Money Matters – Building Sustainable Funding Workshops Sponsored by
The Office of Ethnic Communities

Agenda

- **Philanthropic landscape and trends in NZ**

- **How do grant-makers decide which organisations to support?**

- **How to find the right funding partner**

- **Presenting your project and evaluating**

- **Understanding business giving**

- **How to engage with business**

- **How to write a winning funding application**

Introductions – 2minutes

Who do you work for?

What do you do?

What impact does your organisation deliver?

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Definition of philanthropic foundations

- **Trusts and foundations** are not-for-profit entities that hold money in trust for the public benefit and make grants of money for charitable purposes.

- Generally a foundation will have an asset base, and the interest from the capital investment is given away in the form of grants or donations.

- **Trusts and foundations are governed by trustees** who may be an authorised trustee company, family and friends of the benefactor, qualified professionals, or a mixture of the above.

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Government funding
vs philanthropic funding

- **Government** looks for accountable, best-practice organisations with proven track records, to deliver services in areas it has identified as priority needs.

- **Philanthropy** is more like venture capital – able to take risks and be innovative, as it has no stakeholders or voters to please!

Major gifts and grants vs corporate giving

Major gifts: above a certain value donated by individual donors.

**Grants:** Expect a social return on investment rather than commercial return.

Corporate sponsorships: generally require commercial arrangement where corporate expects an estimated value of promotional benefit.

Philanthropy in New Zealand

- **Philanthropy New Zealand** is the peak body promoting philanthropy in New Zealand. Members include trusts, foundations, philanthropic individuals, gaming trusts and corporates.

- The term 'foundation' has no legal meaning.

- According to the Charities Register there are 7500 funders.
  - 2400 (32%) give away > $10,000
  - 956 (13%) give away > $50,000
  - 296 (4%) give away > $250,000
  - 89 (1%) give away > $1 million.

FIGURE 1 - TOTAL GIVING BY SOURCE ($m, %)
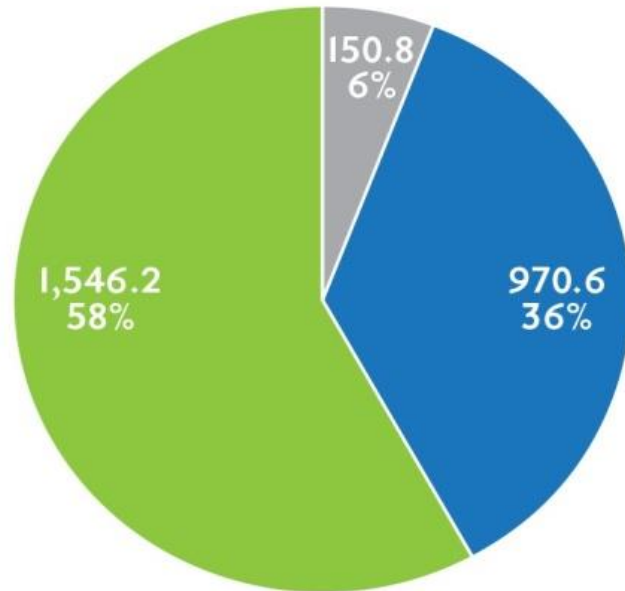
Giving NZ 2011 BERL research total philanthropic funding:

- of $2.67 billion during 2011.
- equates to 1.35% of NZ's GDP
- NZ rates in top 5 globally for most generous nations

Philanthropy New Zealand is the hub of philanthropy and the voice of philanthropists and grant-makers

- New Community membership for not for profit sector

- Professional development & networks

- Innovation & Emerging Best Practise

- Advise & advocate

- Enable collective impact and co-investment

- Members from 145 organisations who include:-

  – community trusts

  – family foundations

  – corporate foundations

  – community foundations

  – individual philanthropists

  – social enterprise

  – community sector

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What Communities tell us they need

- Move money from service delivery to community-led development (enfranchisement)

- Back resilient leaders, community coordinators and enablers of flax-root initiatives

- Social capital and social cohesion require longer term commitment and measurement

- More central, local government & philanthropic collaboration

- Aim for connectedness - within communities and across government, philanthropic and business sectors.

New philanthropy and future trends

- **Increase the efficiency of grant-making by:-**
  - Giving more multi-year funding
  - More funds for operating overheads
  - Two step process: brief application then shortlist for full applications
- **Relevant application and reporting processes**
- **Some proactive funding i.e. Todd Foundation Partnership Funding**
- **Co-investment i.e. Canterbury Social Housing**
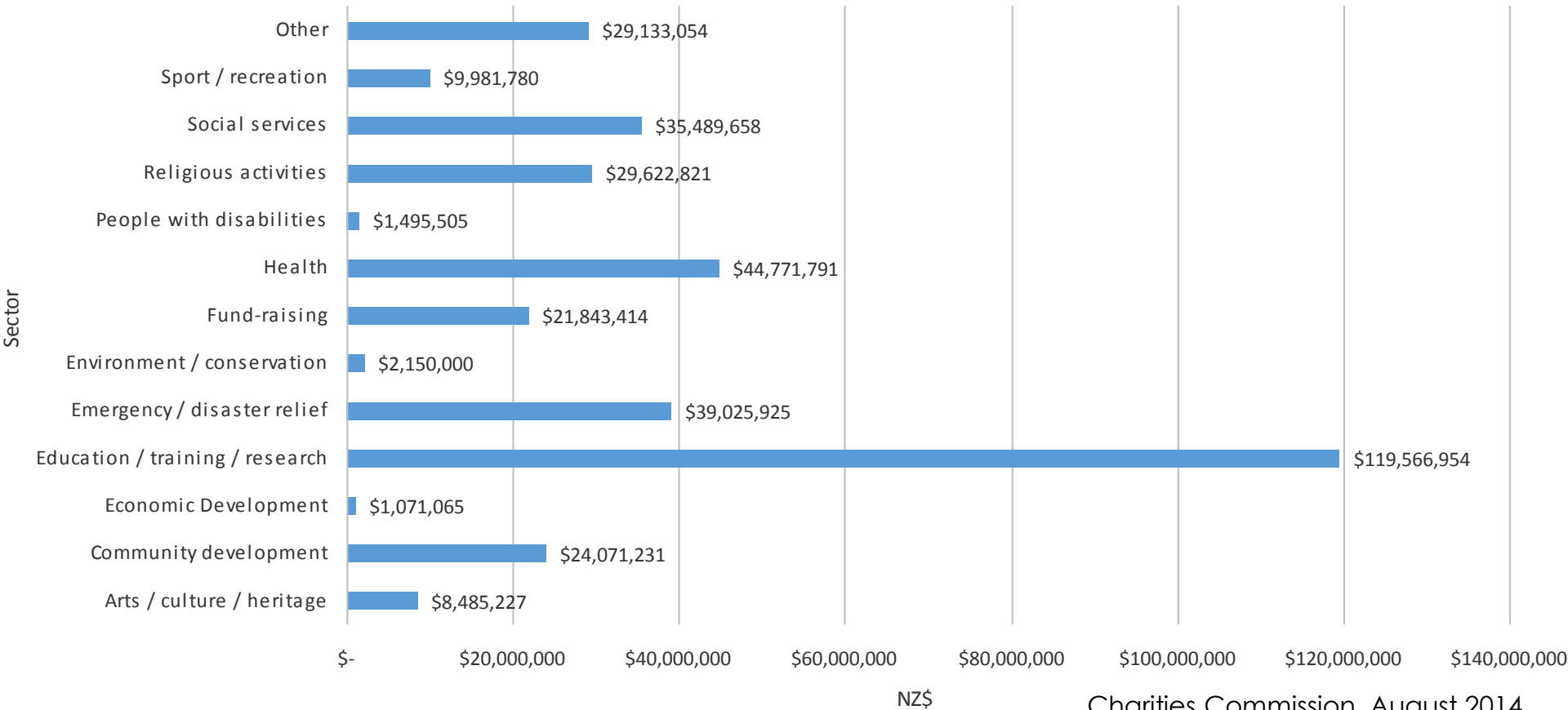
New philanthropy and future trends

- Private and public collaboration for impact investment

- A shared risk, shared investment approach

- Social financing including social loans

- Social impact bonds

- Collective impact

- Exit strategy

Sustainable and diverse funding is key

- Philanthropic sector is a good partner to have

- Critical to have a diverse income portfolio

- Potential for some not for profits to work as partners in shared risk, shared delivery models

- PNZ has created community membership to create learning, collaboration and partnerships between the not for profit and the philanthropic sectors

- For more information visit www.philanthropy.org.nz

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Where does the money go?

Funding by sector from grant makers, greater than $1m p.a.

Sector	NZ$
Other	$29,133,054
Sport / recreation	$9,981,780
Social services	$35,489,658
Religious activities	$29,622,821
People with disabilities	$1,495,505
Health	$44,771,791
Fund-raising	$21,843,414
Environment / conservation	$2,150,000
Emergency / disaster relief	$39,025,925
Education / training / research	$119,566,954
Economic Development	$1,071,065
Community development	$24,071,231
Arts / culture / heritage	$8,485,227

Charities Commission, August 2014

The non-profit sector

There are about 100,000 non profits in New Zealand of which 27,000 are charities.

- Hobby clubs and local sporting groups
- Advocacy groups
- Public hospitals/medical research organisations
- Professional associations
- Special schools
- Philanthropic foundations
- Community childcare centres
- Environmental conservation organisations
- Charities providing assistance to the needy and disadvantaged

Reasons for not being successful

- Feedback from all funders – large percentage of applications are poor.

- There are more applications being presented. It is HIGHLY competitive.

- **Funders still get applications that just don't meet guidelines!**

How are funding decisions made?

- Eligibility checks

- Adherence to guidelines

- Responses address the selection criteria

- Answers to questions provide demonstrable evidence

- The funder trusts that funds will be used according to how you have said they will be used

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Is your organisation funder ready?

Project plans and budgets?

List of funder deadlines?

Educated project leaders?

Someone to write a strong application
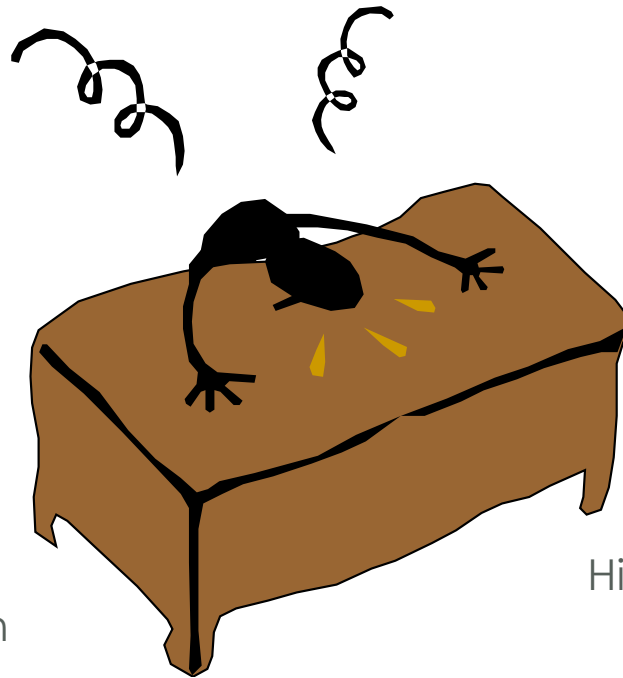
Clear and current website?

Prioritised, approved wish list?

Project evaluation methodologies in place?

Engagement and stewardship strategies in place?

Historical knowledge; have all previous grants been acquitted on time?

Recurrent funding strategies?

How to find the right funding partner

- **Government grants** – national and local

- **Lottery grants** – funds from lottery

- **Private Foundations** – established by individuals, (wills)

- **Family Foundations** – J R McKenzie Trust, Todd Foundation

- **Corporate Foundations** –Vodafone Foundation, ANZ Foundation – often staff involvement

- **Trustee Companies** – Perpetual Guardian Trust, Public Trust, Perpetual Trustees. They manage and administer trusts and estates established through wills.

How to find the right funding partner

- **Community Foundations** – raise funds from and give back to a specific geographic region such as Acorn and Nikau

- **Licensing Trusts** – funds allocated from the proceeds of community owned hospitality outlets and other investments. Waitakere, Portage, Invercargill are three of the biggest.

- **Gaming** – regulatory requirement to give gaming profits back to the community.

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WHERE do we find the

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The usual suspects

- Perpetual Guardian Trust

- Fundview http://www.fundview.org.nz

- Charities Commission Register

- Talk to solicitors, accountants and your donors!

- Government websites: www.dia.govt.nz

- Newspapers, other publications, funding briefing sessions, conversations with funders, other charities' annual reports.

- **Strategic Grants' Grants Hub http://client.strategicgrants.com.au/demo/**

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Engaging with funders and project matching

Funder

How do we connect ?

Your cause
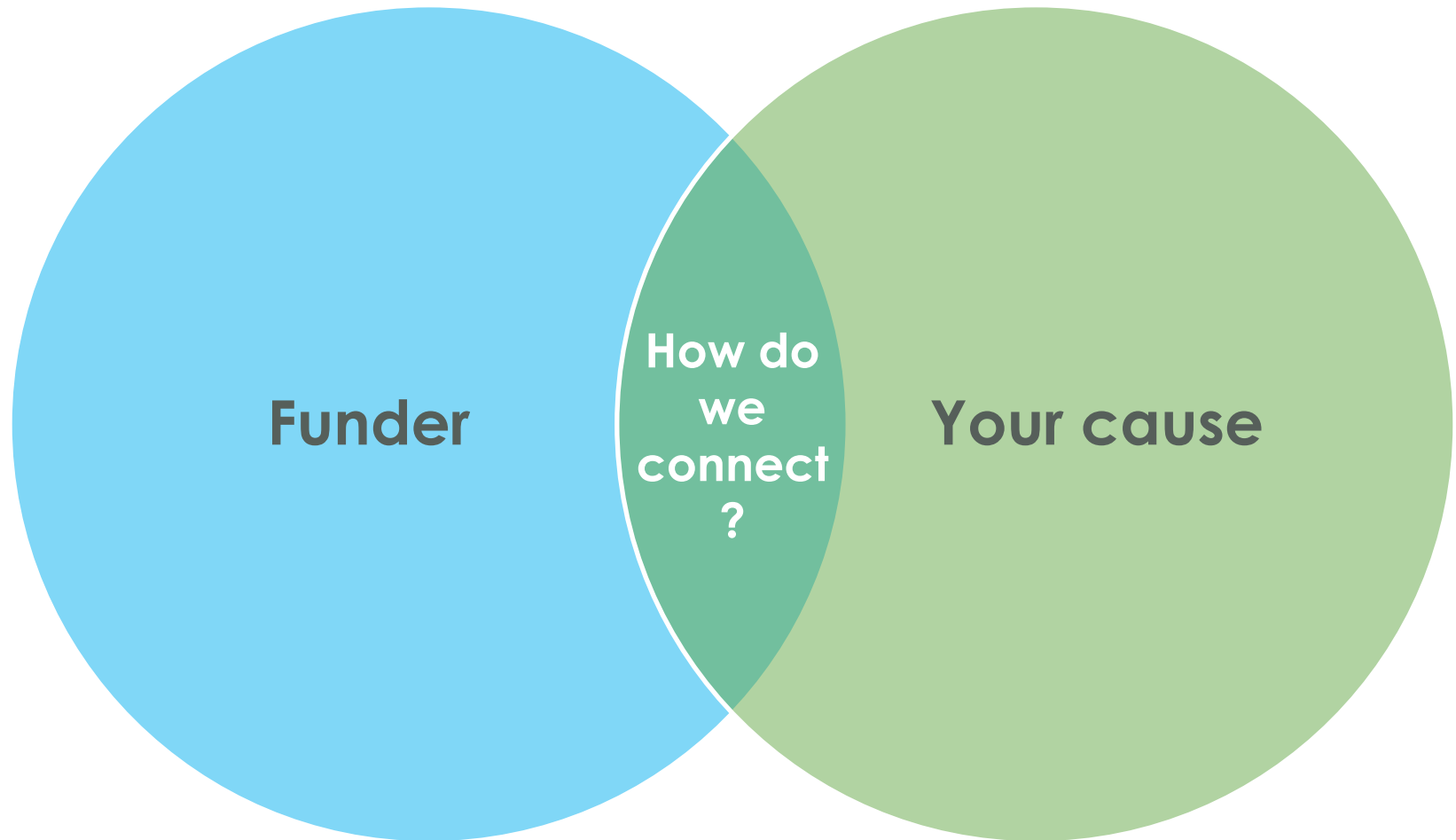
Engaging with funders

- Do your **research.**

- Attend **briefing sessions** where possible.

- Rule of thumb – **ring before writing**.

- Nurture **relationship** with key individuals.

- Keep them abreast of organisational changes.

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- Synergies between your organisation's needs and funder's charitable purpose?

- ***Look at what they have funded in the past.***

- Previous funding of your geographic area?

- Is your project on mission?

- Does your project fulfill the funding objectives?

- Grant amounts = your $ needs?

- Does your project replicate or fulfill an unmet need?

- Timing in sync with your $ needs?

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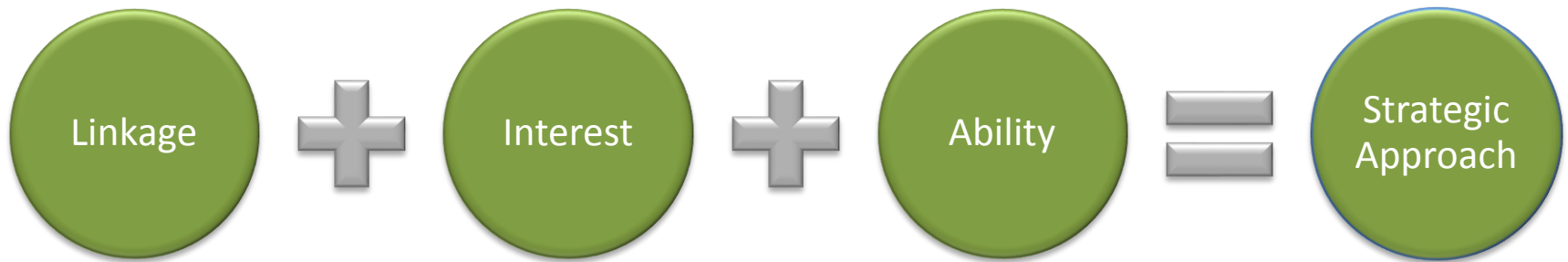www.strategicgrants.co.nz

Precision project-matching

- Listen to what they don't say as well as what they do.

- Do they ask a lot of questions?

- Best way to gauge interest – FACE TO FACE

ENGAGEMENT IS THE KEY!

To apply or not to apply?
Best-fit project matching

Linkage + **Interest** + **Ability** = **Strategic Approach**

Is there a connection between your organisation and the funder?

Has the funder encouraged you to apply?

Do the funding amounts meet your project budget costs?

O.K.

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Project planning
– getting your projects grant-ready

Aim:
- Goal?
- Ensure alignment between your mission and funder's mission.

Project need:
- WHY needed?
- WHAT gap in research / services is it fulfilling?
- HOW do you know need exists?
- Demonstrate with data and evidence.

Key differentiating factors:

- How is project different from others?

- How does it contribute to the larger body of research knowledge in your field?

- *Why is your organisation the best to deliver this project?*

Target group:

- WHO is this project helping?

- How many people will be assisted?

Objectives:

- Measureable outcomes to achieve the aim.

Strategies / Methodologies:

- Tasks implemented to achieve objectives.
- Each objective has its own set of strategies.

Timeframe / Key milestones:

- Confirm project is ready to start with funding agreement, but that it won't have already started.

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How we evaluate must be built into the project delivery plan!

Outputs:

- Immediate deliverable elements? The things we can count!
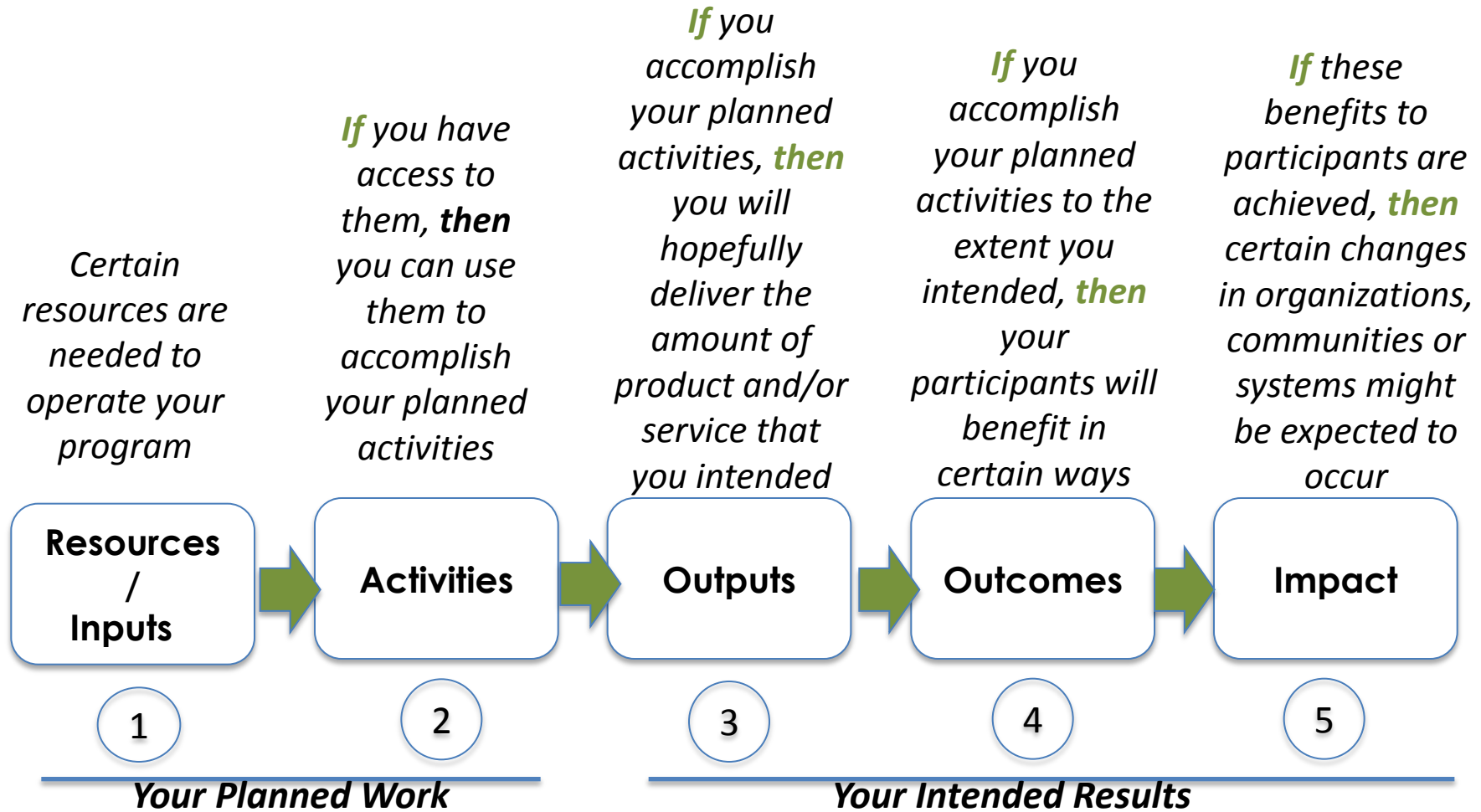
Outcomes and impact forecast:

- Outcomes are the direct changes.
- Impact results in sustained changes.

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Evaluation measures:

- How?

  - quantitative = data counting.

  - qualitative (simple surveys that capture changes in behaviour and thinking) .

- Use pre and post tests to capture changes.

- Logic models measure cause and effect, demonstrating a theory of change.

W.K. Kellogg Foundation Logic Model

Certain resources are needed to operate your program

If you have access to them, then you can use them to accomplish your planned activities

If you accomplish your planned activities, then you will hopefully deliver the amount of product and/or service that you intended

If you accomplish your planned activities to the extent you intended, then your participants will benefit in certain ways

If these benefits to participants are achieved, then certain changes in organizations, communities or systems might be expected to occur

| **Resources / Inputs** | **Activities** | **Outputs** | **Outcomes** | **Impact** |

1   2   3   4   5

Your Planned Work   *Your Intended Results*

Funders expect impact measurement

Social impact measurement increases your effectiveness.

"One of the biggest changes that I have observed in New Zealand is seeing funders develop a clear vision of what they want to achieve through their funding rather than, as in the past, having their funding decisions essentially driven by the applications they received"

Jenny Gill, CEO, ASB Community Trust

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Who is conducting the evaluation?

- Project leader or external reviewer?

Are there any project risks?

- If so, mitigation strategies?

Collaborations

- Who are you working with?
- Memorandums of Understanding?

Budget:
Total cost to your organisation to implement?

- Include **all** costs; staff, resources, evaluation etc.

- Don't make figures up. Get quotes!

- Funding from other sources? Provide details.

- Ensure that **income and expense columns are equal!**

EXPENSES		
Provide detailed complete project delivery costs under the following headings		
Expense item	*Unit price / quantity required*	*Amount*
People (what levels and how many)	Project Officer 20 hours / week x $85 per hour x 20 weeks	$34,000
	Project management provided by our organisation 10% of Manager FTE	$10,000
Consumables / software	Purchase of xyz software	$4900
Evaluation (by whom?)	Development of evaluation tools and data analysis by our evaluation team	$6000
Marketing / communications	Design and print of the program information booklets (according to quote from supplier)	$9400
Venue hire and catering	Use of partner premises for the client interview and education sessions: days room hire x $600 per day x 4 days ($2400)+ catering; 30 clients x 4 days x $20 pp ($2400)	$4800
Other (specify)		
TOTAL EXPENSES		**$69,100**

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Project Budget Template

INCOME		
Confirmed Funding		
Source	*Project allocation*	*Amount*
XYZ Foundation	Software	$4900
Sub-Total		$4900
Unconfirmed Funding		
Source	*Project allocation*	*Amount*
This grant application	Project Officer fee and equipment (as per below)	$34,000
	Design and print of program information booklets	$9400
Other pending grant applications		$0
Sub-Total		$43,400
In-Kind Contributions		
Source	*Project allocation*	*Amount*
Your organizational support (Examples might include project management, evaluation etc)	(Examples might include project management, evaluation etc)	$16,000
Other partnering organisations' support	Might include evaluation, use of their resources or infrastructure	$4800
Sub-Total		$20,800
TOTAL INCOME		**$69,100**

Why so much information?

- Grant application turnaround time is decreasing.

- Funding announcement to deadline – make sure you understand how long this will be.

- There are trusts and foundations which have fixed annual closing dates

- Some trusts will only allow one application per year so it needs to be right first time!

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Writing an excellent funding application

In-depth funder knowledge also informs the style of writing and communication channels that are most appropriate

Key Messages Statement

Funders have hundreds of applications to read.

Survive the 'tick and flick'

and remember word restrictions!

Key messages clearly define

- **what your organisation is all about**

- **your POINT OF DIFFERENCE**

Key Messages

- **Organisation description**
  - short version (150 words) and long version (300 words)
- **Vision, mission and purpose**
- **Organisation structure**
- **Organisational history**
- **Key achievements**
- **Scope**
  - size and nature of target group(s), geographical coverage
- **Number of staff and volunteers and profiles of key staff**
- **Funding breakdown**
- **Niche offering**
- **Partnerships**
- **Examples of successful projects/case studies**

The Seven Cs

- ✓ **C**lear
- ✓ **C**ompelling
- ✓ **C**oncise
- ✓ **C**onsistent
- ✓ **C**orrect
- ✓ **C**ertified
- ✓ **C**urrent!

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Introductions – 1minute

Who do you work for?

What do you do?

What impact does your organisation deliver?

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For example….

St Joseph's Family Shelter

Briefly describe your organisation:

For over 60 years, St Joseph's has developed its position in New Zealand as a trusted organisation that offers a holistic approach to meeting the human need wherever it is required. Our mission is to preach the gospel of Jesus Christ and meet human needs in His name without discrimination. We believe in the power of community and to be community builders, not just service providers. We work with people over the long-term, helping them to find long-term solutions. We help over 10,000 people in New Zealand each year.

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OR …

St Joseph's Family Shelter provides practical and emotional support to more than ten thousand men, women and children each year through its diverse range of services at five sites across Greater XXX. Established in 1962, St Joseph's still works in accordance with its original mission: to respond to and support those in times of need, without discrimination. St Joseph's network of services is backed by a committed team of staff and volunteers and includes housing and homelessness services, family services, financial counselling and emergency relief.

Briefly describe your project and explain the need:

Three years ago St Joseph's identified a need to build a refuge which combines an addiction recovery facility and transitional accommodation in South XXX. This facility will provide services for men and women adversely affected by alcohol, drugs and gambling, and offer temporary housing for those whose lives have been affected by addiction and who do not have access to permanent housing.
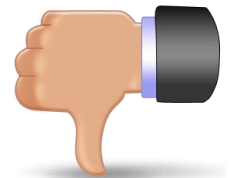
OR …

XXX City Council's 2013 Census found a total of 996 people are homeless in XXX. More than 500 of these were identified within Inner City XXX. Despite these numbers, there is currently NO facility in South XXX which offers both onsite addiction recovery support services and temporary accommodation. Reports show that people with mental health or substance abuse issues have particular difficulty in maintaining housing (*www.lmct.org.nz/homelessness-facts*).

To this end, St Joseph's will join forces with ABC Health Services to establish a new addiction recovery centre, where homeless men and women can receive both help to recover from substance addiction and a temporary roof over their heads. Counselling staff will also work together with residents to assist with employment and accommodation options.

Settling In Grants – Key words

- **Remove barrier to settlement**
- **Celebrate diversity**
- **Contribute to life – social, economic, civic and cultural**
- **Funding focus; collaboration, social interaction, social action (ethnic communities coming together)**

Funding priorities

- **Demonstrate community collaboration**
- **What community benefits and how measured?**
- **Demonstrate capable leadership**
- **Clearly align to Settling In priorities**
- **Priority: One-off projects or short-term initiatives**

Grant writing checklist

1. Strong project / funder match?

2. Relevant, up-to-date information?

3. Ensure the ask is at the top and focus on the need.

4. Clearly define the AIM of the project.

5. Demonstrate the need for the project, and qualify with data.

6. Define the strategies.

7. Outcomes? What will success look like?

8. How will the project be evaluated? WHO is going to evaluate?

9. Budget: adhere to guidelines; factor in other income; include in-kind support.

10. Spelling & grammar check – make it look professional.

11. Ensure formatting adheres to any funder guideline specifications.

12. Proofread - **get a third party to check the application with fresh eyes.**

Sample questions for you to answer

- **Briefly describe your project and what you want funding for**
- **How does your project align with the purpose and priorities of this fund?**
- **What is the community need and how will your project help meet that need?**
- **What are the expected outcomes? Please include numbers of people?**
- **How will you know if you have achieved the outcomes? (Measurement tools – WHAT you will measure)**

Remember fundraising 101

people give to people!

… but balance emotion with evidence

"Evaluation is woven into all processes: We evaluate everything. Our actions are informed by what our partners tell us is or isn't working. This occurs on a spectrum from monitoring and reporting, to monthly blogs from the World of Difference partners, plus annual questionnaires, interviews with charity partners, film and photographic records of events and programmes, and a hui feedback process. More sharing of stories is perceived to be needed within and among sectors."

Annette Culpan
Vodafone New Zealand Foundation

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Business Giving in NZ Today

- **Creates a competitive edge**

  – Builds customer loyalty – 26% more likely to recommend products/services

  – Staff engagement – 17% higher

  – Staff productivity – 15% higher

Decision making process

Key purpose of any business?

- Sustainability
- Key drivers are shareholder value through sustainable profits

How does it achieve this?

- Build reputation
- Grow sales and customer loyalty
- Improve staff productivity, retention and engagement

Engage with Business

- Construct a solid proposal
- Research – on prospect & your organisation
- Value proposition
- Managing expectations

Checklist

- The difference you make in your community
- Your unique strengths & your team
- How you align with a business
- How you'll deliver impact
- Do you know the decision-makers
- How you'll report & manage the partnership

From the workplace

- Understand culture and strategic direction of prospect
- Provide evidence
- Recognise barriers
- Sell your strengths

- Build a partnership
- Find the areas of mutual benefit and engagement

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Business Engagement Vehicles

- **Cause Related Marketing**
- **Foundation Grants**
- **Payroll or Employee Giving**
- **Sponsorship**
- **Donations**
- **Gifts-in-kind/Contra/Pro Bono**
- **Scholarships and Education**
- **Staff involvment**

Grant-seeking is major gift fundraising
that enables delivery of your organisation's mission.

**Professional fundraising practice
fosters effective philanthropy
and achieves positive outcomes
for the community, your charity
and the philanthropist or grant-maker**

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Thank you!

Thanks to Office of Ethnic Communities for hosting this workshop

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