

Fundraising – before you start

There are a number of things you need to have in place as a group looking for funding before you can even think about approaching a funder for money. Here is a summary of those, along with some questions you need to be able to answer before starting the fundraising process.

Have you got a constitution?

You must be formally constituted and have a management committee of at least three people. Community First Yorkshire can help to set your group up with an easy to understand, four-page constitution, which sets out what you are set up to do (your charitable objectives) and how you can do it (your powers). Once this constitution is adopted you are recognised as a charitable organisation (without a registered charity number).

Have you got a bank account?

You must have a bank account with at least two cheque signatories, who should not be related to each other or live at the same address). Funders need to be reassured that you are a group of people operating under a set of charitable rules and have to counter-sign cheques, so an individual can't misspend or misuse any grant you receive.



Have you set up your financial systems?

You need to set up a simple income and expenditure system (i.e. your 'books') so you can keep track of how much is coming in and how much is going out. This will allow you to put together a simple set of accounts at the end of your financial year. This is the specific 12-month period that you adhere to, for example January to December.

Is your governance structure set up?

You need to decide whether you should become a registered charity or Charitable Incorporated Organisation (CIO). If your annual income is more than £5,000 you are obliged by charity law to become a registered charity with the Charity Commission. Community First Yorkshire's Community Support North Yorkshire team can provide support on this and help you to register if appropriate.

Do you regularly meet with your management committee?

You should be meeting regularly to keep your management committee up-to-date with your group's activities, income and expenditure and so you can make decisions accordingly. A minimum of four times a year is recommended - more frequently is often better.



Have you got a forward plan?

You need to be in agreement over what you want to do and plan your activities well in advance as this gives you time to raise the money needed.

If you want to have a fighting chance of applying successfully for funding you should ideally be putting the application in (if it's a small amount) at least three months (preferably more) before the activity takes place. If you're looking for sums above £10,000 you should allow at least four to six months (preferably more) to get a decision back from a funder. Funders may only meet once or twice a year or quarterly so the date from which your application lands on their desk to the next panel meeting dictates how long you have to wait for a decision.

Once you have these fundamentals in place, you need to be able to answer the following questions about your work or project.

What are the reasons behind your work?

This is the fundamental reason you do what you do. You need to be able to convince a funder that this work is needed. Who are you trying to help? What area are you trying to improve? What social problem are you trying to alleviate? Ensure you can describe this in a coherent way using facts and figures to back the need for this work up.



What are you trying to do?

Following on from the above, you need to ensure you are clear about your goals. If you are looking for funding for a one-off event or trip, this will be straight-forward, but also think about what your group is trying to achieve in the long-term. For example, 'reduce unemployment among the under 25s in Selby or 'alleviate loneliness and its associated problems by providing a befriending scheme for isolated older people in Harrogate.'

How will you achieve this?

You need to be clear about how you are going to achieve these long-term goals. If you are looking for funding over a number of years, have a plan for what you aim to achieve each year. You also need to be clear about who will carry out this work and what their responsibilities will be.

What will the benefits be? And how can I demonstrate those benefits?

Funders want to make sure that their money is being well spent, therefore they need to see measurable outcomes. There is more onus than ever on outcomes - being able to demonstrate or measure the success of your work so you really need to think about how you will record this and report on it.

How much money do you need?

You need an accurate budget, whether you are applying for capital costs (such as equipment, renovation costs, furniture) or revenue (running costs and workers) or both. Funders need to see precise quotes or evidence of costs for everything you are asking for (for example, catalogue pages, screen shots of online purchases, staffing costs) - use real figures rather than ones rounded up. If you are applying for grants over a number of years, remember to include inflation costs.



Finally, be realistic. If you have not fundraised before it is much better to start off small and get some experience first. This helps you build up credibility. If you're just starting up funders need to see you can successfully manage smaller amounts over a year or so before they can take a leap of faith and provide you with larger amounts. And be realistic in the amounts you ask for - don't overestimate on your budgets and try to ensure you are not left with a surplus at the end of the funding period (that you may well have to send back).

Additional Support

Community First Yorkshire can help you with any question you may have about running an organisation, being a trustee, funding, fundraising or volunteering. We can support you on a one to one or group training basis. Simply fill in an [enquiry form](#) and we'll get back to you.

You can sign up for our news bulletins [here](#):

- Our monthly Funding Bulletin lists updated funding opportunities.
- Our weekly newsletter has information about the volunteer and charity sector, including training courses about funding.