GLOBAL CONNECTIONS, IT'S *ONLY* MONEY! CONFERENCE September 2005

WORKING WITH TRUSTS AND FOUNDATIONS (Workshop 1C)

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Context

The latest CD-rom of grant-making trusts contains details of over 4,200 trusts who give £3.1 billion a year.

With such a large pot of funding available, why do so many organisations find they receive so many rejections? How can we improve our success rate?

The Nature of Trusts

Why do they exist? Some may consider the following expresses their purpose:

> ***'…an organisation whose whole raison d'être is to give away money'***

It may be more accurate and instructive to consider that many people or groups established trusts as a ***mechanism*** to achieve something. The giving away of money is a means to an end – the end being some good done in society or for the Kingdom.

In other words, trusts exist because someone decided they wanted to see the world become a better place. Maybe they got fed up seeing people suffer with cancer, or they saw the pain and loneliness of people living on their own, or wanted everyone to have a bible and to hear about Jesus. Maybe they themselves became prosperous and wanted their own community to flourish.

Giving away money is the way they achieve these objectives. They don't run projects themselves, so they need to partner with missions or other charities to achieve their objectives (Romans 12 vs 4-8).
They do not see themselves as an organisation making handouts so another organisation can go and achieve something.

We need to begin by seeing trusts as genuine partners in Kingdom business and consider how we can help them fulfil their aspirations. We should not treat trusts as an injection of cash for '***our'*** ministry.

Why do Trusts say 'no'?

Before looking further at how to be successful in an application, it may be worth spending a few moments thinking about all the obvious stumbling blocks to success. These include:

- **Poor research**
    - They don't fund the kind of work written about
    - They don't fund capital/revenue funding needs
    - They don't fund the geographical area

  - An inappropriate amount was asked for
  - The application arrived after the date requested
  - Out of date contact details were used

- **Sloppiness**
  - They already fund a different part of the organisation
  - Their name was spelt incorrectly
  - The applications did not include all the information requested. (e.g. budget, number of workers, annual accounts)
  - They have previously funded the organisation and this was not acknowledged
  - The application was boring, rambled, too long, too technical, too familiar or too formal

- **Bad manners**
  - We treat them like a cash machine
  - "My boss knows your boss"
  - Previous poor relationship

- **Quality of Application**
  - The description of the work did not do it justice
  - Assumption that the trust knew more about the issue
  - Did not make a clear 'case for support'
  - Did not adequately explain the Christian aspects of the work

- **Perspective of Trust**
  - Their funds are already committed
  - Their funding pot is diminishing
  - Their perception of the mission agency is inaccurate (e.g.: 'they don't need the money')
  - Agency unknown to the Trust (or little known of its credibility)

The following statement in a Trust's entry in the CD Rom of grant making trusts, sums up the position of many trusts:

> ***'We do not consider applications made to us from organisations or people unconnected with us. All our donations are instigated because of personal associations. Unsolicited mail is, sadly, a waste of the organisation's resources**.'*

This brings us to consider ***relationships.***

<u>Developing relationships</u>

One of the key questions often asked is:

'How does one develop relationships with trusts or key personnel within those trusts?

And this question probably refers to ***'wealthy and well-known trusts'***

To be blunt, this is a bit unrealistic – a bit like me, in my single days, asking
'***how can I get a date with Brad Pitt?'***

As it turned out, the Lord's provision for me was a lot closer to home, far more comfortable and did not require me to pretend to be something I wasn't!

If we don't already have a relationship with a big-name trust, and are not aware of any other connections to it – we would probably be wasting a lot of time and effort trying to 'set up a date'.

We need to turn the question on its head and ask:
'What relationships do we already have that we can nurture and develop further?'

There are a significant number of individuals and families that have established trusts as way of supporting mission/charitable work. The amounts of money they have available for dispersal varies greatly. Some may give £2,000 each year, many give significantly more than this.

It is highly probable that some existing supporters have their own trusts and already make gifts to your organisation via them. Some internal research may yield many opportunities for further development. Strengthening and building on existing relationships by identifying particular areas of interest, drawing them into a deeper understanding of, and commitment to, the work would be a good and wise investment of time. Trying to find tenuous links to trusts in order to gain some leverage with an initial application does not have the same ring of authenticity.

Are personal relationships with trusts beneficial for initial applications?

This could be phrased as: do applications receive more favourable consideration if 'someone knows someone'? And is this fair? And should we, if we are fundraising ethically and biblically, wish to pursue such avenues?

However, the issue of credibility may also come into play here. If an application is endorsed by a trusted friend or colleague, then this is undoubtedly an advantage when the trustees are considering an application, particularly for a smaller, maybe lesser known, charity. Does the 'old boy' network also come into play here? Possibly, but that is difficult to assess.

Consider this (true) example: A relationship was identified between the chairman of trustees of a charity and a trustee of a trust. The chairman was approached to ask if he would be able (and comfortable) to lend his support to a funding application. He asked for a copy of the application to be sent to him and said he would be happy to endorse the application informally to the trust's trustee when they next met. Was this inappropriate 'insider trading' or did the relationship serve to level the playing field for a smaller unknown charity by giving it some credibility?

Identifying in-direct connections with Trusts

If this route of establishing credibility through personal relationship is to be pursued, it may be worth investing a small amount of time to see if there are any connections between a trust's trustees and those of the charity. Maybe staff, patrons or other close friends of the charity have links with the trust. See research section below for more information on identifying these. If these are identified, it is not advised to write this into the application as this would probably be a detrimental move.

Partnering with other Missions/Charities

Are there any organisations, especially those with whom you work on the field that you could consider for a joint application? If the other organisation already has a relationship with the trust, this may help to introduce you to the trust for the first time, and enable the other organisation to increase its potential for funding.

<u>Isn't it just shuffling money around?</u>
For the larger trusts, who have a set amount of funding each year to disperse, we need to remember that a successful application from Mission A may be at the expense of funding for Mission B. In this situation it is hard to see how the kingdom benefits.

The smaller (but not insignificant) family trusts referred to earlier, may have more scope to increase the level of their giving and so the same difficulty may not arise.

<u>Keeping in Touch</u>
Once a relationship with a trust is established, make sure that the organisation keeps in touch in an appropriate way. Don't forget to send updates of the work, press clippings, invites to special events etc. Determine who the best person is to make contact. Should it be the Chief Executive, a Trustee or the Project Manager? But do make sure the trust knows more than one individual within the organisation. If the contact between trust and mission is with only one person, and that person leaves, it may be difficult to re-establish rapport quickly. Find out how much and how frequently the trust wishes to receive information. Are visits helpful?

Don't wait until the next funding application is due before sending feedback on the funding already received. Why not send a progress report 3 months after the initial funding received? And maybe another 6 months after that.

Don't be shy about telling them of setbacks or problems. Discretion by all means, but if you are developing a true partnership, explaining any setbacks and lessons learnt would normally be well received.

<u>Research</u>

<u>Internal Research</u>
We may be familiar with the need to research Trusts before making an application, but it would also be wise to ensure that internal research into the project with a funding need is also thoroughly carried out. It is advisable to draft a case for support before any work is carried on identifying funders or drafting applications. Please see attached document: '**Drafting a case for support**'.

<u>External Research</u>
In addition to identifying suitable Grant-Making Trusts for your projects, research is also invaluable in unearthing other related information. Don't forget that many trusts will be directly connected to one or two wealthy individuals and so research should not be restricted to just the organisation. Any background on the individual's interests and areas of concern will also be helpful.

There are now numerous books, publications and websites available. The following may be helpful but is by no means an exhaustive list.

The Directory of Social Change (www.dsc.org.uk) is a good place to begin.

It hosts the following subscription services where searches can be made according to a number of criteria. Each of the websites '*does exactly what it says on the tin*':

www.trustfunding.org.uk
www.governmentfunding.org.uk
www.grantsforindividuals.org.uk
www.companygiving.org.uk

They also have very reasonably priced trust funding handbooks and a CD-rom where details of Grant making trusts can be found. Also, training courses that may be helpful for specific areas.

Other charity umbrella websites are www.cafonline.org and www.ncvo-vol.org.uk Each of these also produce publications and run training courses.

Some Grant-making trusts have their own websites where latest information (e.g. on funding criteria) will be published.

The Charity Commission website, www.Charity-commission.gov.uk has entries for every registered charity (which will include grant making trusts) and may also yield useful information. For example, sometimes a trust's annual accounts are attached to its entry and details of all previous grants may be listed.

Third sector is a weekly magazine with articles on all aspects of the charity sector. They also have a weekly column called '***How we got the grant***' that gives details of a recent successful funding application with input from both charity and funder.

In researching links between Trusts and the charity, or to provide background information on any potential individual funder, '***Debretts People of Today'*** is a useful reference guide. Available in a book, CD or on-line. Further information and sample entries may be found at www.debretts.co.uk.

The ***'Sunday Times Rich List'*** , produced and distributed once a year by the Sunday Times may also prove a useful and inexpensive source of information.

Even entering someone's name into Google may be helpful.

Other useful websites:
www.Stewardshipforum.org
www.Faithworks.info
www.Institute-of-fundraising.org.uk
The Institute has special interest groups for many areas of fundraising including 'Fundraisers in Christian Organisations' and one for trust fundraisers. These groups meet approx 4 times per year and have guest speakers and useful networking opportunities.

And finally, do not forget to research your own charity's records (including database) for any previous contact with trusts. Remember to keep this updated with full details of all applications and any feedback or other information that may prove useful in years to come.

The Application

Let's look at a biblical character who made a successful application to a grant-maker…

Nehemiah.

Neh. 1 vs 2-4 and Neh. 2 vs 1-9 provide some helpful principles behind Nehemiah's application to King Artaxerxes:

From this we discover that Nehemiah:

- discovered the facts about his cause: '…***I questioned them about the Jewish remnant…and… Jerusalem… those who survived the exile and are back in the province are in great trouble and disgrace. The wall of Jerusalem is broken down, and its gates have been burned with fire."***
- had passion for the cause, ***'I sat down and wept, ..mourned and fasted….'*** This came across in all his communication with the King. While our applications should not be based solely on an emotive appeal, we do need to remember that they are being read by human beings who will want to see something of the impact that our work will make in lives around the world. If the application is looking too conceptual, maybe include a short case study to put a human face to the work.

  A slight tangential point here: Are we moved by the project/cause we are raising money for? If we don't truly believe in it – how can we, with integrity, ask others to support it and how an we expect the application to come alive? Maybe we have become overly familiar with the work. It is possibly worth investing time to refresh our understanding and passion for the cause.
- used appropriate formality: ' ***May the king live forever'***
- had a clear plan to address the problem: ***'..so that I can rebuild it'***
- anticipated questions and established timescales, ***'…How long will your journey take and when will you get back… so I set a time'***
- identified aspects of the problem that the grantmaker (the King) would particularly understand and be concerned about: '… ***if it pleases the king… send me to the city in Judah where my fathers are buried..'*** The king would have had a deep respect for ancestors.
- built on pre-existing relationships: '…***may I have letters to the governors of Trans-Euphrates…'***
- identified specific things for different supporters to provide. '***And may I have a letter to Asaph, keeper of the king's forest, so he will give me timber to make beams for the gates of the citadel by the temple and for the city wall and for the residence I will occupy?"***

  It will be rare for one trust to agree to fund the whole of a project's needs. It is often useful to identify specific parts of the project that the trust could fund.
- ensured the correspondence came from the most appropriate person. He asked the king to be the signatory on the letters. While it may be the role of the fundraiser to research and draft applications, consideration should always be given as to whether the application would be more appropriate coming from the project manager or another person more closely connected to the project or the funder.

A further point, is that it is important is to focus on **outcomes** and not merely **inputs**…

Do not just describe what will be done (eg: **Run 5 courses to upgrade the ability of local teachers in Tanzania)** but state the effect this will have on ultimate beneficiaries **(…enable 300 children and adults to read and write and have access to further education)**

Don't forget to use the case for support when drafting an application, as well as the trust's own guidelines. Another good discipline is to imagine the trust will ask these questions:

What difference will the grant make?
How will the grant make a difference?
What will happen (or not happen) if the grant is not made?

Also imagine that in a year's time the trust will ask:

Did the grant make a difference?
Did it achieve what it set out to achieve?
Has it represented value for money?

Does the application address these areas?

In summary:

- Wherever possible, build upon relationships that already exist
- Trusts should be considered as partners in Kingdom work, not short term funders for immediate needs
- Ensure meticulous research – both internal and external
- Develop a case for support as a central reference tool
- Build applications from research and the case for support – ensuring they communicate something of the passion that initiates and sustains the project.
- Trust funding should be seen as one strand of a wider fundraising strategy. Ensure the time and effort put into trust fundraising is commensurate with results.