
The 7-step funding proposal

Always use any application form or structure provided by the organisation you are applying to. Where there is no application form or specific structure, the following structure is recommended by the Institute of Fundraising. We also recommend that you use this structure to draft your application at the project design stage even when there is a specific application form. It is a logical structure that will help you get your ideas in order.

In summary

Summary	A concise statement that will sell your project to someone who has not the time to read anything else.
Introduction to your organisation	Establish your credibility by outlining aims, track record and so on.
Problem statement	What the problem (or opportunity) you are addressing is and how you know this.
Outcomes and methods	A measurable change you aim to achieve and the way that you will do it.
Evaluation	How you will show your success or otherwise.
Budget	A clear budget that will enable you to deliver on your method.
Future funding and sustainability	What happens next - unless your project is clearly one off - remember that even capital projects are usually only worth investing in if the asset has a continued life.

Summary

This is almost always the most important part of your application. It is possible that you may be applying to a completely objective diligent funder who will spend a considerable amount of time reading, understanding and assessing your application but this is unlikely.

(For our purposes "possible" in the paragraph above means a one in a million chance. And "unlikely" means never). And even when the assessment process appears lengthy and rigorous there are two overwhelmingly reasons why the summary matters so much:

- "First impressions count" is not just saying - it is proven psychological fact. And it is also proven that first impressions count more than any of us care to admit. So it is almost inevitable that anyone reading your application will be strongly affected by the summary.
- Many people will only see or read the summary. A typical funder may have a process of assessing your application which examines all the sections in some depth. But there is likely to be some form of decision-making committee who will scrutinise recommendations. And at this point it is highly likely that a summary is all they will see or read.

So your summary must sell your project by picking out the key elements of the rest of the proposal and framing them in a compelling way. Within reason the shorter the better - a couple of paragraphs will generally be about right.

The content of the summary should be:

- A clear statement of who you are and why you are a credible applicant.
- A clear statement of the problem you are addressing and a reference to evidence for this.
- The changes or outcomes that your project, if funded, will achieve.
- The core of your method.
- The cost, and how much you are seeking from the funder as a proportion of this.
- If possible some "collateral" perhaps a quote from an intended beneficiary who has been involved in developing the project about what it would mean to them - or a quote from an evaluator or person of standing about how good the project and you are as an organisation.

A good summary will also lead the reader with clear impressions:

- We are well organised.
- We are fully able to deliver this project.
- We care about what you care about.

This last point is probably the most important aspect of the summary. In the whole application, but in the summary in particular you need to leave the funder thinking "this is a project for us - it meets our aims".

Introduction to the Organisation

This section must establish your credibility. But it should do so clearly and concisely. Because if you waffle on about your impressive achievements too long the reader may never get to the rest of the application. They may form an opinion that you feel your track record, a worthy board member and so on entitle you to funding. A useful approach is to consider the 5 W's:

- What are you - large or small, national or local, service deliver or enabler, theatre or care home, volunteer or a professional.
- Who are you - a very brief explanation of your governance structure, how you relate to and are affected by the people you support and work with, and any particular strengths (including notable individuals) on your board and team.
- Where you operate.
- When you were established.
- Why you do it - your aims and principles.

You should include in addition an indication of your track record but find a way of summarising this concisely. Numbers are useful but not enough on their own; endorsements from others such as any awards, or media coverage or external evaluation.

Once you have written this introduction read over it and ask yourself:

"Does this organisation sound as if it could deliver this project?"

Problem or opportunity statement

Most funders will back you primarily because they think you can address a problem or opportunity that they are interested in. Many funders will be more interested in this than the detail of your idea. But all funders have an outlook on the world – and it is with your problem or opportunity statement that you have the opportunity to show that your outlook and theirs is related.

The problem or opportunity statement is the reason you want to act in the first place. You do not (or should not) want to build the hospital, train unemployed people, install a water supply, or provide teachers for the sake of it. You almost certainly want to improve health, improve employability or employment, reduce waterborne diseases (and improve health) or improve education and life prospects.

The problem statement is the reason you want to do these things:

- local mortality and illness rates are extremely high and the lack of a hospital within 50 miles is a key reason for this;
- unemployment among boys with limited academic aptitude is low and consequently their long term quality of life and health is reduced;
- waterborne disease accounts for a quarter of all deaths in the area massively higher than elsewhere;
- educational attainment is much lower than in other similar areas, the main cause being a lack of sufficient teachers.

In setting out your need you will need to provide evidence. Heartfelt assertions may get you the money but most funders will look for more. Hard evidence does not just help persuade the funder that the need exists (they may very well know this) but also shows that you are a serious and credible organisation.

Layers of evidence - it is often useful to present your evidence in a series of layers, with decreasing levels "hard" evidence but increasing levels of local relevance:

- National or international evidence that the problem or opportunity exists and its broad scale.
- Regional evidence that covers the areas you work in - particularly if there are any research studies carried out in areas like yours.
- Local and specific evidence of the need or opportunity in your area - this may include research and be quantitative. But in many cases qualities of evidence and quotes from people will help balance and add emphasis to stark statistics.

Make it a people problem - most funders (and this advice does not apply to the others) are more interested in people than buildings or facilities. Contrast the following two statements:

There is no major theatre in Ayrshire bringing high quality artistic presentation into the area. The existing theatres have limited facilities and are in a poor state of repair. This disadvantages Ayrshire in comparison with the rest of Scotland.

With

Ayrshire has a population of almost four hundred thousand – over 5% percent of Scotland's total - and yet anyone wishing to attend a high quality artistic performance will have to travel outside Ayrshire. For those on low incomes such travel is impossible. And the absence of any quality touring performance in Ayrshire mean that young people have no exposure to music, theatre and dance that might inspire and enrich their lives.

Spell it out - you have to assume the funder knows nothing about you, your area or the people in it. You also have to assume that they do not fully understand the field you work in.

So for example, you may know that not having a doctor's surgery within 20 miles is a major problem, but for the funder you will need to spell out that:

- Public transport links in the area are poor;
- Car ownership is less than 50 percent;
- So around 50 percent of the population have no access to a doctor other than for home visits - which are strictly rationed.

Evidence - the funder may or may not require you to provide documentary evidence. But you should have this available and even the smallest organisation can provide some documentary evidence even for the most local expression of need. You can do this through one or more of:

- A small survey (assuming you do not have the resources for a large one.
- One or more consultations groups.
- Expert opinion in the area.
- Reference to published research for the area (councils and the Office for National Statistics) does hold a substantial amount of data which you may not be aware of but can help.

Credibility check - before moving on to the section, make sure your problem statement is credible. That is are you a small organisation identifying a massive problem? If so, the chances are that the funder will not consider backing you. And if the need you have identified is something you are not currently addressing or have no experience of doing so, why are you the relevant organisation? Although you will address this mostly in the next section it is worth noting the relevance in this section. For example, you may have identified this need from your current beneficiaries who, in addition to needing help with preparing food also lack social contact and are lonely.

Outcomes and Methods

Finally, this is the section where you get to say what you want the money for!

And this is where your work to develop a proper theory of change will stand you in good stead. It is true that some funders will provide you with backing for something *if it already means something to them*. So for example if there is a landmark that you wish to restore, and you are applying to a trust that covers

your local area or who has trustees drawn from the local area then it is possible that “restore the blank town tower” may be enough to get you the money. but in all other instances the first thing the funder will want to know is the difference she will make to the problem you have identified – which will probably be rather less than solve the whole thing. So in this section you need to set out:

- Your overall aim – create employment for young people, or build a school in Ghana, or improve end of life care.
- You then need to go on to specify a small number of outcomes or results. These are the changes that will happen as a result of your project – and in particular the changes that link to the problem or opportunity you have identified. Like the problem you will normally wish to express this in terms of people. Here are some results, or outcomes, that qualify as results, but are not really what you are trying to achieve:
 - Open a new renal unit
 - Complete and open three new schools in rural Ghana
 - Build and launch a new lifeboat

These sort of results or outcomes are actually *intermediate outcomes* – they are steps on the way to what you are trying to achieve and in themselves do not necessarily make any difference to the problem you identified. For example, a renal unit may turn out to be in the wrong place, school buildings may lie empty and there may be insufficient crew for the lifeboat.

For this reason, funders (and you should think like this too) want to see the end result of your endeavours – usually in terms of people (or perhaps in terms of the environment). For example:

- Enable 500 people a year to have a significantly improved quality of life and improve their life expectancy on average by five years.
- Over the next five years, to enable 900 additional children to achieve basic essential literacy and numeracy skills and for 300 to enter secondary education.
- Ensure up to 100 lives per year are saved.

Outcomes do not have to be numerical, but they will almost always need a timescale and they will need to be specific in some way. It is these outcomes that the funder is in “buying”.

Once you have identified your aim and outcomes (which will only be a few lines) you then need to go onto explain your method. Once again the five Ws plus H will be helpful.

What are you going to do – run 30 week long group support sessions for young mothers, or build 3 200 sq. m., three classroom schools in Ghana.

Where are you going to do this – be specific about the areas you will work in or the locations your project will focus on.

Who will be involved – both in terms of the beneficiaries and those involved in delivery (full-time staff exiting or new, volunteers and so on).

When – try not to tie yourself down too precisely, but give an indication both of the length of your activity and start and finish times. Remember that when a funder starts looking at your application they

do not know whether you are asking for a one off contribution to a celebration week or funding for a five year capital and revenue programme.

How – this is your opportunity to explain what is unique or special about your approach, other people may be proposing employment programmes, but yours involves a series of hands-on projects from helping to run a market stall through to pre-negotiated four week placements with at least five local employers who have promised to at least offer interviews for new posts they expect to recruit to to all those taking part.

Why – you have already said why you want to do this, but why have you chosen the methods and approaches you have just outlined? What research is there behind your particular approach? You may draw on national research and you may also draw on your own experience. A weak application will simply say “We have found this to be an effective method in the past”. A stronger application will say “The approach we propose is one we have developed over the last five years. It is based on research into the most effective health interventions undertaken by XY International Development and an independent evaluation by AB University of the similar programme we ran two years ago concluded “The programme was extremely cost effective and exceeded all its targets – in addition there were unanticipated benefits in terms of new networks and relationships between local people that have lasted beyond the end of the project.” You may also (if this is true) be able to identify one or two specific learning points from your past work that you have built into the method of this project.

When you are writing your method, aim to be as specific and clear as possible. Vague management speak and jargon suggest you do not actually know what you are going to do. Even if you are not sure precisely how the project will work (and who is for anything untried or untested) you need to give a plausible explanation of what you might do. Make this as concrete as possible – you can in the introduction to the method or at the end note that “We anticipate this method will develop in response to the needs of beneficiaries and to our ongoing evaluation”. This gives you a get out of jail free card to use different methods – but not to aim for different outcomes.

Asset Based Approaches

Grant and government funding has for many years tended to pursue a “deficit” model. A problem or needs statement sets out what is wrong and your project aims to put it right.

There is however another approach which does not ignore need, but takes a subtly different line. This is asset based or strengths based working. The Big Lottery Fund, and other funders, are increasingly (at least in their written guidance) looking for this type of approach. There is a whole field of “asset based community development or ABCD” advocating this approach.

In essence it means that in developing a project or activity the existing strengths and potential of an area or neighbourhood or population or group of people should be understood as much as the need and a logical follow on from this is that intervention should be designed with the people they are intended to help, not simply impose from on high. In an asset based approach there is a balance between recognising need and recognising existing strengths which could be built on to meet the need. This is a direct response to the unarguable fact that a very large number of projects and funded interventions have failed to have any long-lasting effect whatever. The expectation is that building on existing networks and assets will deliver more sustainable results and increase community capacity.

If you wish to take an assets based approach you should reflect this in your funding application. You can indicate not only the strengths of your organisation, but also the strengths of the area or community that the project will build on.

Budget

Where ever possible you should aim to make your budget simple and straightforward. Providing a funder with the full budget for your organisation where the project somehow identified within it is unlikely to help.

Instead, you should provide a clear indication of the different headings under which you spend money. They should link very clearly to the project description in the previous section. It can be useful as part of the budget, for example, to indicate how you have calculated:

- One staff member per 50 people, target group of 150 equals three staff members at market rate £25,000 each equals £75,000 (plus national insurance and pension costs).
- Expenses allowance of £10 per head, 150 people equals £1,500.
- And so on.

Make sure you include all costs of the project. For most organisations applying for money there will be accommodation, management and perhaps other costs associated with delivering a project that are not directly obvious, so for example, 10 percent of the cost of your building overheads for a project occupying 10 percent of your office space. Or 20 percent of the costs of the manager overseeing the project are reasonable elements in a budget. Some funders explicitly exclude costs they refer to as "overhead costs" or "costs in kind" but there is increasing recognition that "full cost allocation" is appropriate. Avoid the situation where the more success you have in applying for funding the more stretched and less successful the organisation becomes.

Future Funding and Sustainability

If you are seeking funding for an intervention to address a specific time limited problem or opportunity, or to build community capacity from starting point to a particular place, then you may not need to address future funding or sustainability. But in all other instances you will need to indicate what happens when the period of funding comes to an end. This is also the case for capital projects – because if you do not have a plan for how the building or equipment is going to be used and where the funds are going to come from for the revenue to do this, then funder may, quite reasonably, decline your application. At the same time future funding and sustainability can be very difficult to set out. You may simply not know how you will find funding in three years' time. So you will have to provide at least an outline of how this could be possible – and this may take some thinking. Funders are progressively less inclined to back projects that will simply halt after the funding period. So there are a number of ways that you can address sustainability:

- Shape the project as a one off intervention – for example if you are going to set up and run training and support for unemployed people to secure jobs you may well wish this to continue after the end of the project funding in three years' time, but a new application focus instead on what will be achieved over the three years and how the benefits will be sustained for the beneficiaries that have

taken part over that period. The sustainability in this case could be because you will have linked and networked them into new and existing peer networks and other organisations that, prior to your programme, they were unwilling to use.

- Trading income – for some projects it may be possible to gradually introduce some form of charging – or for the project to sell services to others. If you wish to suggest this, then make sure your plans are reasonably robust as many funders will be, quite justifiably, sceptical.
- Fundraising – you may see that once your service or project is established there will be routes for continued fundraising in particular from individual givers – who fund a considerable amount of charitable activity in the UK.
- Other funding streams – you may already know that if you can demonstrate an effective approach you will be able to secure contracts from the local council to deliver the service in the long-term. Or you may be able to develop a partnership with your local college. Or, once success is demonstrated, funding from the UK government, EU or national government of the country or project we will be working in may become available.

The funder will not expect you to have secured future funding, but will expect you to have a clear understanding if it will be necessary and a plausible indication of how you will go about getting i