

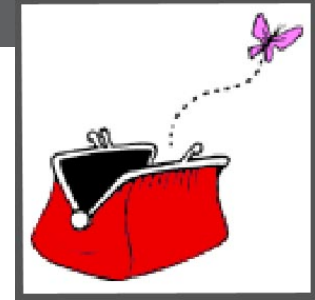
Hard Times = Hard Sell?

Trustees' role in raising funds and standards in difficult times

Zöe Willems

trustee  the trustee network
Bringing trustees together

Times is hard ...



- 52% of charities report they are affected by the downturn*
- 58% of them report a reduction in income*
- 20% report an increase in demand for services*
- Green shoots? Or recession lag effect?

*Figures from Charity Commission Economic Survey of Charities, by Carol Goldstone Associates, March 2009

... a hard sell? Session outline

- Trustees and fundraising
 - Mini quiz – your responsibilities?
- Strategy and fundraising
 - Workshop exercise 1 – your fundraising priority
- Sustainable fundraising
 - Workshop exercise 2 – diversifying income sources
- Recessionary risks
- Mitigation measures
 - Workshop exercise 3 – what action will you take?

Trustees and Fundraising



Quick Quiz!

Do you know your roles and responsibilities?

Trustees and fundraising

- “Trustees have, and must accept, ultimate responsibility for directing the affairs of their charity, ensuring that it is solvent and well-run, and delivering the charitable outcomes for the benefit of the public for which it was set up.” The Essential Trustee – An Introduction (Charity Commission)
- Trustees have a duty to:
 - Ensure compliance with charity law and other rules and regulations
 - Be prudent with charity funds and not put the charity at risk
 - Take reasonable care to ensure the charity is well-run and efficient

Ensuring compliance and good practice

- **Keep it legal!**

- Public Collections licenses (under Police Factories etc Act 1916 and House to House Collections Act 1939)
- Public statement and contract requirements for professional fundraisers and commercial partners (Charities Act 2006)
- Data Protection Act 1998
- Health and Safety
- Raffles and Lotteries (Lotteries and Amusements Act 1976)
- Entertainment License (Licensing Act 2003)?

- **Best Practice**

- Self regulation through membership of Fundraising Standards Board and the Fundraising Promise
- Institute of Fundraising Codes of best practice
- DMA

Fundraising is important because ..

- **Income** to support activities
- **Communication** – about the need, what you are doing about it, and what donors can do to make a difference
- **Independence** – unrestricted donations can help provide space for your own priorities, not just those of funders
- **Reputation** – trust is fragile, donations voluntary

Transparency and accountability

- **Cost/income ratios**
 - People perceive that the amount spent is higher than it is
 - People expect fundraisers to be volunteers
 - Sector needs honesty and transparency to educate the public and retain confidence
- **ImpACT Coalition**
 - Toolkit to help improve transparency and accountability
 - Shared resources and action across the sector
- **Complaints processes**
 - Provide a way for people to tell you if you've upset them
 - Not defensive – opportunity to listen and learn
 - Requirement for FRSB members

Strategy and Fundraising

- What are your organisational plans?
- How much will it cost to achieve them?
- Where will you get the money from?
- How much will it cost to raise the money?
- Is it likely that you will be able to raise the money?
- What will happen to activities and plans if you can't?

Strategy and Fundraising

- Fundraising should be part of organisational planning from the earliest stage
- Listen to your fundraising experts to see if income aspirations are realistic
- Always under-estimate income and over-estimate costs
- Forward plan on **less** than last years' income (?)
- Report and review alongside the rest of organisational strategy and action plans

Strategy and Fundraising

- What's the most pressing fundraising challenge for your organisation? What is the funding for? What's the major difficulty?
- Discuss in pairs



Sustainable Fundraising

- Plan for activities in 12 months, 3 yrs, 5 yrs
- Plan for income generation in 12 months, 3 yrs, 5 yrs
- What areas are you particularly relying on? Can you diversify your sources of income?
- Do your income/expenditure plans match?
- What's your Plan B?

Income Sources

- Donations
- Government (contracts or grants)
- Investments
- Earned (membership, trading, fees etc)
- Corporate donations
- Interest
- Trusts

Income Sources

- Where do you get your slices of pie?
- Where does your income currently come from?
- Where would you ideally like it to come from?
- How will you move from one to the other?

Benefits of diversified income

- Don't have all eggs in one basket
- Buffer if one income source dries up – time to make new plans
- Independence – not driven to mission creep by one dominant funder
- Unlikely that all sources will be hit at once ...but ...!

Recessionary Risks

- More competition, less partnership
- Mission doesn't matter – funding does
- Squeeze purses – and goodwill
- Put survival before the cause
- Working in collaboration may increase funding
- A strong, clear mission will attract funding
- More than ever important to respect your donors
- Consider merger if it is best for beneficiaries

Green roots ...



- Good Governance – inspires confidence from funders
- Good strategy – focus and clarity about what you are doing and what difference it will make
- Maintain standards – build relationships for the long haul – short term gain could risk it all
- Consider risks, don't avoid them

What next?

- Are there strategically untapped income sources for your organisation?
- What will you/your organisation do next to increase your chances of success?

Resources

- Institute of Fundraising www.institute-of-fundraising.org.uk
- Fundraising Standards Board (FRSB) www.frsb.org.uk
- Charity Trustee Networks (CTN) www.trusteenet.org.uk
- ImpACT Coalition www.impactcoalition.org.uk
- Office of the Third Sector www.cabinetoffice.gov.uk/thirdsector/
- Charity Commission www.charitycommission.gov.uk
- Office of the Scottish Charity Regulator www.oscr.org.uk
- Revenue and Customs www.hmrc.gov.uk/charities/

Hard Times ... Hard Sell?

Any Questions?

www.trusteenet.co.uk

zoeconsulting@mypostoffice.co.uk