

The information below is an overview of requirements and for further more detailed information, support and guidance etc please contact the BVA Group Development team via telephone 01256 423816 or email admin@bvaction.org.uk (please quote "BVA Group Assistance" on title).

Most funders want to fund **projects** rather than **running** or **core costs**.

It is much easier to raise funds for something specific, like a piece of equipment or a particular activity or project, because funders want to be able to see what their money is achieving.

Many groups are looking for ongoing costs for things like rent and wages. This means that to attract funding you need to break your work down into specific projects or services.

You may find this difficult to start with. The way to overcome this is to ask funders to pay for things that contribute towards your general running costs but which are clearly defined and specific. You need to be able to think about your work in terms of 'projects' or 'pieces' of work that can be clearly defined, costed and measured. In this way you can package elements of your running costs into each project so that funders will continue to fund those less attractive items like rent and photocopying.

What is a project?

A project is a discrete piece of work with clear aims and outcomes that can be measured. The work of your organisation could break down into projects which might be new pieces of work; or a development of an existing piece of work; or the repackaging of existing work. Be as creative as you can in project thinking.

For example, an Advice Centre could divide its work up into chunks such as employing two advisers; running a volunteers' scheme; research and social policy work; and training provision. Each of these discrete projects would have to be carefully costed so that each of them includes a financial contribution towards the general running costs of the whole organisation.

A 'fundable' project should be:

- Specific - a clearly identifiable piece of work or equipment
- Meeting a need - you must be able to identify the need and explain how your work will address it.
- Of benefit - the outcome should be effective and worthwhile
- Realistic - the project must be achievable.
- Cost effective - it should demonstrate value for money, which doesn't have to mean cheap.
- Relevant - to the funders concerned.
- Bite-sized - it should be an appropriate size for the funder. Large pieces of work can be broken down into smaller parts if necessary.

Project Costing

There are a number of things to bear in mind if you approach your fundraising in this way:

- When including a share of general costs or overheads into your project, make sure that the amount allocated is made on a sensible and realistic basis that can be explained. Don't just pluck figures out of the air. For instance, if the project represents 20% of your total staff time then it would be reasonable to expect it to pay 20% of the rent and other running costs.
- In costing each project you may need to consider including **one-off start up** and **capital costs** and then divide your other costs into 3 categories - '**direct**', '**shared**' and '**indirect**'.

Direct costs are those that apply exclusively to the project, such as salaries and recruitment costs.

Shared costs are those that will be shared out proportionately between a number of different projects, like rent and cleaning.

Indirect costs are those that are incurred by the organisation as a whole and may include such items as insurance, audit fees, and management committee expenses. As with shared costs these can be worked out on a percentage basis and it may be possible to include these in funding bids.

If you already get some core income from another source then that could cover your general costs so that you need only approach new funders for the interesting bits.

Some problems and pitfalls with 'project thinking'

- Beware of allowing your original aims and objectives to be lost and funding becoming the driving force of your group.
- If you are offered more money than you need, you will need to ask some of the funders if they would be willing to let you spend their money on another project or activity, or let you carry it over into the next year.
- If you cannot find a way of making your project attractive to funders you may have to do something else, and find alternative ways of covering your original project.