

Guide

A Guide to Trust Fundraising

Caroline McCormick, Director, Achates Philanthropy



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‘In fundraising you have to
face your fears to succeed.’

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Introduction

Trust fundraising is often the area in which charities take their first tentative steps. There's a sense that if the case for support is strong and the work is high quality then there's a good chance of success. There's also a sense of security in the idea that we won't have to engage with donors.

There are some trusts and foundations that are happy just to assess an application and send a cheque. But charities are often frustrated that trusts aren't as safe a bet as they'd hoped. The idea that if you meet a certain standard you will receive a grant is often met with disappointment.

Trusts and foundations is a generic term for a wide and diverse set of charitable bodies. Their motivations and ways of operating are as idiosyncratic as the individuals they represent. This is a key point when looking at this form of fundraising. Charities may begin with trusts because they fear they lack the skills to deal with 'real' donors. But many trusts are just tax-efficient legal structures representing the interests of wealthy individuals.

In fundraising you have to face your fears to succeed.

How to go about trust fundraising

A grant application is an invitation to support an organisation in delivering its aims. The first thing to do is to ensure that your own house is in order before seeking external support. The trust needs to have confidence that you can deliver its aims and your own to a high standard before it invests.

Organisational Value Chain: getting your house in order

When talking about maximising voluntary income with organisations, I use a model I've developed called the 'Organisational Value Chain'. It helps to review the scope of work:

1. Work

Is your mission and vision clear? Does the work reflect it and is that work excellent?

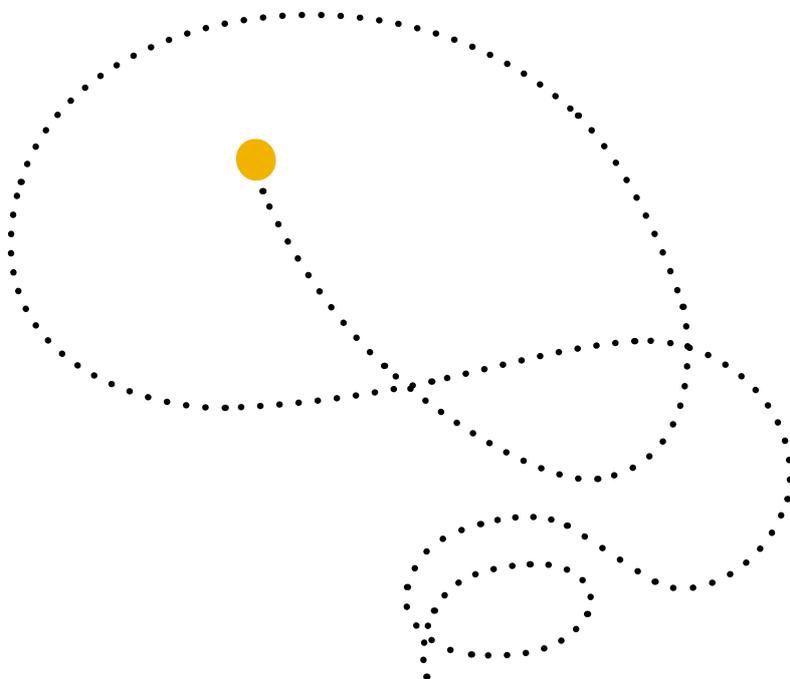
2. Governance

Are your board and associated committees operating at an optimum level? Are they opening doors for you and are your financial and other procedures in place?

3. Audiences

Are you communicating coherent messages about your work and fundraising to your audiences, both internal and external?

When all these elements of your organisation are operating at an optimum level, you are in a position to further develop your income generation, whatever its existing scope or scale.



Understanding what and why

The next stage is to understand what you are seeking funds for and why.

I interviewed major trusts and foundations as part of the review of Arts Council England's Catalyst programme. The lack of coherence between fundraising and programme departments was a frequent frustration. The absence of shared understanding of a project in the context of the organisation's mission and vision was a common barrier to success. This was true for organisations of all sizes and locations.

Some fundraisers like to develop a 'case for support' for a project. This helps articulate the arguments and develop the language to use in proposals. Others prefer to do this through the actual bid writing process itself.

Being able to understand and articulate the arguments for a project in the context of the mission and vision of the organisation is crucial.

Cultural organisations need to consider the range of value systems in establishing the 'assets' in their work.

The 2015 Warwick Report established a three-tier value system for cultural organisations. It covered artistic value, social value and economic value. The more of these areas the case for the project covers, the more income sources will be available to you.

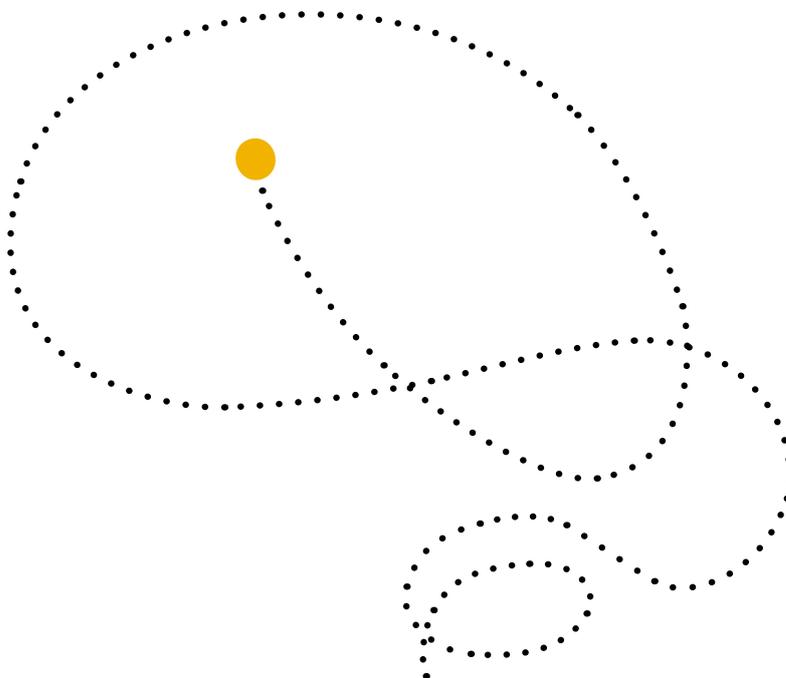
Finding a commonality of purpose

You understand what the project means to you as a charity. The challenge is to consider what your project might mean to your potential donors.

You must find a commonality of purpose with your charity's mission and that of the foundation. This is essential to reach an agreement to work together to address a common goal.

Charities are problem-solving organisations created to address an issue or goal. The aims of some are finite, such as curing a disease. Others address ongoing challenges, such as the need for great art in the lives of the nation.

Whatever your goal, you need to find a point of common interest with the potential donor.



Case study: Natural History Museum

As Development Director of the Natural History Museum, I led the development of the Darwin Centre. The centre would house some of the museum's national collections. I was in the privileged position of being able to take various approaches to the motivations of donors. They might be scientific, educational or even artistic.

Lord Winston, a member of the Development Council, identified another approach. He pointed out the cultural significance for the Jewish community of the bread wheat specimen in one of the collections. In doing so he opened up another reason for people to give to the campaign. He revealed a new pool of prospective donors by giving me another narrative to share.

Storytelling and translation

There is a great deal of discussion about the storytelling aspect of fundraising. For me, fundraising is more like the role of a literary translator. The fundraiser doesn't originate the story. You take a narrative and, retaining integrity, reimagine it with your audience in mind.

Too often charities just focus on their own story, issues and priorities. They neglect 'the reason to give' - the most important and interesting aspect of fundraising. In short, 'the reason to give' is the motivation of the charity to give its money away to a cause.

When developing the reason to give, I try to understand how and why the trust was established. I research and learn about the history of the individual and how their wealth came about. I look at the charity accounts and what projects the charity has supported in recent years. I try to understand why these causes have motivated the board of trustees to give.

I then try and reflect some of those ideas in my translation of the project so it meets both our interests. That means not just analysing the potential donor through the lens of your charity. You also need to understand them for what they are.

Have the confidence in yourself to embrace the motivations of the unknown donor and speak their language.

Reaching the audience

You've done your research. Now it's time to consider how best to reach and engage your prospective audience.

Small charities often ask whether it's okay to send out cold proposals. They say they don't have time to do anything else. My response is that I always use every strategy possible to establish a relationship. I would consider sending a smaller number of proposals and establishing a contact.

We recently undertook a piece of trust fundraising work for a London theatre. The results were an unprecedented success. All but one of the proposals submitted were successful. I believe that there were two main strengths that enabled this success:

1. The work of the organisation is excellent and their Organisational Value Chain is operating at an optimum.
2. We navigated a route to almost all the organisations. We ensured the bid fitted their actual interests and not just the information on the website.

There are two main routes that major cultural organisations are able to lever to engage trusts and foundations:

1. Using their networks (Patrons, Boards and committees) to reach key influencers and decision makers.
2. Offering high profile opportunities to encourage them to engage with their work.

In its simplest sense, this model applies to a limited number of major arts organisations. It requires well-networked boards and the ability to stage must see events. However, the underlying principles are more widely applicable.

Case Study: PEN International

As Director of PEN International, I inherited a remarkable international charity with no experience of fundraising. The board were all writers - all but one based outside the UK. I knew that if we were to succeed in trust fundraising, my signing bids wouldn't be enough. We would need endorsement to stand out.

I approached various eminent writers who were sympathetic to the organisation. Unable to offer them any formal title without changing the regulations, I asked them to lend their name to bids and to speak at one event a year.

One remarkable writer in particular, Sir Tom Stoppard, was extremely generous. His name at the bottom of a covering letter gave our bids endorsement from perhaps the most respected contemporary playwright. As a charity, we reached a new level in the eyes of prospective funders. His signature by no means guaranteed success but it did mean that our work was always considered.

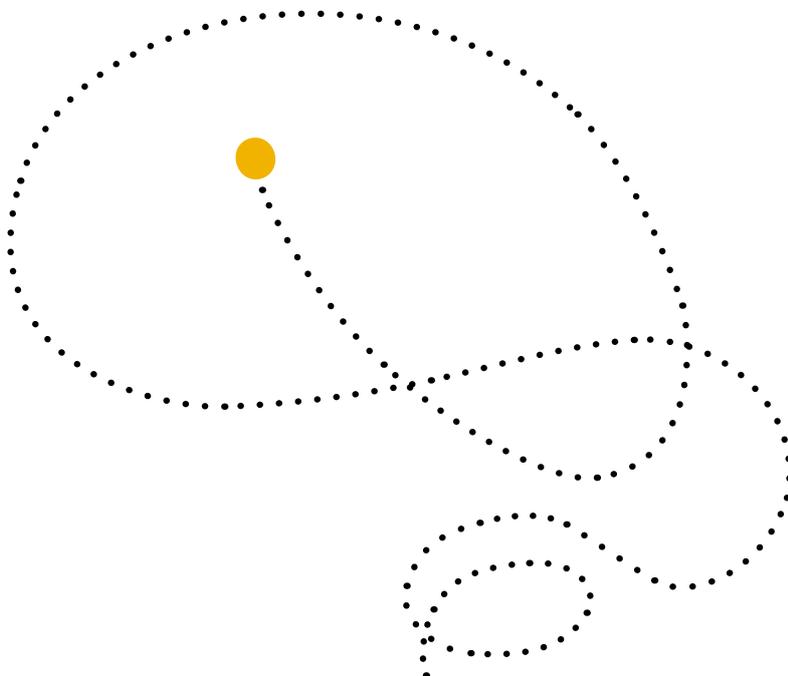
Endorsements

Some charities challenge the fairness of endorsements. To me, securing an endorsement is no more or less fair than having the skills to be able to write an excellent bid.

Trusts and foundations sometimes find it hard to maintain a current knowledge of who is delivering excellent work. They are often looking across a range of artforms nationwide with limited resources. The staff and trustees may need recommendations to know where to lend support.

Endorsements can be the beginning of a relationship. Once you have the audience in its seats, it's up to the organisation. You have to stage a performance of a quality to make them want to come back and support again.

At PEN International, I inherited an organisation with a tremendous history. That meant that even if there was no fundraising track record, there were writers who would lend their names. Most organisations have an association with at least one eminent individual they can reach out to.



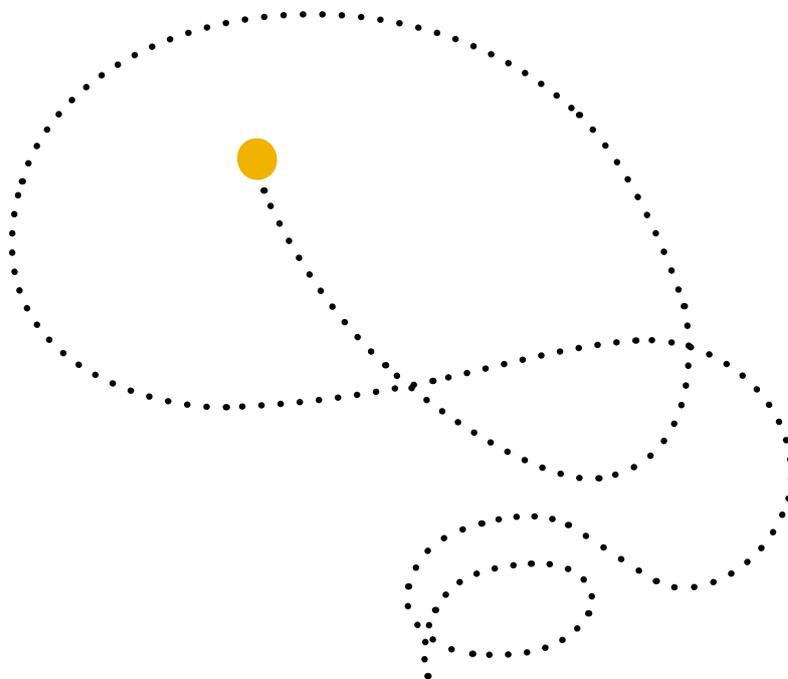
A simple phone call

With the recent trust bids I referred to there was a risk of over exploiting key organisational assets that were in use elsewhere.

Several bids were instead informed by the simple process of calling trust administrators. They helped guide and inform an approach. Several bids evolved from the initial proposal we had discussed as a direct result.

Of course the ideal is to engage at both trustee and staff levels. Where resources and opportunities are more limited it's essential to use the opportunities you have.

Before contacting a trust, write a few notes in advance. Ensure you can say who you are, what you do and outline the project concisely. Be clear what information it is you are looking for.



Staging events to engage prospects

Trusts and foundations get bombarded with approaches and invitations.

But, as a Director of one major cultural foundation highlighted to me, this doesn't mean that you shouldn't try to engage the trust in this way. The foundation is looking for 'an ideal professional relationship'. Invitations, even if not accepted, are a good way of maintaining dialogue and keeping the foundation informed about your work.

The Director also highlighted that it is disappointing when a charity fails to secure a grant and stops sending invitations. They often then start sending them again in advance of making a new bid.

'Just because the Foundation isn't funding you at that moment doesn't mean we aren't interested in a longer-term dialogue. It's simply that we didn't have the funds at that meeting to support you.'

A professional relationship extends beyond a single grant decision. Trusts who don't want to be cultivated will inform you of this.

Short updates on the work of the organisation are also appreciated. Trusts and foundations are especially interested in how supported projects and initiatives have developed.

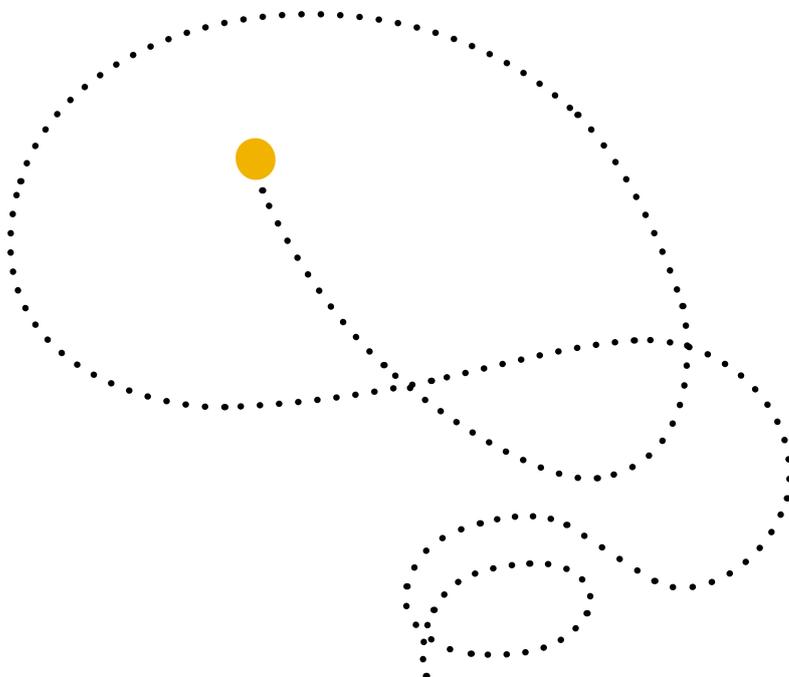
The application process

The first piece of advice is simple. More than meet the expectations of your audience:

- If there is an application form, complete it clearly and in full.
- If there is a deadline, try and submit early.
- If there is a word count, stick to it. You should generally be able to provide the necessary information in no more than four pages.

Trust fundraising is competitive. You don't want to inadvertently provide a reason for a trust not to fund your organisation. Conveying the significance of your work with concise clarity is valuable. Remember that funders can only devote limited time to each application.

I often see bids that say 'click this link' or 'refer to page x'. The job of the fundraiser is to make the work of the prospective donor as easy as possible. Too often bids only make sense to someone already familiar with the work of the organisation.



Language and style

The research you've carried out to inform your case for support should also inform the language and style of your application.

Few donors appreciate jargon; the effect is generally alienating. However, many have key words linked to their area of focus. You may want to use them to frame the approach to your application.

The Clore Foundation has put a great deal of thought into its use of the word 'learning' rather than 'education'. Yet I still see bids that choose to ignore this or use their own preferred language. That hardly conveys a strong empathy with the work and approach of the trust from the outset.

You will also want to consider 'tone of voice'. By that I mean the personality and style of your organisation as it is conveyed in the language of your application.

I am not suggesting that you should reinvent your style for every proposal; your character should be consistent. Just as one dresses to suit the nature and formality of a situation, tone of voice should reflect the relationship. Broadly speaking, calm confidence is appealing and arrogance or desperation are not.

What is essential is that you convey that you are an ideal partner to deliver the shared ambitions of your organisation and the potential donor. A linguistic empathy is a good place to start.

How much?

For many organisations the real dilemma is knowing how much to ask for. An appropriate sum is usually best ascertained by a review of charity accounts. They often detail the size of specific gifts made. Otherwise, the categorisation of how organisations acknowledge gifts can indicate scale.

The size of a gift will also reflect the relationship to the donor. It's no use benchmarking yourself against an organisation with a long-standing relationship if this is your first approach.

The ask should be clear in the first couple of paragraphs even if you make it more formally elsewhere in the bid. It should be clear what you are looking for up front.

Many fundraisers find budgets challenging to compile, not knowing how much detail to include. I am an advocate for simple budgets with headings that are easy to understand and not too technical. They should have a notes section outlining how you reached the figures.

I would also suggest that wherever possible organisations should look at a total cost recovery model. Apportion up to 12% of organisational overheads into the cost of delivering a project.

Monitoring and evaluation

Few project budgets I see address monitoring and evaluation. This is growing in significance for funders. Traditional arts supporters want to see how the project will inform the sustainable development of your organisation. Broader social agenda funders are more interested in the wider collection of data. It doesn't need to be a lengthy section in the proposal. However, it should be clear that this is a process you consider essential to ensuring value for money from the funds. A few indicators of the kinds of measure that you will use are essential.

Who should the proposal be from?

Eminent individuals can be valuable in advocating for an organisation. I usually propose that they sign the covering letter that accompanies the proposal. Without a formal role, they can't sign the bid on behalf of the organisation.

The Chief Executive or Artistic Director should sign the form or have their contact information on the application. With a more established relationship, the senior executive can sign the covering letter and the bid can come from the fundraiser.

Final word

Trust fundraising has become crowded and competitive. There are no guarantees or short cuts to success.

However, following these principles should help lead to the success your organisation deserves.