



Factsheet

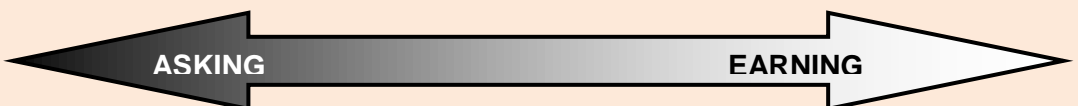
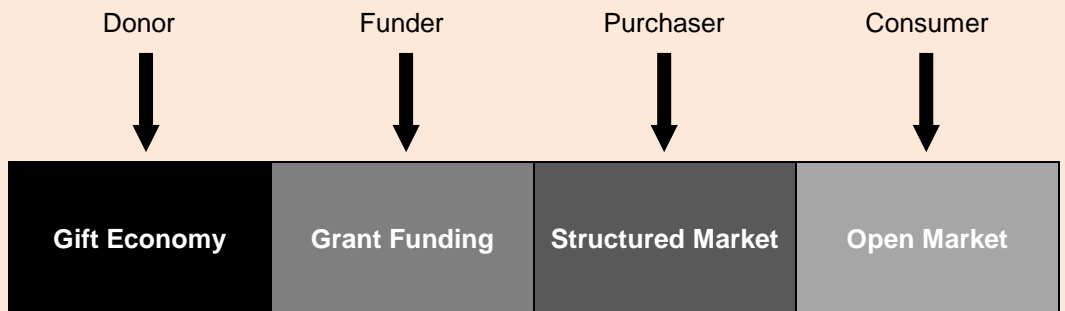
What are Grants?

Key Messages

Grants

- Grant funding is one of income generation methods within a sustainable funding framework.
- Essentially, it is a part of fundraising spectrum in this sense that a non-profit group asks other charities for financial support in a form of a gift.
- Unlike other fundraising techniques, grant funding has one major weak side, which is lack of flexibility in spending a granted sum of money. Grants are always restricted which means that a group has to spend a grant on items specifically detailed in request and on nothing else – if a group can't spend grant according to its purpose agreed with a grant-funder, the money needs to be returned.
- Grant fundraising is similar to other fundraising techniques by the fact that a group asks for financial support and the decision depends solely on grant-funder's eagerness to support this or that cause or organisation. Grant-giving is fully discretionary and there is no way to question funder's decision.
- On the other hand, discretionary nature of grant-funding allows for solicitation similar to asking for individual gifts: it is essential for organisation to approach trusts and foundations and present them in the best possible light, possibly inviting trustees to visit a group and meet beneficiaries, and this way to influence potential decisions. It is necessary to remember that grants are actually given by people (trustees) and not by anonymous bureaucratic machine – and people can always be asked for support!
- It is essential to remember that grants are part of a sustainable income spectrum and never guarantee sustainability on their own. Grants are great for kick-starting new projects and subsidising specific activities but can't be seen as the only income source, especially in these economic conditions!

YOU ARE HERE



Key Terms

Trusts and Foundations: Independent charities which deliver their mission by redistributing financial support to other non-profit organisations to carry forward work. Trusts and Foundations are charities with vision and missions as every other organisation but instead of providing specific activities/services to deliver their mission they grant money to others who provides services similar to trusts' and foundations' own goals. Therefore it is essential to be on top of what grant-funders actually look for, either by researching guidelines and other published materials or by requesting this information if it is not published.

Grant: A sum of money granted by a funder to deliver activities/services. Grants are always a restricted income stream which means that a grant-receiver has to spend every penny according to arrangements with the funder.

Grant Cycle: A cycle of activities necessary for a non-profit to perform in order to successfully obtain grants. It consists of 4 stages:

- Preparation (research and initial approach)
- Application (preparing application form or a proposal, applying and receiving decision)
- Receiving (receiving an offer letter, agreeing to terms and conditions, acknowledging a grant), and
- Delivering (spending money on services, monitoring and evaluation of services, promoting your work)

Signposts

A list of documents and websites useful for fundraising:

Inside the mind of a grant maker.

A report about the relationship between grant-makers and charities.

<https://nfpsynergy.net/inside-the-mind-of-a-grantmaker>

The Basis Project Fundraising online toolkit

This toolkit will guide you through the fundraising process: developing a strategy, considering different ways to raise funds, making applications, managing your project and evaluating its success. It is more advanced than this starter guide and covers other forms of income generation. It is written with refugee organisations in mind but is perfectly applicable to all:

<https://www.refugeecouncil.org.uk/assets/0003/1051/Fundraising-full3.pdf>

Gimme, Gimme, Gimme! A Guide to fundraising for small organisations

A report written try help organisations think about their fundraising with greater realism and to improve their chances of success.

<http://nfpsynergy.net/gimme-gimme-gimme-guide-fundraising-small-organisations>