



## Fundraising

### Section seven Managing your project

#### 7.1 Good financial management

Before funders will give your organisation any money, they need to be confident that you have sufficient financial systems and procedures in place to be able to deliver the project. They will need to be sure that you will be able to account for the money you are given.

#### **Good financial management = accountable and professionally run**

Funders will expect that:

- Your management committee (MC) has close contact with your users or community and has the required skills to deliver the project
- You know what skills and experience your MC can bring to this project
- Your organisation has established procedures for the election of the MC and for holding regular meetings
- Your organisation has transparent financial systems and procedures. For example, regular reports are sent to the MC and your accounts are prepared appropriately [see the **financial management toolkit** for guidance on good financial management.]
- You support your staff and volunteers well and carry out regular supervisions
- You understand and adhere to the funders' terms and conditions

Even if you have not got all of the above procedures in place, you must communicate to the funder that you are aware of these and that you are in the process of developing them.

#### 7.2 Developing a budget and managing the money

When you have developed your project, the next stage is to work out how much it will cost. [see writing a budget in the **financial management toolkit**]

##### 7.2.1 Tips for developing a good project budget

- √ Be realistic about how much things cost – do not under cost
- √ Budget for planning, monitoring and evaluation
- √ Make sure you have systems in place for monitoring and reporting on spending
- √ Remember to include running costs (such as premises, stationery, management – every project uses office space, heating, lighting, administration costs and so

- on) in your bid. You should remember to include a reasonable portion of them as a percentage in your budget for each project
- √ Always show in-kind support and match funding
  - √ Always check the terms and conditions of the grant before accepting funding – you must spend the money in the way that you proposed
  - √ Be realistic about what you can deliver – have you got enough staff capacity?
  - √ Keep in regular contact with your funder – and always alert them to any problem as soon as possible. Funders are more likely to be flexible if they know what is happening

### **7.3 Plan ahead – continuation funding**

The most important thing to remember about the fundraising process is that it takes time. It may take many months for an organisation to plan a project, research funding options and apply, and funders can take up to six months to make a decision. There may also be delays if there are any mistakes or insufficient information in the application. It is therefore important to plan ahead. If your organisation has secured three-year funding for a project, you should start searching for continuation funding during the second year.

You may want to set up a fundraising sub-committee to take responsibility for developing a project and fundraising for it. This could be made up of the management committee, staff, volunteers, members and service users. In its regular meetings, the fundraising sub-committee can discuss issues, plan work and allocate tasks. For example, a volunteer could research the different funders and a management committee member could consult with service users.

#### **7.3.1 Keep a fundraising file**

It is essential to keep a fundraising file, where you store any information that you will need when you make a funding application. This should include background information about your organisation, descriptions of your past and present activities, details of projects, information about the community you serve, information on how you ensure equal opportunities are implemented and what monitoring procedures you use. Having information kept in one file can save you looking through different files when you are in a hurry to hand in an application. Always ensure that you maintain copies of key documents and all funding applications – do not send your only copy to a potential funder.

### **7.4 Communicating with your funder**

Like everybody, funders want to feel that the work they do is valued and appreciated, and they also need to know that the money they give makes a difference. The first step to keeping good relations with any funder is to say 'thank you', whether or not your application has been successful, for the time taken to consider your application.

If your application has been successful, then you should make an effort to maintain good relations with your funder. Without their funding your work would not be possible, so let them know that you recognise this. Keep them informed of what you do by sending them any newsletters or publications you produce, and ask them if they would like you to mention their name in your next annual report and on your

website if you have one. Also, why not invite the funder to any events or exhibitions that you organise? It is always good for a funder to see how you have put their money to good use, and any contact a funder has with your organisation can only better inform them about the area of your work, which could improve your chances of gaining more funding in the future.

If your application is unsuccessful, you may want to ask the funder for feedback.

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