

Solva Care:

Finance



Part 1

Introduction to finance and fundraising

This chapter is about finances and fundraising. Not all community support activities need money of course, and in fact we do a lot in Solva Care that does not require any financial support at all. Applying for, and getting, grant funding can be a double-edged sword. On the plus side, you have the funding to buy and do the essentials that are not readily and freely available in your community. On the negative side however, applications are time consuming to complete, and come with all sorts of requirements that may divert you from your core objectives – the dreaded ‘mission creep’ or the detailed reporting requirements that are of little use to you, or both!

Grant funding is mostly competitive and pits you against other community organisations which are often as deserving as you are. It also seems that the big charities are the most successful with their applications as they are linked into big national projects and have the resources to fundraise. We mentioned in our earlier chapters that you may decide, as we did, that you do need funds and this decision is closely tied in with the type of community organisation that you want to become. In our case, we needed to employ a coordinator to make the best connections possible between people in our village. Our volunteers need to be reimbursed for their expenses. We also need to pay booking fees and heating for our local hall. The leaders of some of our activities need paying too, although most reduce their fees for us. And these are just some examples that incur costs.

In addition to applying for grant funding, as a charity we also accept donations. We have not needed to actively look for donations but have put collection boxes in public places and have set up an online donation site – Localgiving¹ – on the internet.

Here is what our Finance Officer has to say about hunting (for that is what it often feels like) for grant funding – the most headache-inducing part of our work!

¹ localgiving.org

Funding applications

Most funding applications submitted by Solva Care were daunting. Every application was different, and each funding body presented its own challenges. Some invited an 'expression of interest' (EOI) and, if successful, would only then allow you to proceed to a full application. Others gave opportunities to present your case in front of a committee or panel; questions always follow, so know your subject.

Always make sure that you allow sufficient time to draft your application (EOI or full) – it will always take longer than you think! So, don't under estimate.

So, what did Solva Care do? We formed a Finance and Funding Committee with responsibility for preparing all funding applications. We always started by asking ourselves key questions and then establishing answers we could substantiate to help inform the funding application. You should do something similar and:

1. Question what you want to do and why it is important.
2. Choose a title for your project that is self-explanatory.
3. Understand what it is you want to provide.
4. If you are responding to a problem, clearly set out what the problem is and why it needs to be solved. Also answer the question 'so what?' i.e. what are the implications of solving the problem?
5. Make time for extensive research to support your argument. Collate statistics, facts and quotations that prove your need; ensure that it is people led and collect community evidence to support this key fact.
6. Set out how you will go about achieving the aim of your project. Make sure that you establish clear objectives and when each will be achieved.
7. Decide who you need to work with to implement your project, and why – know the organisations that you will be dealing with (i.e. your local surgery, Health Board, Community, Town and County Councils).
8. Be clear about what progress you have made to date.
9. Agree a timeline setting out what you need to do to take the project forward.
10. Agree positions and volunteers that you need to recruit, and by when.

Costings

All funding bodies will want to know the detail of your project costs. For Solva Care we created clear costings for a 2-year period, including a pilot phase and a development phase. You must be realistic when you break down your costs; budgets should accurately reflect planning, research, project delivery, evaluation and communications, including any bilingual translation costs (funders will probably ask to see your Welsh Language Strategy if you are in Wales). Don't forget that grant and funding assessors will always look out for over- and under-estimated costings (refer to the list in the Costings document that we use as a guide to do our costings – located on the Toolkit Resources² page of our website).

If you haven't appointed a financial officer, you should do so; in addition, also seek external financial advice to enable you to be precise about your costs.

Most funding bodies will also want to know if you have approached any other funders, or secured any other funding. This leads us to talk a little about 'match funding'!

Match funding

Most funding bodies do not fund the full cost of a project. The part the grant doesn't cover is the match funding. Matched funding is not matching the grant £1 for £1, but is a percentage of the total project cost that you are applying for the grant to cover. For example, some funding bodies will fund 90% of a project, whereas others will only fund 70% or less. You, the applicant, will be expected to fund the difference in matched funding. It is important therefore to understand before you make the grant application how much you have to contribute, and be clear about where the match funding is coming from.

There is one further thing to consider about matched funding. Some grant schemes require match funding to be available in cash. Some will, however, allow an 'in-kind' contribution i.e. the time volunteers or Trustees are involved in the project at an agreed rate set by the funding body. Knowing which is allowable for a particular grant scheme is vital. So, be careful not to submit an application that will be rejected for not having the necessary match funding.

Exit Strategy

Depending on what funding you are applying for, you may be asked to submit an exit strategy (and it is good to have one). Most funders will want to know

² solvacare.co.uk/the-solva-care-toolkit/the-solva-care-toolkit-resources

what will happen when the funding comes to an end. Therefore, it is essential to carefully consider how you will protect the sustainability, or legacy, of your project.

Before submission

Get someone to proofread your final draft. Requesting a trusted individual's opinions and perspectives on your approach is vitally important. Be open to criticism and constructive feedback as it will encourage you to refine your answers and project plans. And finally, don't make any errors at the final hurdle – be sure to complete all sections and submit everything requested.

The Search for Funding...



Part 2

Introduction to financial controls

Solva Care appointed LM Griffiths & Co³ (Chartered Certified Accountants and Registered Auditors) to provide the charity with professional advice and act as the independent examiner of their annual accounts and financial records.

³ www.lmgriffiths.co.uk

When the independent examiner has concluded this work, the following documents must be submitted to the Charity Commission:

- Trustees' annual report (set format)
- Complete set of accounts
- The annual return

Solva Care also has internal financial controls which are essential to help Trustees meet their legal responsibilities. A copy of the Financial Policy and Procedures is located on the Toolkit Resources⁴ page of our website.

Monthly Reporting

The Treasurer prepares and presents a financial report at each Trustee Board meeting (normally convened every month). The report includes:

- Income and expenditure for the previous month
- Available funds
- Grant revenue
- Financial governance and budgetary control
- Approval of expenditure
- Upcoming charitable expenditure

Conclusion

Solva Care recognises that it can only meet its aims if the charity's money is properly managed and used in the best possible way for their beneficiaries. Trustees, through their Board and Finance Subcommittee, plan and monitor all income and expenditure to meet their short-, medium- and long-term plans.

Trustees are therefore satisfied they have effective management controls and financial systems in place to do this, and to protect their funds from misuse.



⁴ solvacare.co.uk/the-solva-care-toolkit/the-solva-care-toolkit-resources