



21st century enlightenment

RSA's basic guide to fundraising

This short guide has been developed for RSA Fellows who need support or advice on how to fundraise for projects they are initiating or running. It assumes little or no knowledge and offers a range of tips and suggestions – some will work for you on your project, some might work better for others on different kinds of projects, but we attempt to give you an indication of how to approach the fundraising process.

There are broadly speaking four main stages to the fundraising process:

1. Writing fundraising or sponsorship proposals
2. Sourcing new leads for funding or sponsorship/ the fundraising strategy
3. Approaching funders and making the ask
4. Building funding relationships and donor care

NB: RSA Fellows' funding bids must not go out in the name of the RSA unless this has been agreed with the appropriate Network Manager (who will agree this with the Projects Director and Head of Business Development) at John Adam Street to avoid simultaneous, duplicate bids going out to the same funder and to ensure that projects sent to funders by the RSA are consistent in terms of thematic focus, messaging, references to our current portfolio of work etc.

1. Writing fundraising or sponsorship proposals

- **Am I asking for funding or sponsorship?** For more information on the difference between these two options, please see the Appendix
- **How to write a funding proposal:** We suggest that these are written using the Logframe structure (see Appendix) – the key elements include in particular, the need for the project, what you will do to address these issues and how you will know you have been successful (monitoring and evaluation)
- **Funding rationale** – it may be useful to include a short section for corporate funders entitled Why partner us? – usually this is tailored to the funder's key interests and couched in terms of the synergy with the company's CR (corporate responsibility) strategy or how it aligns to other community projects the company supports (ie support it gives which is purely altruistic giving rather than driven by PR goals)
- **Funding: what we don't offer** – we are clear that we control our content/ the findings of our research – we retain editorial control. Please note, you cannot offer any "benefits" of funding a project by way of a funding rationale, as these are then construed as things the funder is buying like advertising and it then is seen by the HMRC and becomes sponsorship which is VATable
- **Sponsorship proposals** – Key elements of a good sponsorship proposal – use sales/ marketing language to describe the benefits and rationale and make it concise, clear and focus on the target audience - how the sponsor will reach, influence or engage with their target audience/or market by supporting this project

or event and how the project aligns to their core business interests (ie the product or service they are selling and who they are selling it to) Tailor it!

- **Sponsorship rationale** – include a Why partner us? section – covering eg networking, positioning and thought leadership - engagement in a debate, brand affinity with your organisation, business/ public affairs intelligence, profile/ branding and media and online PR opportunities. Pricing would depend on the size of event (such as a seminar versus major conference), the reach to the target audience via eg direct marketing in the run up to the event, other exposure such as via ad campaigns and media partnerships
- **Sponsorship: what we don't offer** - no “cash for access” ie to politicians!, no automatic speaking slots for sponsors unless it is a senior representative who would add value to the programme (ie who does not just deliver a sales pitch)
- **Mix funding/ sponsorship option** – if a prospect wants to be a funder but also to derive some marketing benefit from the partnership ie branding/ profile at a launch event – our policy would be to take a proportion of the donation for the project and treat this as sponsorship to cover the event sponsorship element eg a £20k donation of which we treat £5k as sponsorship – thus this proportion attracts VAT
- **Project budget** - Feel free to get in touch with your Networks Manager for further guidance on how to write a project budget – we can advise on the key lines you need to include and how to lay this out, where necessary

2. Sourcing new leads for funding or sponsorship/ FR strategy

- **Rationale – why should they fund or sponsor us?** Think about...
 - Which companies' core business interests align with the aim/ objectives of your project?
 - What companies stand to gain or lose from new developments in your sector and from the new learning coming out of your research?
 - Which companies have a strong CR track record in this area
 - Who wants to engage with the opinion-formers and policy-makers you will be working with during your project – talk to them
 - Who else is doing work or research in your area and who funds them? Go and talk to them
 - Which Trusts/ Foundations support work in this space?
- **Different 'pots' or budgets**
 - Just because one person in a company has turned you down this, does not mean there is no chance of support from a particular company – there may be other ways in and people who can open doors – someone who can be a champion for you internally and approach the budget holder on your behalf
 - Corporates – different 'pots' eg you can try Directors of communications/ Marketing/ PR, also Directors of public affairs/ strategic partnerships, CR
 - Government agencies/ bodies/ professional bodies/ third sector – pots eg Directors of innovation, stakeholder engagement, Marketing/ Comms
 - Trusts/ Foundations – may be different streams/ programmes which your project could fall into – call and discuss this (if they accept calls) to check whether your project is the kind of thing they would fund and if so which of their programmes is the best fit – in this way you are more likely to succeed
- **Which are the top 10 or 20 big Trusts/ Foundations which consistently make big grants in your sector** – develop a plan for cultivating them (contacting and engaging them) and approaching them for funding with the right ask
- **Prioritise warm leads** – those who open are sympathetic eg Previous funders and sponsors, and via networking at events in your sector

- **Other sources**
 - News stories – has a company just moved into a new market/ sector? launched a new product?, does new legislation put a new Duty on parts of the public sector?, has a government agency or body been given new responsibilities which means they should be engaging with your agenda?, is there a professional body whose membership is concerned with issues you are addressing or exploring?
 - Trust directories – use A Guide to the Major Trusts volumes 1 and 2 to research funders – a copy is available through the RSA library
- **Horizon scanning** - connect to other work/ developments within your project or policy space which strengthens your work and engagement with stakeholders because you have keener awareness of:
 - where similar work is going on (ie potential partners or competitors)
 - and hence – how your USP/ need for project stands up against what else is out there - whether you need to fine tune your project to make it new/ different?
 - whether you need to bring on board partners who can strengthen your offer?
 - and what funding/ support may be available

What does this mean in practice?

- **SWOT** – in relation to making your proposition more fundable - ie
 - strengths eg a strong track record on an existing project which you are now planning to scale up and can point to previous impacts and achievements
 - weaknesses eg you identify a weakness in the proposal and for example decide to bring on board a partner who can strengthen your proposition
 - opportunities eg you are covering cross-cutting issues and so this opens more avenues of funding, but also
 - possible threats eg in relation to future possible developments in policy, politics and society or threats relating to your own funding strategy in relation to your over-reliance on one or two funders and hence, the need to diversify funding streams
 - **keep networking at events** to help make links with potential funders/ sponsors
 - **keep blogging and writing comment pieces** – raising your profile and developing new networks – and this may connect you to new partners
 - **develop a ‘wish list’ of key funding partners and sponsors**, call them or go and meet them and find out what they are most preoccupied with and interested in, in the next 6-12 months
 - **keep on top of the funding cycle of your target funders** – when do applications need to go in – diarise them
 - **talk to key corporate partners and find out when their new budgets start** – their budgets may work on a financial or a calendar so you can get the funding or sponsorship planned in, in plenty of time
 - **web research on competitors** - who funds other related research/ work at other think-tanks, universities, charities, who sponsors competitors’ events
- 3. Approaching funders and making the ask**
- **Avoid duplicate approaches** going out to the same funder from different parts of your organisation at the same time! – keep a track of funding approaches
 - **Face-to-face is most effective** - arrange a meeting where possible with a potential funder or sponsor, the phone is good second option, don’t just do cold emails/ letters – they are likely to go straight in the bin

- **Warming up funders or sponsors** – inviting them to events, sending them a recent report, sending them a link to a recent news piece you have done, suggesting a meeting or lunch to discuss areas for potential collaboration
- **Prioritise your warm leads first**
- **Cold-calling or pitching over 'phone**
 - make sure you have the right person/ budget holder and know their job title
 - know your stuff - check company/ organisation website before you call and ensure you have good overview of what they do/ are interested in and why they would be interested in your work, what they have supported in the past?
 - have a clear rationale for why they should fund your project
 - be sure of what you are offering – know far low you can negotiate on price for sponsorship packages – sponsors always want to feel they have a good deal
 - make sure you are up to speed – and you know if there is some breaking news on their website like “Chair resigns/ Merger agreed” etc
 - try to find out when they will be out of meetings and call again then, avoid leaving multiple messages – you don't want to appear to be harassing them!
 - don't get put off by PAs – try and speak to them before you email if possible, if necessary put a time in the diary with your target contact's PA to discuss - you may in that case need to email a précis over to the PA
 - have a clear script so you know what are the key points you need to make
 - if you feel anxious about calling someone you don't know or pitching your idea to them – Don't put off making the call, practice with a friend/ colleague first
- Don't be afraid to ask for money! Don't shy away from actually asking!
- Research the funder or sponsor and tailor your bid or letter/ email:
 - don't just send through a standard proposal – make sure you review and highlight it so it fits with funder/ sponsors' key priorities or interests
 - ensure it is pitched at the right level/ amount
 - For trusts/ foundations check all eligibility criteria, types of funding granted in the past (amounts and types of projects), application process and deadlines – use the headings they suggest – may require re-structuring your existing standard proposal
- Securing funding and sponsorship – funder and sponsor agreements – make sure you get agreement in writing - just verbal agreement is not good enough

4. Building funding relationships and donor care

- Log your approaches centrally, how much funding is being requested and confirmed so that others in your organisation have access to this information
- File centrally the final copies of funding applications, agreements, reports and correspondence
- Thank, thank and thank again -Thank-you letters -
 - thank funder or sponsor once funding or sponsorship is agreed
 - log this centrally
 - inform Accounts team with either funder/sponsor agreement so that they can invoice the funder/sponsor
 - the Accounts team then alerts you when money has been received and you write a thank-you letter – if it is for a large amount eg £50k upwards you should get your Chief Executive or Chair to sign the letter personally
- Keep your funders engaged during the project
 - ensure you are regularly in touch - at least once a month – invite the funder or sponsor to seminars, relevant events, send them papers/ reports/ news cuts/ links to your blog etc to keep them updated on your work
 - If they feel unengaged they are unlikely to support you again
 - Ensure you acknowledge funders on publications and at seminars

- make sure you ALWAYS send in funder reports on time and to spec – diarise these deadlines and ensure they are ready in plenty of time
- ensure sponsors are happy eg with branding in the run-up to the event and on the day – make sure you get sign-off of their logo on any promotional material, on the stage etc, check in regularly to ensure they have the information they require – eg guests are registered, exhibition space is right location and size, they have sent in the correct number of copies of inserts for delegate pack, their logo is in shot at the event for photographs/ video and they receive links to the video footage/ live stream (if filming agreed)
- Building the relationship in the longer term
 - About 3-6 months before the end of the project think about whether there are any other projects or events you can talk to the funder or sponsor about supporting and start warming them up about this
 - the objective is to keep them funding/ supporting you over the long term
 - and ideally to increase their support over time
 - It is much, much, much easier to “re-book” than to convert a cold lead

Appendix:

1. RSA’s guidance on the difference between funding and sponsorship
2. RSA’s template for writing funding concept notes and proposals
3. RSA’s funding agreement to use to finalise and secure funding

1. Funding versus sponsorship

Here is a simple explanation of the distinction between funding and sponsorship so that you can refer to this when in discussion with funding or sponsorship prospects (this is mainly useful when approaching corporate funders).

Sponsorship:

The RSA understands sponsorship as covering any financial or other support in the form of money, goods or services given by businesses or members of the public to the RSA, where there is an agreement or understanding that the sponsor will receive some sort of benefit such as marketing or advertising in return, which therefore attracts VAT. For instance, HM Revenue and Customs have stated that the following are always VATable: naming an event after a sponsor, display of sponsor's logo in a programme or at a venue, access to special events, free or reduced admission tickets. Full details of the guidance can be found at:

http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageVAT_ShowContent&id=HMCE_CL_000937&propertyType=document

Funding:

The RSA understands funding as covering all charitable donations from any individuals, businesses, trusts, agencies or bodies which are not taxable as the funding partners or

benefactors secure nothing in return. However, we seek to give a simple acknowledgement of support from our funders such as inclusion in a publication, at a seminar, in a programme or on a notice and this does not attract VAT. The RSA works with all key stakeholders and the funders supporting its work to engage in policy innovation and thought leadership, and whilst the RSA retains editorial independence on all its work, it engages with funders who have first sight of key materials.

2. RSA Project Planning Concept Note

These are key points for funding proposals (ie 8 pages or more) and summaries (ie usually 2-3 pages) which RSA has developed for its funding bids based on the Logframe (Logical Framework Approach) – that is, the main headings that need to be covered in any funding bid. Please feel free to discuss your draft with your Network Manager at the RSA who can advise on how your project may fit in with other projects the RSA is currently developing or running.

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Working title of project/ programme:

The need for the project

Why is this project needed? What is the problem or issue you are addressing?

Evidence of need and situational analysis

What evidence is there of this need? Please provide specific examples.

What research has been done to show this need? Please provide facts and figures.

What are other organisations doing in this area? And how are we adding value?

Why is RSA best placed to address this need?

Project Description

What is the overall aim of the project?

This must be a single, high level aim and should relate to the impact of the project, i.e., the change that you expect the project to make.

What are the specific project objectives?

Please number them (2-3 usually enough) and relate them to the activities listed below.

What expert knowledge does RSA bring to the project? Please be as specific as possible.

Project Activities

Outline planned key activities to achieve each objective

Please number them and relate them to the objectives listed above.

Partners/Audience/Beneficiaries

Who are your proposed partners (or what type of partners) for this project

How have they been involved in the consultation/ planning process?

Who is the target audience/ are beneficiaries? (age, gender, geographical location, etc.)

How have they been involved in the consultation/ planning process?

In which countries/ regions will the project take place?

What role will beneficiaries have in the implementation of the project?

Outputs and Dissemination

What outputs will be produced as part of this project?(eg paper, report, blog etc)

How do you propose to disseminate this information? (Please bear in mind audience type, quantities etc)

Timeline

Overall time frame of the project

Please be as specific and realistic as you can at this stage. Start and end dates would help but if you can state when activities are likely to take place – year 1, 2, 3 etc. – then so much the better.

Evaluation

*How will the impact of the project be measured? - list the objectives and show one or more **measurable** indicator(s) for each objective.*

Give a general description of what kinds of evaluation methodologies are planned eg media surveys, questionnaires, interviews with key respondents, baseline studies?
And who will carry out the evaluation?

Funding

Please provide an outline budget for this project.

What are the original and innovative elements of this project which will make it attractive to funders?

Do you have donor/s in mind? If so, will they fund 100% of the total project costs?

Who will/ might fund what parts of the project when and for how long?

Human Resources

What type of skills will be required and how will they be provided (existing staff, staff to be recruited, external consultants, partnerships etc)?

3. RSA's funding agreement

This funding agreement would be tailored and printed onto headed paper and sent to the funder to sign to finalise the funding.

This Agreement dated [XXXinsert date](#) is made between [XXXinsert org nameXXX](#) whose registered office is at [XXXinsert funder's address here XXXX](#) ("The Funder") and The RSA [The Royal Society of Arts, 8 John Adam Street, London WC2N 6EZ [XXXor amend if the bid is going from a different organisationXXX](#)] ("The RSA").

1. The Funder agrees to support the RSA project [project nameXXX\(or programme if this is flexible funding across a programme\)](#), ("The Project") running from [XXXstart date](#) to [XXend date](#) (the project proposal attached sets out key project objectives, activities and performance indicators and forms part of this agreement)
2. The Funder will pay the RSA £ [XXXXXX](#) ([XXXinsert here if 2 or 3 yr deal and how much each tranche is and when each is due](#)). Payment will be made by cheque or BACS (the bank details will be clearly stated on the invoice we will send you triggered by this signed agreement) to The RSA within 30 days of the date of the invoice. [If payment schedule agreed \(ie staggering payments\) add amounts and dates here](#). This funding* contribution is not taxable as it is a charitable donation. If and when required, The RSA will send project reports [add date if nec](#) to The Funder with updates on project activities.
3. The RSA retains editorial independence on all its work but engages with funders who have first sight of key materials. Neither party will use the logo of the other in promotional materials relating to The Project or the name of the other in press releases without the prior written consent of the other.
4. In the case of any concerns from The Funder regarding a breach of this Agreement, a third party agreed by both The RSA and The Funder will seek to resolve the dispute. In any event, the maximum liability of The RSA to The Funder in the case of any such breach shall not exceed the return of all moneys provided by The Funder to The RSA in the period in which the liability arises.

For and on behalf of The RSA

For and on behalf of [add Funder's org](#)

[Name of RSA contactXXX](#)
[Job title of RSA contactXXX](#)

Telephone: _____

Email: _____

[Name of Funder contactXXXX](#)
[Job title of Funder contactXXX](#)

Telephone: _____

Email: _____

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Please note: The personal information provided by you will be held on a database by The RSA. Your details may be used by The RSA to inform you about its work and activities. If you do not wish your details to be used for this purpose, please write to us at the address below.