Trust for an amount that is possible for them. A mistake that groups often make is to ask for a sum that is much too large for a particular Trust, say £10,000 when a request for a smaller amount for some item in the budget, say costing £2,000, might have been successful.

Trusts will want to know where else you expect to get or

have got funds from. They will often be prepared to co-fund with other Trusts and it is important to recognise that many Trusts share information about projects. So it is essential to state who has already agreed to support the project, who else you are approaching and what other plans you have to achieve your fund-raising target. You can also get advice from any Trust which is prepared to fund you about which other Trusts might be interested or worth approaching.

Trusts will want to know that you have thought about your future. This is especially true for Trusts interested in supporting new projects. So make it clear that you have thought ahead and that you have some ideas on where funds might come from once the Trust funding comes to an end.

It often helps to be able to demonstrate an element of self-help in funding as Trustees may feel this is evidence of the commitment of the people involved to making a project work. So support from your local community, your own fund-raising efforts, and the amount of income you can generate as earned income (where this is possible) are all important points to highlight.

### **Presenting your application**

Raising money from Trusts is a very competitive business. Trusts receive thousands of applications and the situation is getting worse. The majority of applications they receive are turned down. Thus presentation is very important.

When writing your application, be concise. You must get your basic message over in as short a space as possible. Trustees will not have time to read detailed documents about every project. However, where the Trust has a full-time secretary or director, he may be able to look at more detailed documentation. Thus a one- or two-page letter plus supporting documentation is my favoured formula. In this you should convey clearly, without using jargon, exactly what you want to do and why. Don't forget to provide evidence of the need for the project.

In the case of the small group of Trusts you have selected as likely to be most interested in your work, try to relate your application to the interests of each Trust you are approaching. Try and make them feel that you share a common purpose with them, that you share their priorities and that you wish to foster a partnership with them.

When you are writing an application, convey your sense of enthusiasm and excitement. The more you can create a feeling of personal commitment to the project the better. Try to avoid being too remote, too dry and too impersonal.

Trustees will want to know that they will get value for their money, so spell out who and how many people will be affected by your project. Your letter should clearly state how much you want and how urgently help is required. Supply a budget and some evidence of your organisational credibility such as your annual report and accounts, press cuttings and references or quotes which support your case.

### **Developing contacts**

In all types of fund-raising a personal approach is normally best. However, this is not always possible. For instance, some Trusts will not meet applicants. The more you can make personal contact the better chance you have of establishing a sense of partnership and common purpose,

There are different ways of developing contact. Only the larger Trusts employ full-time (or part-time) staff to deal with applicants. For smaller Trusts a personal contact with a Trustee can be important. For the larger Trusts, most do not like phone calls out of the blue from new applicants. They prefer to deal on the basis of a written application. You can choose to send a full application or just an outline of your project and what is involved. In either case you can then suggest that they come and see your project or request a meeting with the Trust where you can present your case. If they think they might be interested, many will be happy to do this. You can follow up your written communication with a phone call to enquire whether they have received and read your application and whether a meeting is possible (but do leave a reasonable period before doing this).

If you have had previous contact with a Trust, then it is much easier. You can even arrange a meeting to discuss an idea or ask for advice. If you do not know the Trust you may be able to get a personal introduction from an intermediary who knows your work and is respected by the Trust.

Wherever it is possible, it can pay dividends to involve a Trust's secretary or director in discussions about a project before you make a formal application. This will help to cultivate a sense of partnership and may affect what that particular Trust might be happy to support. Be careful to listen to the advice they give. It is very irritating for a Trust to spend time talking about a project to people who then make a formal application for something that they have been told is outside the Trust's priorities.

The first Trust I ever applied to for a grant taught me the lesson that Trusts will often back people as much as ideas or organisations. They had been going to turn down the



application on the basis of the written material because it failed to convey a sense of personal commitment and belief in the project. Happily, when I met them my own enthusiasm for what I was doing persuaded them to think again.

Most people will need to go back to Trusts on many future occasions, so develop your relationship with them over time. Trusts are, on the whole, most likely to support people or organisations they know and trust. So send regular reports on your project including a statement of how the Trust's money was spent. Keep Trusts aware of your work even when you are not asking them for money. The last point is extremely important.

It is important to keep very careful records of all your contact with Trusts so that you can refer to previous contacts when you next apply to the Trust. Failure to acknowledge previous contact can be a cause of irritation.

At all times aim to reinforce the good feelings of those who have given you support. Trustees like to feel enlightened, imaginative and reassured that their judgement was right in backing your project instead of other projects. Acknowledge a Trust's support at every opportunity.